



Ministry of
Forests, Lands, Natural
Resource Operations
and Rural Development

FOREST TENURES BRANCH

Licence to Cut Administration Manual

Version 3.1 – April 2, 2020

Disclaimer

This document contains material to assist with the administration of Licence to Cuts entered into under the *Forest Act*. This document contains both a summary of the legal requirements and advice/suggestions from the non-legal realm. The latter are not legal requirements that you must follow, nor are they government policy.

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Document Change Control

Version	Date	Description of Change
1.0	March 10, 2010	New manual crafted from input of several authors. A number of Outstanding Issues remained at the end of the drafting process. The review team determined that staff will be best served by having access to the manual as is, recognizing that the FLNRO LTC SharePoint site (https://sharepoint.forests.gov.bc.ca/hthAdmin/LTC) will be collecting FLNRO input and suggestions towards the next update.
2.0	Sept. 1, 2014	Updated manual to reflect changes in the various acts and regulations that have occurred since the original manual was drafted. The main changes include the addition of the Fibre Recovery Tenures (Fibre FLTC; Fibre Supply Licence to Cut).
3.0	July 25, 2018	Updates reflect the amendments to Section 79.1 of the Forest Act.
3.1	April 2, 2020	Correction of OLTC Pricing Section to reflect current Appraisal manuals Repairing broken links, minor grammar changes.

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Glossary

A glossary of common forestry terms can be found on the following website:

<http://www.for.gov.bc.ca/hfd/library/documents/glossary/>

Agreement in this manual means any of the forms of agreement listed in section 12 of the *Forest Act*.

Cutting Authority in this manual means a licence or associated cutting permit that grants legal authority to harvest Crown timber. The term “cutting authority” is not defined in the *Forest Act*. Cutting authority is defined for appraisal purposes in the Coast and Interior appraisal manuals. <https://www2.gov.bc.ca/gov/content/industry/forestry/competitive-forest-industry/timber-pricing>

Forestry legislation in this manual means the *Forest Act*, the *Forest and Range Practices Act*, the *Wildfire Act* and any regulations under those Acts.

Abbreviations, Acronyms and Initialisms

AAC	allowable annual cut
AGFSP	Administrative Guide to Forest Stewardship Plans
BCTS	BC Timber Sales
CP	cutting permit
FA	<i>Forest Act</i>
FDU	forest development unit
FFT	Forests for Tomorrow
FLTC	forestry licence to cut
FPC	<i>Forest Practices Code of British Columbia Act</i>
FPPR	Forest Planning and Practices Regulation
FRPA	<i>Forest and Range Practices Act</i>
FSLTC	fibre supply licence to cut
FSP	forest stewardship plan
FSR	forest service road
FTA	Forest Tenure Administration system
FTB	Forest Tenures Branch

MAL	Ministry of Agriculture and Lands
MoE	Ministry of Environment
FLNRO	Ministry of Forests Lands and Natural Resource Operations
LTC	Licence to Cut
MLTC	master licence to cut
NRFL	non-replaceable forest licence
OLTC	occupant licence to cut
PH	primary harvester
RP	road permit
RUP	road use permit
SH	secondary harvester
TSL	timber sale licence

About This Manual

Purpose

This manual provides guidance on the administration of licences to cut. These include the various forms of licence to cut established by the *Forest Act* and regulation. The manual establishes business processes, rules and guidance for the application, issuance, administration and termination of licences to cut in a provincially consistent manner.

The manual targets Ministry of Forests, Lands and Natural Resource Operations (FLNRO) tenures staff responsible for the issuance and ongoing administration of licences to cut. The manual is also expected to be used as a general reference for staff from other FLNRO business areas, computer system developers, staff of other provincial agencies, licensees and the general public.

The manual addresses a need identified by tenures staff across the province for a single, authoritative source of guidance on licence to cut administration.

The manual does not provide detailed guidance for:

- forestry licences to cut issued by a timber sales manager under sec. 47.6(3).
 - forestry licences to cut issued as a timber sale licence conversion under sec. 24.9.
 - master licences to cut administered by the BC Oil and Gas Commission.
-

Format

References are cited throughout the manual with blue hyperlinks to websites where additional information is available. Key reference documents that are not readily available on the web have been embedded.

Cross-references within the manual are hyperlinked but not necessarily formatted differently (a limitation of the word-processing application). When viewing the document within Microsoft Word, the normal settings require Ctrl+click to follow hyperlinks.

Bold text indicates emphasis. *Italics* indicate legislation or the title of a publication.

Updates and Feedback

This manual will be updated as needed to reflect policy changes, new legislation and user demand for additional content. The latest version will always be available from the Forest Tenures Branch [LTC Admin Manual](#) website.

Questions and suggestions regarding the manual should be directed to:
ForestTenuresBranch@gov.bc.ca

Part 1 Introduction

This part provides background information on the broad business context in which licences to cut are issued. It describes the role of the LTC in its various forms, references applicable legislation, and provides information on associated business activities.

1.1 The Role of the Licence to Cut

An LTC generally is a small forest tenure that allows harvesting in a specific area over a relatively short period of time. An LTC is not a replaceable tenure because it is not intended to provide a forest company with an ongoing supply of timber. An LTC is also not intended to be used like a timber sale licence to provide an ongoing stream of competitive timber harvesting opportunities. An LTC can grant harvesting rights for a number of purposes that cannot be addressed by larger licences or through BCTS.

An LTC commonly provides cutting authority directly but an LTC can also contain a requirement for separate cutting authority in the form of one or more cutting permits.

1.2 Forms of Licence to Cut

An LTC is a non-replaceable form of agreement entered into under Division 8.2 of Part 3 of the *Forest Act* by a regional manager, district manager, an authorized forest officer or a Timber Sales Manager.

Forest Act agreements are legally empowered contracts that provide the agreement holder with specific rights to harvest Crown timber within a defined area and over a specific period of time. Agreements contain provisions requiring the holder to comply with forestry legislation¹, meet government objectives, carry out various forest management obligations and pay stumpage fees for the Crown timber that is harvested.

The *Forest Act* establishes four general forms of LTC: occupant licence to cut (OLTC), master licence to cut (MLTC), forestry licence to cut (FLTC) and Fibre Supply Licence to Cut. The *Forest Act* also specifies a number of FLTC for specific purposes and allows for regulations to enable additional forms of MLTC and FLTC.

¹ The term “forestry legislation” means the *Forest Act*, the *Forest and Range Practices Act*, the *Wildfire Act* and any regulations or standards made under these Acts.

Table 0-1- Forms of Licence to Cut

<i>Forest Act</i>
Occupant Licence to Cut [s 47.4(2)(a)] <ul style="list-style-type: none"> • For Crown Timber where licensee already has land occupation rights. • Cut, Remove or Cut and remove.
Master Licence to Cut [s 47.4(2)(b)] <ul style="list-style-type: none"> • geophysical exploration. • well site or pipeline development. • roads associated with geophysical exploration or well site / pipeline development. • prescribed purposes/circumstances.
Forestry Licence to Cut <ul style="list-style-type: none"> • Form of tenure used to cover a wide range of purposes including small scale salvage to the removal of timber to protect a community from wildfire to harvesting under a pulpwood agreement. • Rights and obligation vary from licence to licence. • Authorized under a number of sections of the Forest Act as well as the Licence to Cut Regulation.
Fibre Supply Licence to Cut <ul style="list-style-type: none"> • processing and removal of waste from roadside or landings that have been abandon by a primary harvester. • longer-term licence covering a large geographical area. • Essentially grants rights of first refusal to waste.

Forestry Licence to Cut

The FLTC authorizes timber harvesting to meet a number of objectives. These purposes include small scale salvage, intermediate salvage, fuel reduction, pulpwood agreements, scientific investigation, controlled recreation areas, First Nations direct award and utilizing fibre that a primary harvester has abandon. Certain uses are specified in the *Forest Act* while others are provided for under the Forestry Licence to Cut Regulation.

Administration details specific to FLTCs are provided latter on in the manual.

Occupant Licence to Cut

An OLTC is only issued to

- a person to whom the government has granted rights to occupy Crown land, or
- a land owner who has purchased Crown land and the government still owns the timber on the purchased land.

An example of the first instance is where a person has agricultural lease and needs cutting authority to clear land for agriculture. An example of the second instance is where an agricultural lease holder purchases the land without purchasing the timber on the land resulting in the timber being reserved to the Crown.

An OLTC can authorize a person to cut Crown timber, remove Crown timber or do both. If the OLTC only authorizes the cutting of Crown timber, an FLTC could be issued to another person to remove the merchantable timber that was cut under the OLTC. For example, BC Hydro could obtain an OLTC to cut trees on their right of way that threaten their powerlines. To dispose of the merchantable timber, FLNRO could issue an FLTC to another person to remove the timber cut by BC Hydro.

Although there is no limit specified in legislation regarding how long an occupant licence to cut can be issued for, they are intended to fill a short term need and an appropriate term should be specified in the licence document.

Master Licence to Cut

The purpose of the MLTC is to deal with situations where a company needs to cut or cut and remove timber on a large number of relatively small areas for their oil & gas activity. An MLTC can be issued over all or part of a forest district and requires cutting permits to be issued to authorize actual harvest areas. Cutting permits are then issued to authorize the harvesting on the small individual blocks.

The MLTC is only available for harvesting associated with oil and gas activities and the roads necessary to provide access for these activities. The *Oil and Gas Activities Act* provides the authority for the BC Oil and Gas Commission to issue MLTCs and associated cutting permits and no other agency can issue this tenure type. FLNRO retains responsibility for pricing and billing stumpage to the holder of the MLTC.

The *Forest Act* allows for the MLTC framework to be expanded for other purposes/circumstances through regulation. However, to date this has not occurred.

Given the limited involvement of FLNRO, this manual does not cover further details on MLTCs and further inquiries should be directed to the [BC Oil & Gas Commission](#).

Fibre Supply Licence to Cut (FSLTC)

This tenure provides the ability to issue a fibre recovery permit on active cutting authorities to utilize residual fibre that is left behind on landings and roadsides provided that the Primary Harvester's rights (PH) have been cancelled under S. 79.1 of the *Forest Act*.

The FSLTC is a tool to be used where business to business relationships between the primary harvester and secondary users are not established.

1.3 Associated Business Processes

The issuance of an LTC involves a number of business processes, primarily related to revenue activities but also cut control. Timber marking is a business activity that facilitates revenue and cut control.

1.4 Revenue Activities

The revenue activities described below are usually associated with cutting permits but these activities may also be applicable to LTC, as discussed below. Timber Pricing staff should be contacted for any specific items as they are the subject matter experts.

Timber Cruise

Cruising is the measurement and estimation of volumes of standing and down timber on a given parcel of land. An LTC does not normally require a timber cruise.

The [Cruising Manual](#) sets out the minimum cruising standards that must be met. These include specifications for the statistical design of the cruise, the accuracy of field measurements and standard compilation procedures.

The [Cruise Compilation Manual](#) outlines the FLNRO's policy for compiling cruise data and provides a set of instructions for system designers and programmers who are building or maintaining a FLNRO-standard cruise compilation program. Any agency compiling cruise data for a licensee must adhere to these guidelines if the compilation is being submitted to the FLNRO for stumpage appraisal.

Appraisal

The [appraisal manuals](#) contain the Minister's policies and procedures for determining stumpage rates for Crown timber. There are different manuals for the Coast and the Interior.

Due to the nature of LTCs, tabular stumpage rates are often applicable

Scaling

Scaling is the physical measurement of cut timber to determine its volume and quality or grade. Scale data is reported by species and grade, and volumes are expressed in cubic metres (m³).

The legal and administrative framework for scaling in British Columbia is set by Part 6 of the *Forest Act* and the *Scaling Regulation*. This legislation contains the authority and requirements for scaling. It is applicable to all timber cut from both public and private land within provincial jurisdiction. This legislation does not apply to timber cut on lands that are under federal jurisdiction. Such timber includes timber cut on Indian or military reserves administered under Federal Acts.

Refer to the [Scaling Manual](#).

Stumpage Billings

Under Part 7 of the *Forest Act*, a holder of an *agreement* that harvests Crown timber is required to pay stumpage in accordance with that Part and the *agreement*. Crown timber applied for under a cutting or road permit is subject to payment of stumpage. The Harvest Billing System (HBS) is a corporate data base that records and prepares stumpage billing and related fees with respect to Crown timber harvested under that *agreement*.

Waste Assessments

Timber under cutting authorities must be paid for as either stumpage or waste. The Waste Assessment Policy states that Merchantable Crown timber, whether standing or felled, that is not reserved from cutting and remains on site upon the completion of primary logging of each cutblock or at the expiry of the *agreement* or CP is waste. The FLNRO will issue monetary billings for this waste and will also charge this waste to the *agreement's* cut control as if it had been cut and removed.

Note that since Section 103.1(2) of the *Forest Act* came into force in 2003, utilization is no longer a compliance issue. However, the requirement for waste assessments is unaffected.

The [Provincial Logging Residue and Waste Procedures Manual](#) establishes the administration and field procedures that are used for determining and billing of logging waste.

The processing and removing of fibre under a fibre FLTC or FSLTC is not subject to waste assessments.

1.5 Timber Marking

A timber mark is an identifier that must be marked on unscaled timber that is decked or removed from the Crown or private land where the timber was cut. Each cutting authority (LTC or associated CP) requires a unique timber mark.

Timber marks are governed by Part 5 of the *Forest Act* and the Timber Marking and Transportation Regulation.

A timber mark on a log can be used to identify:

- the authority under which the timber was harvested
- whether the timber came from Crown or Private Land
- exportability of the timber
- the general location from which the timber is removed (to the level of the cutting authority area or private land parcel)
- the holder of the timber mark
- the associated stumpage rate if it is Crown timber
- the tenure to which scaled timber volumes should be associated with for stumpage billing, cut control and waste assessment billing

1.6 Cut Control

The volume of timber harvested under an *agreement* is tracked to ensure that the holder of the *agreement* has not exceeded the harvest rights granted under the *agreement*. The administrative process of tracking volumes harvested and reconciling it with the rights granted under the *agreement* is referred to as cut control.

The administration of cut control is now fully regulated by Part 4 - Division 3.1 of the *Forest Act* and the *Cut Control Regulation*. The legislation defines several sources for the “volume of timber harvested” and provides the option for a licence to contain a different definition of “volume of timber harvested”. The primary sources of volume charged to cut control are:

- the volume of timber cut under the *agreement* and under road permits associated with the *agreement*;
- the volume of timber estimated to be wasted or damaged under the *agreement* and under road permits associated with the *agreement*.

Timber merchantability specifications in the residue and waste manual are used to establish how residue and waste is measured while species and grades of the volumes are identified in regulation and charged to the cut when removed or in waste assessments. These volumes will be counted as “volume of timber harvested” for cut control purposes.

The processing and removing of fibre under a fibre FLTC or FSLTC is not subject to cut control.

1.7 Associated Electronic Systems

Corporate system applications are integral to the issuance and administration of any licence or permit. Background information and tables of general and activity-specific corporate systems are described in section 6.6 of this manual.

Part 2 COMMON FEATURES OF LTCs

This Part outlines the common features that apply to most or all forms of LTCs. Part 3 and Part 4 detail more specific requirements that apply to individual types of LTC.

2.1 Rights and Obligations

The rights, obligations, and responsibilities associated with forest tenures are established in provincial legislation and policy. For all forms of LTC, the *Forest Act* indicates the licence document “may include other terms and conditions that are consistent with the *Forest Act*, the *Forest and Range Practices Act*, the *Wildfire Act* and any regulations or standards made under those Acts”.

The LTC document should not repeat requirements that are set out in forestry legislation. Instead, LTC provisions should provide the specifics necessary to implement legislation in accordance with established policy. For example, section 84 of the *Forest Act* requires Crown timber that is removed from an LTC area to be marked in the prescribed manner with a timber mark that pertains to that land. The LTC document does not need to reiterate the *Forest Act*’s timber marking requirements but the LTC (or an associated cutting permit,) will need to specify the timber mark.

An LTC can involve layers of rights and obligations:

- **Harvesting rights** – The LTC can grant harvesting rights and set limits on timber volume, timber type, location and timing (term). The limits may be non-specific (e.g. a volume within a TSA or identified area) if the LTC requires a separate cutting authority in the form of a cutting permit.
- **Cutting authority** – The LTC can provide cutting authority or the LTC can enable the application and issuance of one or more cutting permits. Cutting authorities grant one or more of the following rights:
 - **Right to Occupy Crown Land.** Occupation rights are always necessary before cutting. If a person already holds rights to occupy Crown land, or owns land where the timber is reserved to the Crown, the cutting authority (in the form of an occupant licence to cut) omits occupation rights. All other LTC cutting authorities grant non-exclusive occupation rights for the purpose of cutting and/or removing timber.
 - **Right to Cut Crown Timber.** Normally, a cutting authority will enable the cutting of certain Crown timber in a specific area. But the right to cut is not

always granted. For example, an LTC or CP for previously cut decked timber would grant rights to occupy and remove but no right to cut. In addition, fibre recovery tenures grant the rights to process and remove timber, but do not grant the right to cut timber.

- **Right to Remove Crown Timber** – The LTC or CP cutting authority will specify whether the holder is allowed to remove Crown timber. In some cases, the holder will only be allowed to cut the timber but not remove it.
- **Obligations** – In addition to obligations established by forestry legislation, a cutting authority can impose contractual obligations, consistent with the legislation. For example, an LTC or CP that grants a right to cut but not a right to remove might require the cut timber to be decked or disposed of by burning, burying or dispersing.

Exhibit A Map

The Exhibit A map outlines the external boundary of the area to which harvesting is authorized under the FLTC. The map is most often generated by FLNRO district staff. A Small Scale Salvage professional application should include a digital map that the Exhibit A can be based on.

2.2 Licence Provisions

To provide legally appropriate wording and maintain consistency around the province the standard terms and conditions for each form of LTC are provided in LTC templates that are maintained by Forest Tenures Branch (FTB). To ensure that the most recent version is used, these templates should be accessed each time a licence is being drafted.

The templates can be found on the Resource Tenures internal website.

The LTC templates include certain flexibility for government employees to make minor changes and include additional clauses to address site specific circumstances. If a situation appears to warrant further wording changes the proposed wording should be discussed with the appropriate specialist in FTB.

FTB has a document management system to deal with requests for general wording changes in generic tenure documents.

2.3 *Term of an LTC*

LTC documents should always establish the **term** of the licence (maximum 5 years for FLTC, MLTC, and 10 years for a FSLTC) by specifying the dates that rights under the licence commence and end. For a short term LTC that authorizes harvesting on a specific area, the LTC document may also indicate that the **term** may expire earlier if notice is given to the licensee that all contractual and legislative obligations associated with the licence have been completed.

Note that the maximum term should only be used if warranted by the circumstances. An LTC is intended to enable harvesting in a small area over a relatively short period of time.

2.4 *Rights to Harvest Crown Timber*

An LTC usually provides cutting authority within the document. In some cases, an LTC may instead grant general harvesting rights and provide for cutting permits. The holder of such an LTC would need to apply for and obtain cutting authority in the form of a cutting permit.

Cutting authorities can grant different combinations of rights:

- **Rights to Occupy Crown Land, and Cut and Remove Crown Timber.** A typical LTC on Crown Land where the licensee will take the timber away to sell or use it.
- **Rights to Cut and Remove Crown Timber.** No right to occupy is needed if the holder of the LTC already has a right of occupation for the land such as a *Land Act* tenure (e.g. agricultural lease). An OLTC is the form of LTC for this situation.
- **Rights to Occupy Crown Land and Cut Crown Timber.** If there is no right to remove the cut timber, the cutting authority will usually include a contractual requirement specifying what to do with the cut timber. I.e. deck or dispose of by burning, burying or dispersing. Disposing merchantable timber might be unavoidable in remote locations. For example, developing a trail through remote Crown land may preclude any opportunity to utilize the wood.
- **Rights to process and remove timber.** The fibre recovery tenures do not grant the right to cut any trees.

Table 0-2 - LTC Cutting Authorities

Form of LTC	Cutting Authority
FLTC	A FLTC <u>may</u> provide for cutting permits but generally, cutting authority is within the FLTC document with the exception of an FLTC directly awarded to a First Nation under section 47.3(1)(a) of the <i>Forest Act</i> .
FLTC issued under a pulpwood agreement	A FLTC issued under the PA could provide for CPs but most provide cutting authority within the FLTC document
OLTC	An OLTC cannot provide for cutting permits and so cutting authority is always provided within the licence.
MLTC	A MLTC does not provide cutting authority but must provide for cutting permits which are the cutting authority for the harvest of Crown timber.
FSLTC	A FSLTC provides for fibre recovery permits.

The LTC cutting authority (document or CP) or fibre recovery permit will include an Exhibit A map to indicate the external boundary of the area where harvesting is authorized. The indicated area is the cutting authority area (referred to as the harvest area or licence area in various licence templates.) In some instances, the Exhibit A map may be replaced with text which clearly describes the boundaries of where harvesting may take place. Where the LTC authorizes the removal of post-harvest material, the text may include a reference to all or a portion of an existing licence, cutting permit and block that has an Exhibit A map.

For more information on cutting permits see the [Cutting Permit and Road Tenure Administration Manual](#):

FLNRO staff (additional resources):

[FTB internal website](#)

Specific Harvesting Restrictions – Reserved Timber

The LTC document or CP may include specific harvesting restrictions that are designed to ensure that certain trees within the area authorized for harvesting are not cut, damaged or destroyed. These trees are referred to as “reserved timber” and the cutting authority document will prohibit the licensee from harvesting these trees.

Note that LTCs or associated CPs issued under a FRPA forest stewardship plans should not contain any reserved timber provisions for forest practices that can be enforced under FRPA. However, if the LTC cutting area covers any areas reserved from harvesting under another licensee’s forest stewardship plan, the holder of the LTC would not be obliged to follow that plan and so the LTC should contractually restrict harvesting in the area

Note that non-FRPA reserves, such as those derived from silvicultural systems, must always be identified as reserved timber in the LTC.

2.5 Maximum Harvestable Volume for an FLTC

If the *Forest Act* specifies a maximum volume of Crown timber that may be harvested under a certain form of LTC, the LTC document should include a provision limiting the maximum volume that may be harvested. Small scale salvage and intermediate salvage FLTCs have maximum volume limits specified in legislation. When an FLTC document specifies a maximum volume of timber that may be harvested under the FLTC, cut control requirements under the *Forest Act* will apply.

2.6 Cut Control

The cut control requirements under Part 4 Division 3.1 of the *Forest Act* do not apply to forms of LTC other than an FLTC that specifies a maximum harvestable volume. Section 75.21 of the *Forest Act* requires the holder of an FLTC to ensure that the volume of timber harvested under the licence must not exceed the maximum harvestable volume specified in the licence document. Section 47.7(c) of the *Forest Act* indicates that it is optional for an FLTC to specify a maximum volume that may be harvested from the area of land described in the FLTC. Therefore the cut control requirements under the *Forest Act* will only apply if the FLTC document specifies a maximum harvestable volume limit. Small scale and intermediate salvage FLTCs normally specify a maximum harvestable volume

limit and FLTC holders are subject to mandatory² cut control penalties for exceeding this volume limit.

FRPA's section 52 (Unauthorized Harvest) also applies where the holder of the licence exceeds the amount authorized for harvest. However it may not be appropriate to levy penalties under both section 52 of FRPA and section 75.21 of the *Forest Act* for the same contravention. The Assistant Deputy Minister's memo of August 25, 2005 *Exceeding Maximum Harvestable Volume on a FLTC or Community Salvage Licence* states:

After June 30, 2005, C&E staff will, as a general rule, not proceed with allegations of non-compliance with section 52 of FRPA due solely to harvesting in excess of the authorized volume on a licence. However, C&E staff will continue to deal with those situations where a person cuts Crown timber contrary to the other specifications within a licence such as: harvesting a species or grade that is specified as reserved, creating an opening size greater than that authorized, harvesting outside of the Exhibit A boundary, or harvesting outside the term of the licence.

The penalty for non-compliance with section 75.21 of the *Forest Act* (exceeding the maximum harvestable volume) is calculated by multiplying the volume of timber harvested in excess of the maximum harvestable volume limit by the prescribed rate. The prescribed rate for an FLTC is specified in section 2 of the Cut Control Regulation and varies depending on the amount of volume harvested in excess of maximum harvestable volume limit. To calculate the average stumpage rate for the last year in which stumpage was payable under the FLTC, the FLNRO would calculate the total stumpage billed under the FLTC for that year and divide this amount by the total volume of timber harvested in that year.

The July 30, 2008 Information Bulletin *Excess Harvest Penalties on Short-Term Licences* (available from the [FTB Small Scale Salvage website](#)) lists the following tenure administration strategies for reducing the number of cases where the specified sale volume is exceeded:

- 1) Issuing licences where the maximum volumes specified in the licence is more than the original estimated volume submitted in the professional application;

² Section 75.21 (2) indicates the FLTC holder who exceed the maximum harvestable volume limit must pay a cut control penalty. The district manager or regional manager has no discretion to waive this penalty.

- 2) Amending the licence to increase the specified sale volume if it is clear that the original volume will be exceeded; and
- 3) Issuing a new licence in order to complete the harvest of the original licence area.

2.7 Timber Marking

An LTC cutting authority (document or associated CP) must specify the timber mark to be used to mark all unscaled timber that is decked or removed from the Crown or private land where the timber was cut.

2.8 Scaling

An LTC document will normally require that all timber removed from the licence area must be scaled in accordance with the requirements of the *Forest Act* and the Scaling Regulation.

2.9 Timber Volume Charged to the Licence

An LTC document will normally specify the grades of logs that the FLNRO will charge to the licence to calculate and determine the “volume of timber harvested” under the LTC. This is required information in the LTC document if the LTC specifies a maximum harvest volume where cut control requirements will apply. In other situations the LTC document may still specify this information if the FLNRO wants to track the volume harvested under the licence. In situations where there is no need for the LTC to address the timber volume charged to the licence, the LTC document should not include this information. For example, an FLTC issued to authorize the removal of waste timber from a harvested cutblock would not need to address the timber volume charged to the licence where the volume had already been estimated during a waste assessment for the cutblock.

2.10 Waste Assessments

The *Forest Act* requires that an LTC which authorizes the cutting and removal of timber, must require the licensee to pay “waste assessments for merchantable Crown timber, whether standing or felled, that could have been cut and removed under the licence to cut but at the holder’s discretion is not cut and removed” To meet this requirement, LTC documents contain wording requiring waste to be measured and waste assessments paid in accordance with the [“Provincial Logging Residue and Waste Measurements Procedures Manual”](#).

2.11 Aboriginal Interests

LTC documents contain wording that allow the FLNRO to suspend or vary activities authorized under the LTC if a court grants an injunction or makes a determination that activities or operations under or associated with the LTC will unjustifiably infringe an aboriginal right and/or title, or treaty right.

2.12 Financial and Deposits

Where an LTC authorizes the removal of Crown timber the LTC document must require the holder of the LTC to pay stumpage under section 105 of the *Forest Act*.

LTC documents should also specify the amount of deposit that must be provided and maintained by the LTC Licensee and how the government can take money from the deposit if the Licensee fails to complete obligation associated with the LTC. More information on the requirements associated with LTC deposits is provided in latter in this section of this manual.

2.13 Liability & Indemnity

LTC documents contain wording indicating the licensee will indemnify the Government against and save it harmless from all claims, demands, suits, actions, causes of action, costs, expenses and losses faced, incurred or suffered by the Government as a result, directly or indirectly, of any act or omission of the Licensee, including employees and subcontractors, under the licence.

LTC documents also contain a clause indicating the Government is not liable to the Licensee for injuries, losses, expenses, or costs incurred or suffered by the Licensee as a result, directly or indirectly, of an act or omission of a person who is not a party to this licence, including but not restricted to an act or omission of a person disrupting, stopping or otherwise interfering with the Licensee's operations under the licence by road blocks or other means.

2.14 Forest Practices and Planning

Application of Forest & Range Practices Act (FRPA) – Major vs Minor

Minor tenures or licences not declared as major licences (i.e., forestry licences to cut of less than 2,000 m³) do not require an associated Forest Stewardship Plan (FSP). (Part 2 - Division 1, section 3 of the FRPA lists the types of resource tenures/agreements/licences that are required to produce an FSP.) In fact, there are no legislated planning requirements at all for minor tenures. The district manager or authorized forest officer may need to consider all existing plans to ensure that the work intended under the minor

tenure will not prevent other agreement holders from exercising their rights and obligations.

While planning requirements may be limited, all forms of licences to cut that were entered into on or after January 31, 2004 are subject to the FRPA practice requirements. These requirements apply to an “authorized person” or an “agreement holder” as defined in section 1 of FRPA’s Forest Planning and Practices Regulation (FPPR). The holder of an LTC satisfies these definitions since all licences to cut are a form of agreement under the *Forest Act*³. Most of the relevant FRPA practice requirements are found in Parts 4 and 5 of the FPPR.

Each form of LTC may have different requirements under FRPA depending on if the LTC is:

- a “**major licence**” as defined in section 1 of the *Forest Act*,
- a “**minor tenure**” as defined in section 1 of the Forest Planning and Practices Regulation, or
- a licence that is not a major licence or a minor tenure.

The definition of “major licence” in section 1 of the *Forest Act* provides the following 3 situations where an FLTC is a major licence:

- if the FLTC agreement indicates the FLTC is a major licence,
- if the FLTC is issued to satisfy government’s obligations under a pulpwood agreement, or
- if the FLTC is issued under section 47.3(1)(a) of the *Forest Act* (i.e. a direct awarded to a First Nation).

Based on the definition of major licence, OLTCs, and FSLTC are not major licences. Only FLTCs can be major licences and the vast majority of FLTCs are not major licences.

If an FLTC is a major licence, the licence holder is required to prepare and obtain the district manager’s approval of a forest stewardship plan (FSP), prepare site plans for cutblocks and new road construction and establish free growing stands on the areas harvested under the FLTC. Before the holder of a major licence harvests timber or constructs a road the proposed cutblock or road must be contained within a forest development unit that is shown in an approved FSP. For comprehensive information on

³ Section 12 of the *Forest Act* lists a Licence to Cut as one of the forms of agreement under the *Forest Act*.

the preparation of an FSP refer to the “[Administrative Guide to Forest Stewardship Plans](#)”.

The vast majority of the FRPA practice requirements apply to the holder of a major licence unless the licence holder is granted a written exemption from a certain practice requirements specified in FPPR section 91 or 92. (A draft exemption form is available in Appendix 1 of the AGFSP Volume 1.) It is also possible for a forest stewardship plan to contain results or strategies that can replace the need to comply with certain specified practice requirements.

Section 1 of the Forest Planning and Practices Regulation of FRPA defines the term “minor tenure” by indicating that an occupant licence to cut is always a minor tenure and an FLTC is a minor tenure if the FLTC document

- doesn’t indicate it is a major licence, and
- restricts the harvest to an area no greater than 1 hectare and a volume not exceeding 2,000 m³.

If the LTC is a minor tenure, the licence holder is not required to prepare an FSP or site plans and is not required to establish free growing stands on areas harvested under the LTC. Although silviculture levies are no longer collected on SSS FLTCs, FLNRO is still required to achieve any free growing obligation activated by SSS harvesting. As for reforestation activities on areas that do not generate a free growing obligation, district staff should continue to assess the silviculture needs for SSS openings and ensure appropriate stewardship actions are taken. See the January 3, 2007 and April 3, 2009 memos dealing with silviculture levies and reforestation on SSS openings in Part 6 of this manual. In the case of an OLTC, there may be no need for stewardship actions if the harvested area will be used for a purpose that is not compatible with the establishment of a free growing stand.

The following sections of the Forest Planning and Practices Regulation (FPPR) do not apply to the holder of a minor tenure:

- FPPR section 35: Soil disturbance limits,
- FPPR s. 42, 43, 44, 45, 45.1, 45.2,
- FPPR section 46: Free growing stands – forestry licence to cut,
- FPPR 46.1, 46.11, 46.2,
- FPPR section 64: Maximum cutblock size, and
- FPPR section 65: Harvesting adjacent to another cutblock.

Many FLTCs do not meet the definition of either a major licence or a minor tenure and end up being an in between category of licences as far as FRPA requirements are concerned. For these licences to cut that are neither major licences nor minor tenures, the licence holder is not required to prepare an FSP or site plans and is not required to establish free growing stands on areas harvested under the LTC. All FRPA practice requirements apply unless the licence holder obtains a written exemption under FPPR section 91 or 92. The minister may be legally required to establish a free growing stand on areas harvested under an FLTC that is not a major licence or a minor tenure if the criteria specified in section 46 of the FPPR are satisfied.

Environmental Protection and Management for Master Licence to Cut

The *Oil & Gas Activities Act's* Environmental Protection and Management Regulation apply to a holder of a master licence to cut under the *Forest Act*. This provides for the protection & enforcement of environmental values when timber is harvested as part of the development of an oil and gas activity instead of FRPA.

If the holder of a MLTC was required to obtain a road use permit to use a Forest Service road, the requirements of the FRPA would apply to any operations under a road use permit. These permits are issued by the BC Oil & Gas Commission

The BC Oil & Gas Commission offers comprehensive guidance material on their website.

2.15 Contract Conformance

The phrase “compliance and enforcement” is used by FLNRO to refer to actions related to enforcing legislation. Ensuring that the holder of an LTC fulfills the requirements of provisions in the LTC document is a “contract conformance” matter for tenures staff. Compliance and enforcement staff do not enforce licence/contract requirements.

2.16 Roads

With the exception of boat-accessed harvest areas, any holder of an LTC needs to have road access to the licence area and, depending on the size of the LTC, the holder may need to construct roads within the licence area. This section describes typical scenarios with a focus on the forestry legislation, but it is worth noting that the *Land Act* also has the ability to regulate some road situations mainly associated with OLTCs.

Accessing the LTC Using Existing Roads

Use of existing roads for timber harvesting must be carried out in accordance with section 22.1(1) (Industrial Use of a Road) of the *Forest and Range Practices Act* and section 79.1

(Exemptions from Section 22.1 of the Act) of the Forest Planning and Practices Regulation. Requirements and exemption are discussed below.

Use of Road Maintained by Others under an RP, CP, SUP or TSL

The holder of an LTC may need to use existing roads that other persons are responsible to maintain under a road permit, cutting permit, special use permit, timber sale licence or woodlot licence. The LTC holder needs no authorization from FLNRO to use these roads but must, if required by FRPA (sections 22.1(7) and 22.3),

- provide the holder of an specified road tenure with 5 clear days notice before commencing to use the road, and
- pay a reasonable share of the costs to maintain, modify or repair the road to accommodate the LTC holder's use of the road.

It is expected that the LTC holder will enter into some form of a road use agreement with the person responsible to maintain the road to ensure an appropriate level of maintenance, safe road use and payment of a reasonable share of applicable road costs associated with the LTC holder's use of the road.

It is also expected that FLNRO will be notified when a secondary user enters into an agreement with a road tenure holder.

Use of a Forest Service Road (FSR):

To use an FSR to access an LTC, the holder of the LTC must apply to the district manager for a road use permit (RUP) or an exemption under section 22.1(4) unless the harvesting is a "minor salvage operation" that qualifies for a conditional exemption under FPPR section 79.1. In many cases, there will already be an RUP issued to the primary user of the road who is responsible to maintain the FSR. Where another RUP holder is responsible to maintain the FSR the LTC holder must

- provide the RUP holder who is responsible to maintain the FSR with 5 clear days notice before commencing to use the FSR, and
- pay a reasonable share of the costs to maintain, modify or repair the road to accommodate the LTC holder's use of the road.

It is expected that the LTC holder will enter into some form of a road use agreement with the person responsible to maintain the FSR to ensure an appropriate level of maintenance, safe road use and payment of a reasonable share of applicable road costs associated with the LTC holder's use of the road.

Use of a Non-Status Road

A non-status road is an old forest road on Crown land that is not an FSR and no one is responsible to maintain under a road tenure. In order for an LTC holder to use a non-status road for timber harvesting, the LTC holder must apply for a road permit or an exemption under section 22.1(4) unless the harvesting is a “minor salvage operation” that qualifies for a conditional exemption under FPPR section 79.1.

Note that section 115 of the *Forest Act* does not authorize issuance of a road permit to the holder of an OLTC or MLTC. The holder of an OLTC would require a special use permit before using a non-status road [s. 8(b) of the Provincial Forest Use Regulation]. The holder of a MLTC would need to obtain authorization under Oil and Gas legislation.

Alternatively the *Land Act* legislation could also authorize use of a non-status road to the holder of an OLTC, but the practice requirements are not as defined as the forestry legislation.

Exemption under Section 22.1(4) of FRPA

The holder of an LTC may be granted an exemption from the need to obtain authorization to use an existing road if the holder’s use of the road will not unnecessarily impact forest resources. An exemption from the need for a RUP on an FSR can be granted if the holder’s use of the road will not unnecessarily impact forest resources, nor materially affect the use of the road by others nor materially increase the need for road maintenance.

Exemption for Minor Salvage Operations under Section 79.1 of FPPR

The holder of an LTC that is a “minor salvage operation” as defined by Section 79.1(1) of the Forest Planning and Practices Regulation is automatically⁴ exempted from having to obtain a road use permit for the use of an FSR or section 22.1(4) exemption to use a non-status road as long as the following conditions are met:

- the licence holder does not carry out in a stream, or on , in or near a stream bank any maintenance of the road other than to the road surface, and
- the licence holder satisfies all the other requirements of FPPR section 79.1(4) to (8).

⁴ The “automatic exemption” is provided by the legislation in contrast to a written exemption that must be granted by the District Manager

Under FPPR section 79(3) the district manager may overturn the automatic exemption and require the person carrying out the minor salvage operation to comply with FRPA section 22.1 if the district manager notifies the person that their use of the road will:

- 1) materially affect the use of the road by others; or
- 2) unnecessarily impact forest resources;

Note that FPPR Section 79.1 only deals with use of existing roads and does not provide any authority to construct new roads.

Accessing the LTC by Constructing a New Road

Authority to construct a road associated with an LTC may be obtained:

- Under a road permit for an FLTC
- Under a special use permit for an OLTC

Road Construction under an RP for an FLTC

If an FLTC holder needs to construct a road on Crown land outside of the FLTC area, the holder may apply under section 115 of the *Forest Act* for a road permit to authorize the construction and use of road.

Road Construction under an SUP for an OLTC

Authority to construct roads under a special use permit is provided for in section 7 of the Provincial Forest Use Regulation of the *Forest Practices Code of BC Act*. A special use permit is used to authorize road construction and maintenance to provide ongoing access to a site for non-forestry purposes (i.e. a mineral claim). An SUP does not authorize timber harvesting so where the road construction authorized under an SUP requires the harvesting of right of way timber, an OLTC is also required to authorize the timber harvest to construct the road.

Access within the LTC

An FLTC document or an associated CP may grant authority to use a non-status road only if the required portion of the non-status road is wholly contained within the FLTC/CP licence area.

Where new road construction is required within a larger LTC (such as an FLTC issued under pulpwood agreements, or in conjunction with a Forest for Tomorrow site preparation contract), authority to construct and use the road may be provided in the LTC or associated CP but the new road must be entirely contained in the licence area identified on the Exhibit A map.

As specified in section 79.2 (4) of the FPPR, if a holder of an FLTC constructs a road under authorization of the FLTC document, the holder must deactivate the road before the FLTC expires or is surrendered or cancelled, unless:

- 1) the DM notifies the FLTC holder that the road should not be deactivated;
- 2) a road permit or special use permit for the road is issued to another person; or
- 3) the road is declared a forest service road under the *Forest Act*.

2.17 Competitive and Direct Award Options

In some situations under the *Forest Act*, an LTC can be awarded directly to a party without competition from other applicants and in other situations a competitive process must be undertaken to allow interested applicants to submit tenders for the LTC. Licences to cut that are awarded competitively are advertised by FLNRO, which invites applications from interested parties. With the exception of FSLTCs, under a competitive award process the LTC is awarded to the eligible applicant who submits the application (tender) that provides the greatest financial benefit to the government. The competitive process for a FSLTC includes applications being evaluated on criteria that include revenue to Crown, best use of the fibre, and value of existing and proposed facilities that will be using the fibre. These criteria are specified in the Licence to Cut Regulation.

The *Forest Act* allows an FLTC to be awarded directly (without competition) to

- the holder of a pulpwood agreement under section 41(1)(e), or
- a First Nation under section 47.3(1)(a).

The *Forest Act* also indicates that an OLTC may be awarded to an owner or occupier of land that desires to harvest Crown timber from the land. These provisions allow for the LTC to be awarded without competition or inviting applications from other interested parties. Section 2 of the FLTC Regulation allows small scale salvage FLTC to be direct awarded for harvesting of up to 2,000 m³ of salvage timber.

Section 2 of the FLTC Regulation requires that an intermediate salvage FLTC which authorizes the harvesting of > 2,000 m³ but not more than 5000 m³ must be competitively awarded. Section 47.6(4) of the *Forest Act* establishes a process for entering into an FLTC with a competitively awarded insect control project. In a similar fashion, section 4 of the Forestry Licence to Cut Regulation also authorizes the issuance of an FLTC to the holder of a competitively awarded contract for

- Forests For Tomorrow site preparation contract, or
- the restoration of grasslands or open forests.

The Advertising, Deposits, Dispositions and Extensions Regulation (ADDER) specifies the form of advertising for certain forms of tenure. With the exception of the FSLTC, ADDER does not currently contain other provisions regarding LTC advertising. Despite the absence of provisions in ADDER, the *Forest Act* still requires certain forms of LTC to be competitively awarded and therefore advertised.

An LTC that is to be awarded competitively should be advertised on the Official Notices website to invite applications from interested parties. Usually a competitively awarded LTC is awarded to the eligible applicant who offers to pay the highest amount of stumpage.

An FLTC is considered to be awarded competitively if it is awarded to a person who submits the lowest bid in an advertised, competitive process for a Forests For Tomorrow site preparation contract, an insect control project or a contract to carry out community wildfire protection treatments. The advertised particulars should indicate that upon entering into the contract, the successful applicant may apply for a direct award FLTC to carry out harvesting in association with the contract work.

2.18 Deposits

There are two types of deposit that may be applicable to an LTC. One is a bid deposit that accompanies an application for a competitively awarded LTC. The second type of deposit is a security deposit that is required from the successful applicant prior to entering into the FLTC or FSLTC.

Bid Deposits

The purpose of obtaining bid deposits from applicants for a competitively awarded LTC is to dissuade frivolous bidding. The deposit is forfeited if the winning applicant does not enter into the agreement.

The ADDER includes details for bid deposit, when it has to be forfeited and any exceptions to the forfeit requirement. ADDER requires a bid deposit to be refunded to an unsuccessful applicant.

Security Deposits

The purpose of a security deposit is to retain money that can be used by FLNRO for remedying non-compliance with the agreement and forestry legislation.

Security deposits usually consist of the bid deposit plus a top-up to the amount required by the (ADDER).

LTC documents contain provisions to allow money to be taken from the deposit if the licensee fails to make required payments to the government or fails to complete licence obligations. If the government takes money from the deposit the LTC document requires the licence holder to replenish the amount of deposit that has been taken.

ADDER requires the person who applies for the following forms of LTC to provide a deposit:

- an FLTC issued under *Forest Act* section 47.3 (e.g. a direct award to a First Nation),
- an FLTC issued under *Forest Act* section 47.6 (2) (i.e. for harvesting under controlled scientific or investigative conditions, an FLTC issued under a pulpwood agreement or if the FLTC is issued under the FLTC Regulation)
- an FLTC issued under *Forest Act* section 47.6 (2.1) (i.e. for the removal of cut (decked) timber)
- an FLTC issued under *Forest Act* section 47.6 (4) (i.e. for harvesting in conjunction with an insect control project)
- a FSLTC issued under *Forest Act* section 47.71 (i.e. for fibre recovery)

The ADDER establishes formulas for determining the amount of deposit that is required or in specified circumstances provides the district manager or regional manager with discretion to decide on an appropriate deposit amount. For an FLTC issued under section 47.6(2) of the *Forest Act*, if the calculated amount of deposit is less than \$500 the regional manager or district manager can adjust the deposit to zero or \$500.

The ADDER does not specify a deposit for an OLTC therefore; deposits should not be collected for these forms of licences.

FLNRO staff should consult with specialists at FTB if they have any questions about new or existing deposits.

Acceptable Forms of LTC Deposits

The following are acceptable forms of deposit for a LTC which must be made in Canadian funds:

- (a) cash,
- (b) cheque certified by a savings institution,
- (c) by money order issued by

- (i) a savings institution, or
- (ii) the Canada Post Corporation, or
- (d) by bank draft issued by a savings institution.
- (e) an irrevocable letter of credit issued by a savings institution

Accessing Deposits to Address Non-Compliance

When a deposit is forfeited it is returned to the Crown as revenue and is not available to fund direct and indirect costs resulting from the non-compliance. If a deposit is forfeited prior to paying out costs associated with such non-compliance, the invoice must be paid for out of the District/Regional funds.

In order for a deposit to be available to pay for costs incurred as a result of the non-compliance, the contracts issued to remedy the non-compliance need to be paid out.

Where forfeited deposits are being used to fund outstanding licence obligations, the following process is to be followed:

- 1) The applicable district or region issues a contract to have the licence obligations completed consistent with the licence specifications. Ensure that the amount of the contract does not exceed the deposit amount.
- 2) Once an invoice for the work is received and the applicable district/region is satisfied that the work is complete, the invoice is signed to indicate that goods and services are received. Ensure that invoices do not exceed deposit amount.
- 3) Invoice is forwarded along with the 45D authorizing the deposit to the Forest Revenue Branch at the Ministry of Finance. Forest Revenue Branch will then pay the invoice from the deposit.
- 4) If there is remaining money in the deposit that is to be forfeited, an additional 45D form needs to be completed and forwarded to the Forest Revenue Branch at the Ministry of Finance.

2.19 Revenue and Pricing

Pricing for timber harvested under the authority of an LTC is to be determined using the relevant sections of either the Coast or Interior Appraisal Manuals. The appraisal manuals provide tabular stumpage rates or specific sections that can be used to determine stumpage rates for some licences to cut and usually provide that a full appraisal can also be undertaken to determine stumpage rates.

Where the appraisal manuals provide authority to do so, a silviculture levy can be added to the stumpage rate to cover the estimated cost that will be incurred by the district manager establish a free growing stand where there is a legal obligation to do so in accordance with section 46 of the FPPR.

2.20 Annual Rent

The *Forest Act* and Annual Rent Regulation do not require annual rent to be paid for any form of LTC. This includes an FLTC issued to the holder of a pulpwood agreement since even though the *Forest Act* suggests annual rent should be prescribed for an FLTC issued under a pulpwood agreement the Annual Rent Regulation doesn't indicate annual rent is payable for this form of FLTC.

2.21 Amendments

As LTC agreements are a form of a contract between two parties, the contract cannot be unilaterally amended by either party. Amendments to an LTC document must be signed by both parties. As provided by the *Forest Act*, any amendments to an LTC agreement must be consistent with the *Forest Act*, the FRPA, the *Wildfire Act* and associated regulations. An FS3 Amendment form is to be used when amending LTC documents. FLNRO staff should consult with specialists at FTB if they have any questions about an amendment to an LTC.

2.22 Extension of the Term

Upon request of the licence holder, the Licensor⁵ may extend the term of an LTC as long as the initial term plus the extension does not result in a total term exceeding the maximum term allowed under the *Forest Act*. The *Forest Act* does not specify a maximum term for an OLTC. The *Forest Act* specifies a maximum term of 5 years for a FSLTC or an FLTC with an exception for an FLTC that is directly awarded to a First Nation. The term of an FLTC directly awarded to a First Nation under section 47.3 (1) (a) of the *Forest Act* may be extended, with the consent of the licence holder, to a maximum of 10 years. Where extensions to the term of a licence are being granted, an FS3 Amendment form is to be signed by both parties to amend the LTC.

⁵ The "Licensor" is the person who entered into (signed) the LTC on behalf of the government (e.g. a FLNRO regional manager, district manager or some other authorized person).

Note that the maximum term should only be used if warranted by the circumstances. An LTC is intended to enable harvesting in a small area over a relatively short period of time and so one year is typically sufficient.

2.23 Transfer of LTCs

Sections 54 through 54.8 of the *Forest Act* regulate the transfer of a *Forest Act* agreement. Tenure transfer policy, guidelines and other resources are available from the [FTB Tenure Transfer webpage](#).

The transfer of an LTC from one party to another rarely occurs because of the short term, non-replaceable nature of the LTC.

The holder of an LTC may transfer⁶ the LTC to another party provided that they notify the minister in writing in advance of the intended transfer. Except in the case of affiliates the following is needed in order for the transfer to be effective:

- all money required to be paid to the government must have been paid or an arrangement for payment must be in place and approved by the revenue minister;
- notice must be provided by the minister specifying that the transfer may proceed to completion. Such a notice will specify the latest date by which the transfer must be completed.
- the transfer must be completed within the timeframe specified by the minister; and
- upon completion of the transfer, the original holder and the new holder of the LTC must confirm the transfer in writing to the minister within 7 days of completing the transfer.

As specified in section 54.6 of the *Forest Act*, once the transfer of licence is completed, the new holder of the licence is liable for:

- payment of all money required to be paid to the government;
- the performance of all obligations under the agreement
- the performance of all obligations imposed by the *Forest Act*, the FRPA, the *Wildfire Act* and their associated regulations.

In accordance with section 54.4 of the *Forest Act*, a transfer is not permitted:

⁶ The *Forest Act* uses the word “disposition” to describe the transfer of an agreement.

- if the LTC is subject to suspension under section 76 or 78 of the *Forest Act*;
- for an agreement entered into as a direct award to a First Nation under section 47.3 (1) (a) of the *Forest Act except as provided for in transfer regulation*;
- for a road permit, unless made in conjunction with transfer of the licence to which the road permit is associated;
- for an OLTC unless made in conjunction with a transfer of land title or the right to occupy land to which the OLTC applies.

2.24 Harvest Completion

When harvest activities have been completed, FLNRO staff check for any outstanding compliance or contract conformance issues. After final harvesting inspections have been completed, any deposit can be refunded and the licence file can be closed.

The small scale salvage and intermediate salvage FLTC templates contain a provision allowing the term of the FLTC to expire earlier than indicated “when the regional manager or district manager gives notice to the Licensee that all contractual and legislative obligations associated with this licence have been completed”. The SSS and IS FLTCs can also include a Schedule A clause requiring a post-harvest report to be signed by a licenced forest professional.

2.25 Major Licence

The definition of “**major licence**” in section 1 of the *Forest Act* indicates an FLTC that is issued as a direct award to a First Nation under section 47.3(1)(a) of the *Forest Act* is a major licence. The holder of an FLTC that is a major licence must prepare a forest stewardship plan (FSP) and site plans and establish free growing stands on harvested areas, in accordance with the FRPA. Often the First Nation will sign on to a major licensee’s approved FSP as part of a cooperative arrangement between the major licensee and the First Nation. Further details regarding FRPA are specified in section 2.14 of this manual.

2.26 FLTC Amendments

In accordance with section 47.3(3) and (4) of the *Forest Act*, the term of an FLTC that has been direct awarded to a First Nation can be amended, to a maximum of 10 years and the maximum harvestable volume under the FLTC can be increased. The legislation allows either of these amendments to be made if doing so would further the objectives of the interim measures agreement. Either of these amendments to the FLTC could be accomplished by having both parties to the FLTC sign an FS3 Amendment form.

2.27 Direct Award to First Nation – Forest Act Sec 47.3

A FLTC and FSLTC (and other specified⁷ licences) may be directly awarded to a First Nation or its representative (e.g. a corporation controlled by the First Nation), through section 47.3(1) (a) of the *Forest Act* provided that the licence is entered into “to further an agreement between the First Nation and the government respecting treaty-related measures, interim measures or economic measures”.

The minister enters into some form of interim measures agreement with the First Nation to satisfy the requirements under 47.3(1)(a) of the *Forest Act* that an agreement between the government and the First Nation must be in place, before a licence can be direct awarded under this section. In the interim measures agreement, the government invites the First Nation to apply for an FLTC, a non-replaceable forest licence (NRFL) or in the Coast Forest Region (CFR) the First Nation is allowed to choose between either an FLTC or a NRFL. The interim measures agreement usually specifies the maximum volume that will be available for harvest in one or more specified management unit(s) over a 5 year period.

Issuance Process

The business process map in section 6.9 of this manual provides an overview of the process associated with the issuance of a direct award FLTC for First Nations.

The issuance process is conveyed in the form of an invitation letter to the First Nation inviting them to apply for a licence. There are significant content requirements to be included in the letter that can be customized for the specific circumstance. It is beyond the scope of this manual to detail out the process and FLNRO staff should contact their local tenure specialist for further details.

Documentation must be provided that the intended licence holder is a legal entity⁸ and that the Band Council endorses the structure via a Band Council Resolution

Direct Award for Mitigation – Forest Act Sec 47.3(1) (b)

Section 47.3(1) (b) of the *Forest Act* also provides that an FLTC (or other specified licences), could be directly awarded to a person to mitigate the effects on that person of:

- a treaty,

⁷ In addition to an FLTC, section 47.3 allows the direct award of a non-replaceable forest licence, community salvage licence, woodlot licence or fibre supply licence to cut.

⁸ For a legal entity other than a person, such evidence is commonly a Certificate of Incorporation.

- a specification of a designated area under Part 13 of the *Forest Act*, or
- an agreement with a First Nation and the government respecting treaty-related measures, interim measures or economic measures.

This provision could be used to provide a party other than a First Nation with an FLTC to mitigate their lost harvesting opportunity or some other negative effect resulting from arrangements to develop a First Nations treaty. This provision is not currently being used.

Exhibit A Map

The Exhibit A map outlines the area to which the licence applies and is generated by FLNRO staff based on the operating area that is negotiated for the direct award FLTC.

Two copies of the FLTC documents are sent to the First Nation along with a cover letter indicating amount of security deposit required. The security deposit of \$ 0.20 /m³ of total volume authorized for harvest under the FLTC is calculated in accordance with section 9(1)(e)(ii) of the ADDER. The cover letter may also indicate the forms of deposit that are acceptable to the FLNRO. Once the signed documents are returned, FLNRO checks the signatures, ensures the payment of the deposit has been received, and arranges for signing by the regional manager or district manager.

Once the licence has been signed by the FLNRO manager, a copy is provided to the licensee. The FLTC is then entered into the Forest Tenure Administration system (FTA) by the applicable resource clerk.

Document Preparation

If the First Nation submits a satisfactory application for an FLTC, the regional manager or district manager will prepare 2 copies of the FLTC document to enter into with the First Nation or their appointed representative. A template for an FLTC that is direct awarded to a First Nation can be obtained on the

The FLTC document will describe one or more areas of land within which its holder may apply for cutting permits to harvest Crown timber. The FLTC document will:

- Set the effective date and the term of the agreement in years. The term of the FLTC is usually set at 5 years.
- Specify the maximum volume of timber that may be harvested under the FLTC and any other harvesting limitations that apply
- Set the requirements for waste assessments to be completed by the licensee.
- Require cutting permit applications to include cruise and appraisal information

compiled according to specified manuals.

- Enable a requirement to be made for reporting of information regarding the licensee's performance of its obligations under the licence for the previous year
- Require the licensee to pay stumpage billed, or waste assessments
- Require a deposit as a security for performance of obligations and specifies how the deposit can be accessed by the government or refunded to the licensee.
- Contain a special clause required under *Forest Act* section 47.7(f) stating that it is a condition of the FLTC that the First Nation comply with their interim measures agreement.

To provide greater operational flexibility to relocate the area where cutting permits may be applied for, the CFR has added a special clause to the FLTC document to allow the regional manager or district manager to provide a notice to the licensee restricting new cutting permit applications to a specified part of a management unit or a specified type of terrain or timber within the management unit. This clause is intended to allow the operating area to be relocated if doing so would prove beneficial to the licensee.

Part 3 SPECIFIC FORMS OF FLTCs

3.1 FLTCs authorized under Section 47.6 of the Forest Act.

Controlled Scientific or Investigative Purposes	
Legal Authority	<i>Forest Act</i> section 47.6 (1)(b)
Timber Type/Volume	Up to 500 m ³
Eligibility	Controlled scientific or investigative conditions
Award Process	Direct award
FRPA Obligations	No FSP or site plan. No legislated free growing obligation

Harvesting under this form of tenure might involve timed production studies to test new harvesting equipment or methods or harvesting that needs to be carried out as part of a project sponsored by a recognized research organization.

This form of FLTC would most likely be direct awarded if the research organization had a specific contractor in mind to conduct the harvesting.

If the research organization is not familiar with the electronic submissions required to apply for an FLTC the FLNRO district may refer the research organization to one or more forestry contractors who are qualified to complete a professional application for an FLTC.

Document Preparation

A template for an FLTC document to authorize harvesting of up to 500 m³ of Crown timber can be obtained on the [FTB Internal Website](#)

Schedule A of this FLTC template contains the following possible exemptions that may be warranted given the minor volume of timber to be harvested:

- an exemption may be provided under section 10(5) of the Timber Marking and Transportation Regulation from the requirement to complete and possess a load description slip (FS649);
- an exemption may be provided under section 84(5) of the *Forest Act* from the marking requirements of sections 84 (1) and (3) of the *Forest Act* on the condition that the correct timber mark must be legibly and conspicuously applied to the timber removed or transported on at least two log ends at the front, two log ends

- at the back, and on each side of the load using paint or crayon;
- an exemption may be provided under section 94 (5) of the *Forest Act*, from the requirements of scaling timber subject to the following conditions:
 - (i) the timber must be accounted for by another method, including an estimate for the purposes of section 3 (1) of the Scaling Regulation approved by the Scaling Officer; and
 - (ii) the timber must be delivered to an approved location.

Volume does not exceed 50M3	
Legal Authority	<i>Forest Act</i> section 47.6(2)(b.1)
Timber Type/Volume	Up to 50 m ³
Eligibility	Volume does not exceed 50 m ³
Award Process	Direct award
FRPA Obligations	No FSP or site plan. No legislated free growing obligations. Policy to track and reforest.

An FLTC for the purpose of harvesting a volume of Crown timber that does not exceed 50 m³ can be directly awarded by the district manager or a forest officer authorized by the district manager.

An FLTC that limits harvesting to 50 m³ of Crown timber would meet the definition of a “**minor tenure**” in section 1 of the FPPR as long as the Exhibit A map for the FLTC limits the area from which timber may be harvested to 1 hectare or less. See section 2.14 of this manual for an explanation of the special provisions under FRPA that apply to a minor tenure.

Issuance Process

Usually, an FLTC for up to 50 m³ of Crown timber is directly awarded as a result of requests by individuals at a FLNRO district front counter. Often the person has selected an area that is close to where they live that contains the type of timber or special forest products (e.g. post and rails) that they would like to harvest. The district may be able to find an alternative source of timber for the applicant to avoid the need to issue an FLTC (e.g. issue a free use permit where circumstances qualify under section 48 of the *Forest Act* or refer the applicant to a major licensee with roadside debris piles in the vicinity).

If the FLNRO district decides to issue an FLTC a process must be undertaken to ensure that the proposed harvest is for unencumbered Crown timber, is not within an area-based tenure or is already occupied by an existing cutting authority. If the area is within a tree farm licence and there is not another suitable location for the person to harvest the timber, the district needs to get written agreement from the TFL holder that they are willing to allow the FLTC to be issued within the TFL licence area.

The district would also need to verify that there is no reason under FRPA that the harvesting should not occur (e.g. the area had been established as a wildlife tree retention area by a licensee or BCTS). Although the area affected may be small, the district manager will still need to assess the potential impact to aboriginal interests and determine an appropriate level of consultation.

Districts should consider the strategy of consulting yearly with First Nations on an SSS plan which allows for cash sales in specified areas for various reasons.

Exhibit A Map

The Exhibit A map outlines the external boundary of the area to which the FLTC authorizes harvesting and is usually generated by district staff based on the harvest location requested by the applicant.

Document Preparation

A template for preparing a simple FLTC document to be used for harvesting up to 50 m³ of Crown timber can be obtained from the [FTB Internal Website](#)

An FLTC authorizing up to 50 m³ may be set up as a cash sale where a predetermined amount of stumpage is paid (as specified in the FLTC document) without a requirement for the harvested timber to be scaled. The current FLNRO directive indicates that an FLTC authorizing up to 50m³ may be established as a cash sale if circumstances associated with the FLTC present a low revenue risk.

Schedule A of the FLTC template contains the following possible exemptions that may be warranted given the minor volume of timber to be harvested:

- an exemption may be provided under section 10(5) of the Timber Marking and Transportation Regulation from the requirement to complete and possess a load description slip (FS649);
- an exemption may be provided under section 84(5) of the *Forest Act* from the marking requirements of sections 84 (1) and (3) of the *Forest Act* on the condition that the correct timber mark must be legibly and conspicuously applied to the

timber removed or transported on at least two log ends at the front, two log ends at the back, and on each side of the load using paint or crayon;

- an exemption may be provided under section 94 (5) of the *Forest Act*, from the requirements of scaling timber subject to the following conditions:
 - (i) the timber must be accounted for by another method, including an estimate for the purposes of section 3 (1) of the Scaling Regulation approved by the Scaling Officer; and
 - (ii) the timber must be delivered to an approved location.

Once two copies of the FLTC documents are finalized, the applicant is responsible to sign the documents and provide any required security deposit. There is no legislated provision requiring payment of a deposit for this form of FLTC.

There would be no legal obligation for the minister to establish a free growing stand on the area of FLTC that authorizes only 50 m3 of harvesting since section 46(1) of the FPPR requires at least 500 m3 to be harvested under the FLTC before a free growing obligation could be triggered under this section.

Remove Timber Only	
Legal Authority	Section 47.6(2)(b.2)) of the Forest Act
Timber Type/Volume	Unrestricted amount of Crown timber that has already been cut and may be decked.
Award Process	Can be issued directly without competition or through a competitive award process
FRPA Obligations	No FSP or site plan. No legislated free growing obligations.

*Examples include:

- fire suppression activities associated with a wildfire;
- timber seized under Section 67 of the FRPA;
- timber located within an area to which an occupant licence to cut applies where the holder of the OLTC does not have a right to remove the timber;
- cut timber that has been abandoned; or
- a previous cutting authority which required that the timber not be removed by the holder of that cutting authority.

Issuance Process

Competitive Award

Where an FLTC to remove cut (decked) timber is to be offered through a competitive process, the [Procedures for Competitive Sale of Decked Timber](#) are to be followed.

The business process map in section 6.9 of this manual provides an overview of the FLTC competitive award issuance process.

The ADDER does not specify advertising requirement pertaining to licences to cut. A template for advertising invitations for a competitively awarded FLTC for the removal of cut (decked) timber is available to FLNRO staff on the SharePoint site.

Interested bidders are invited to submit applications which will be evaluated based on revenue to the Crown. The regional manager or district manager may approve the eligible application of the applicant offering to pay the highest bonus bid or bonus offer. The application may also require a deposit to be submitted in the amount determined by the district manager.

When the FLTC is competitively awarded, section 9(1) (e) (iii) (B) of the ADDER provides flexibility for the licensor to set the deposit to zero or any reasonable deposit amount that is appropriate. Where the risk of environmental or other damage is low, such as picking up decked wood, the licensor may decide not to require a deposit.

Invitation to Tender

A template for an invitation to tender for a competitively awarded FLTC for the removal of cut (decked) timber is available to FLNRO staff on the [FTB Internal Website](#).

.An Application and Tender must be completed by each applicant and include information with respect to the applicant as well as an indicated bonus offer or bonus bid as the case may be. The applicant must be a legal entity that is capable of entering into an agreement with the Government of British Columbia at the time of the tender submission. The application must include other information that may be required by the tender particulars. The tender must be signed by the applicant or a person who is authorized to sign on behalf of the applicant.

Direct Award

An overview of the direct award issuance process is provided in the business process map in section of this manual. FLNRO staff can use the [FTB Internal Website](#) to access more detailed process mapping.

If the FLTC is awarded without competition, section 9(2) of the ADDER indicates the deposit must be 10% of the first \$100 000 of the total estimated stumpage value plus 5% of the remaining total estimated stumpage value”. The ADDER provides no flexibility to vary the deposit amount if the FLTC is awarded without competition unless the calculated deposit amount is less than \$500. If the calculated deposit amount is less than \$500 the ADDER allows the deposit to be set at \$500 or zero.

Document Preparation

A template for an FLTC for cut (decked) timber can be obtained on the [FTB Internal Website](#)

The FLNRO district prepares 2 copies of the FLTC document by filling in the appropriate information in the FLTC template. The FLNRO district also prepares 2 copies of a road use permit or road use permit exemption if timber will be transported on a FSR.

Two copies of the necessary documents are forwarded to the successful applicant for signature with a covering letter which indicates the amount of security deposit required, (assuming the total deposit has not already been provided with the tender application). Once the signed documents are returned, FLNRO district staff check the signatures, ensure payment of the deposit has been received, and arrange for the district manager to sign the documents. One copy of the documents is returned to the licensee and the FLTC is entered into the tenure administration system (FTA) by the applicable forest resource clerk.

The licensee may then harvest the timber in accordance with the licence conditions and applicable legislation.

Fibre FLTC	
Legal Authority	Section 47.6(2.11) and 47.6(4.1) Can be placed over an existing cutting permit
Timber Type/Volume	Authorizes the removal of residual fibre or the processing of residual fibre into chips or hog fuel and removing. No authority to cut timber To be used when the primary harvester and secondary harvester cannot come to a business to business agreement
Award Process	The PH's rights to the residual fibre must have been cancelled according to the process outlined under S. 79.1 of the Forest Act prior to entering into this form of FLTC Can be issued directly without competition or through a competitive award process FLTC under Section 47.6(4.1) of the Forest Act can only be issued for special purposes associated with the management of bioenergy supply contracts
FRPA Obligations	No FSP or site plan. No legislated free growing obligations.
Wildfire Act Obligations	Once issued, the holder of this licence assumes any hazard abatement obligation under the Wildfire Act

The Fibre FLTC is intended to be used where there is sporadic demand for wood fibre and may be offered competitively or direct awarded. The Fibre FLTC is recommended to test the wood fibre opportunities within the district or to meet limited client demand for small amounts of volume on specific areas identified by the client.

The Fibre FLTC provides similar rights and obligations as a Fibre Supply Licence to Cut. The FSLTC is intended as a larger, longer-term licence and includes the issuance of fibre recovery permits. See Part 5.

Other features include:

- Terms is up to 5 years;
- Area based (areas that encompass landings and roadsides);
- No requirements for Forest Stewardship Plan, or reforestation responsibilities;
- Subject to Forest Planning and Practices Regulation practice requirements and soil

disturbance limits;

- Must pay stumpage to the Crown;
- No requirement for appraisal of timber;
- Provisions for a security deposit;
- Requirement for hazard abatement under the Wildfire Act;
- Authority to process Crown timber into Special Forest Products such as chips or hog fuel on site;
- No requirement for waste assessment;
- No annual rent;
- No volume limit.

The Fibre Supply LTC provides the right to remove LRW when the PH's rights to the residual fibre have been cancelled under Section 79.1 of the Forest Act.

Issuance Process

In most cases a Fibre FLTC would be directly awarded. However, it could be competitively awarded if there are more than one party that would be interested in obtaining the rights to the fibre.

The SDM can also direct award a fibre FLTC to a First Nations as provided for in Section 47.3 of the *Forest Act*. Entering into the licence must further an agreement between the First Nation and the government respecting treaty related measures, interim measures or economic measures.

The application must also include a bid deposit in the amount determined by the SDM. Section 8 of the ADDER provides flexibility for the SDM to consider the appropriate amount of bid deposit. Where multiple clients are bidding in good faith, the relatively low revenue risk and the desire to streamline administration a zero bid deposit may be considered.

The SDM can competitively award a Fibre FLTC by advertising an opportunity to submit applications. An application must also include a bid deposit in the amount determined by the DM. Section 8 of the *Advertising, Deposits, Dispositions and Extension Regulation* provides flexibility for the SDM to consider the appropriate amount of bid deposit. Where multiple clients are bidding in good faith, the relatively low revenue risk and the desire to streamline administration a zero bid deposit may be considered.

Document Preparation

Additional information including various templates for a fibre FLTC can be obtained on the [FTB Internal Website](#)

Stumpage

Table 6-4 of the Interior Appraisal Manual indicates that if

- waste timber at roadsides and landings has been subject to a waste assessment that has been accepted by FLNRO, and
- the waste timber is processed into hog fuel or chips prior to being removed from the cutblock,

the stumpage will be the equivalent of \$ 0.25/m³.

Under the same circumstances, Table 7-2 of the Coast Appraisal Manual indicates the stumpage rate for wood chips is \$ 0.50/m³ and \$ 0.25/m³ for hog fuel.

Road Use and Maintenance

Use of roads outside of the cut block to access the Licence Area. In most cases the SH will automatically be exempted from requiring “authority” to use a road to access the licence area (see section 79.1 of the Forest Planning and Practices Regulation). However, the exemption may be removed if, in the opinion of the district manager, the use of the road by the SH will materially affect the use of the road by others or adversely impact forest resources (see section 79.1 (3)).

This is a statutory decision by the district manager and is to be sent to the SH under a separate notice.

Use of roads within the Licence Area is a standard clause in each tenure or permit authorizes the use of roads within the authorized area. As well as authorizing the use of the roads, the condition references section 79.2 (3) of the Forest Planning and Practices Regulation. This section requires the SH to ensure that upon harvest completion, the road surfaces and drainage are compatible with the condition as they were immediately before the SH began using the roads. If it is determined that the SH should be responsible for deactivating the roads within the permit area once operations are complete, then the appropriate requirement (clause) must be included.

Security Deposit

Regardless if the licence was awarded using the direct or competitive award process, the applicant is required to comply with the *Advertising, Deposits, Disposition and Extension Regulation's* security deposit requirements before entering into the licence. Security deposits are held to ensure obligations under or in respect of the licence are fulfilled. This may include obligations under the *Forest Act*, *Forest and Range Practices Act*, *the Wildfire Act* or the *Forest Practices Code of British Columbia Act*.

Security deposits are determined by the SDM and may be based on an assessment of risk (see next section). The minimum amount for a Fibre FLTC can be \$0.

It is up to the SDM to determine or adjust the amount of security deposit beyond the minimums set by regulation for fibre recovery tenures. The SDM can consider any activity or operation that may be engaged in or carried out under the licence where there is potential risk.

For a chipping or grinding operation, the SDM needs to ensure that there is enough security to address any consequences that could reasonably be anticipated to occur. The common concerns associated with a LRW operation are site specific damage to in-block roads, culverts, cattle guards or bridges, failure to abate waste piles and adequately deactivate roads to standard.

The key to assessing how much security is required to remedy the situation is having an understanding of the current condition or value of the asset and how much it will cost the SDM to rectify. As each district experiences different costs, it will be up to the individual districts to establish a reasonable security deposit.

In order to respect the business needs of the SH, operations staff will need a transparent and timely method to communicate the security requirements.

Table 1 captures factors associated with a chipping and grinding operation and assigns a monetary value for **additional security** (over and above minimum security requirements set by regulation).

Table 1

Factor	Low Consequence	Moderate Consequence	High Consequence
Volume	< 2000 m ³	2000 m ³ - 5000 m ³	>5000 m ³
Length of On Site Roads	< 1 km	1-2 km	>2 km
On Site Bridge	N/A	1	>1
On Site Culverts	< 3	3-6	> 6 or any culvert >1200 cm dia.
Deactivation Requirements	< 1 km	1-2 km	>2 km
On Site Cattle Guards	N/A	1	>1
Additional Security	\$ 0	\$3 750	\$7 500

This table could be utilized by the SDM to adjust the security requirements and prepare a notice of the opportunity to the SU once potential sites are received from the PH's notification. In this process, the SDM has the ability to exclude sites that may not be suitable for entering into a Fibre FLTC.

Transfer of abatement responsibility to SH:

Once the Fibre FLTC is issued to the SU to allow industrial operations in the operating area (SH Operating Area), the responsibility to carry out hazard abatement is transferred to the SH. Further, the *Wildfire Act* and Regulation exempts both the PH and the SU from all hazard assessment requirements in the SU Operating Area once the FRP or the Fibre FLTC is issued. Please refer to the Wildfire Act and Regulation, including [section 7](#) of the Wildfire Act and [sections 11](#) and [12.2](#) of the Wildfire Regulation.

The SU will either utilize or meet hazard reduction requirements in accordance with the Wildfire Regulation and is only responsible for the area included in the SU Operating Area. The responsibility remains with the PH to assess and abate the hazard for the PH tenure area not covered by the SU tenure.

Note: Once the hazard abatement responsibilities are transferred to the SU, the SU is required to comply with the specified time periods and extent to abate fire hazards in accordance with section 12.2 of the Wildfire Regulation.

Timber Processing Report

It is recommended that a requirement to provide a “Timber Processing Report” is included as a contract condition in a Fibre FLTC.

The SDM will use this information to determine if the licensee has addressed tenure requirements that are included as part of the licence. The overall intent of the report is to demonstrate that the site remains in the same or better condition as it was in prior to the SU conducting their activity.

The content of the report may include information with respect to:

- A map of the area subject to the Fibre FLTC or FRP indicating the location of activities; and
- Any additional information the SDM considers necessary to determine compliance with the agreement conditions or the forestry legislation. For example, road deactivation, hazard abatement, etc.

FLNRO will monitor the effectiveness of the report and may adjust this policy if SHs can find alternative means of demonstrating the completion of obligations.

Compliance with Licence Obligations

In addition to compliance and enforcement inspection procedures, when the SU has completed operations and there is a contractual requirement to prepare and submit a Timber Processing Report (the report) to the SDM, the following steps are advised before the security deposit is released:

- District staff will review the report against the licence/permit requirements, if all obligations are declared complete the licence/permit will be closed and the security deposit will be returned to the SH.
- If the district review identifies deficiencies in the report, the client will be asked to correct or clarify the deficiency.
- Where the report identifies that an obligation has not been completed, but proposes a date when the obligation will be completed, then operations staff will not close the licence/permit or release the security deposit until they are notified that the work is complete.

Where an obligation under the licence has not been satisfactorily completed, the SDM may access all or part of the security deposit to carry out the necessary works.

Note: The SDM does not hold the security deposit and must work with Ministry of Finance to access the funds. The general process is that the SDM performs the works via contract and then invoices Ministry of Finance.

It is recommended that operations staff develop an audit strategy for the Timber Processing Reports. This will help fine-tune the information requirements, get familiar with the operations, review the results and make appropriate adjustments to operation processes.

Forest Health Contract	
Legal Authority	<i>Forest Act</i> section 47.6 (4)
Timber Type/Volume	No volume limit
Eligibility	Contractor of competitively awarded forest health contract
Issuing Official	Regional manager or district manager
Award Process	Direct award to contractor of competitively awarded forest health contract
FRPA Obligations	No FSP or site plan. Legislated free growing obligation if >1 ha

The regional manager or district manager may enter into an FLTC under section 47.6 (4) of the *Forest Act* if

- the harvesting is restricted to timber that, in the opinion of the regional manager or district manager must be harvested to reduce the spread of an insect infestation, and
- the harvesting is in conjunction with a competitively awarded forest health project that is consistent with a government approved bark beetle management strategy for the area.

Examples where this form of licence could be used is where, a contract might conduct bark beetle surveys, field layout and carry out sanitation harvesting under an FLTC or complete falling and burning treatments to control the initial spread of bark beetles into an area. In the case of the mountain pine beetle most areas would not be able to satisfy the criteria that the harvesting “**reduce the spread of an insect infestation**”. This approach may be more applicable to other insect infestations such as spruce bark beetle.

The concept envisioned a process similar to the process that is currently used to award an FLTC in conjunction with a FFT site preparation contract. This would involve contractors bidding competitively on a contract to carry out bark beetle control treatments including harvesting under the FLTC. The successful contractor (usually the contractor submitting the lowest contract price) would be funded to carry out the specified insect control treatments and would have to pay upset stumpage for Crown timber harvested under the FLTC. See section 4.8 of this manual for details on how to competitively award a contract that provides for this issuance of an FLTC. There is no specific template for preparing an FLTC document under section 47.6(4) of the *Forest Act* but most likely the FLTC without CPs would be used. Section 9(2) of the ADDER provides the regional manager or district manager with discretion to establish an appropriate amount of security for an FLTC issued under section 47.6(4) of the *Forest Act*.

The business process map in section 6.9 of this manual provides an overview of the process associated with the issuance of an FLTC to the successful bidder of a competitive contract.

FLNRO staff can use the [FTB Internal Website](#)

3.2 FLTCs authorized under the Licence to Cut Regulation

Protect a Community from Wildfire	
Legal Authority	<i>LTC Regulation Section 1</i>
Timber Type/Volume	No maximum harvest volume specified in legislation.
Eligibility	Generally no restrictions on who can hold an FLTC for community wildfire protection
Issuing Official	May only be entered into by regional manager or district manager and not a forest officer
Award Process	Direct award or competitively awarded in conjunction with a fuel management project. Could also use the intermediate salvage competitive award process based on a request for a bonus bid (\$/m3) or lump sum bonus offer.
Term	Term must not exceed 5 years, but is usually one year or less

Protect a Community from Wildfire	
Cutting Authority	The FLTC should provide cutting authority without cutting permits The FLTC may authorize new road construction or use of non-status roads on the FLTC area
Pricing	Section 6.2.1 of the Interior Appraisal Manual
FRPA Obligations	Not designated as a major licence The establishment of a free growing stand is usually inconsistent with fuel management objectives

An FLTC may be issued to authorize the harvesting Crown timber to protect a community from wildfire. An FLTC for community wildfire protection is not intended as a business venture to provide for additional revenue for local governments.

Although there is no volume limit on this type of FLTC, the pricing options under the appraisal manual may make it practical to limit the volume to 2000 m³ or 5000 m³.

Note that if the timber to be cut isn't merchantable or is inaccessible, the FLTC could be issued with no right to remove and therefore no timber mark. Resultant debris would be dealt with under the Wildfire Act.

Issuance Process

Competitive Award

Where an FLTC for the purposes of community wildfire protection is to be offered through a competitive process, then [the Procedures for Awarding Harvesting Tenures and Authorizing Fuel Management Treatments to Protect Communities from Wildfire](#) can to be followed. Competitively Awarded Fuel Management Project

A “**fuel management project**” is defined as an area or a number of areas in close proximity that require a combination of harvesting and fuel reduction treatments that are over and above normal hazard abatement treatments required under the *Wildfire Act*. The fuel reduction treatments can include, but are not limited to piling and burning, pruning, thinning by harvesting individual trees, reductions of ground fuel loading, and the construction of trails as ground fuel breaks and to provide access for fire suppression or to water sources.

The combination of treatments would result in the removal of some volume of merchantable Crown timber.

Community Wildfire Protection Plans are often prepared by local governments to identify priority areas where specified fuel management treatments are required. The district manager or regional manager with input from the Wildfire Management Branch staff, and possibly local government representatives would decide on the priority treatment areas to be established as a fuel management project. The intent is to make the fuel management project available as a government funded contract through an advertised, competitive bidding process. The contract to carry out the fuel management treatments would be awarded to the contractor who offers to carry out the fuel management treatments at the lowest total price. Upon entering into the contract the successful bidder would be entitled to obtain an FLTC to harvest timber that needs to be cut and /or removed as part of the fuel management project.

The tender package for the fuel management project would include a sample FLTC document that would be used to authorize the harvesting in conjunction with the fuel management treatments. The sample FLTC document should include a description of reserved timber in Schedule B if tight control of the post harvest stand structure is critical to the achievement of fuel management objectives.

The fuel management project would be advertised on the Official Notices Site and BC Bid, and tender packages may be available from the FLNRO district office. The advertisement for the fuel management project should also specify the estimated stumpage rates that would apply to timber harvested under the FLTC. This would better enable bidders to determine their costs and possible profit associated with the intended harvesting. Where a fuel management project (contract) is competitively awarded to the low bidder there would be no requirement for bidders to submit bonus bids or bonus offers that would increase the stumpage paid for the timber harvested.

Fuel Management Harvesting under an Intermediate Salvage FLTC

A problem with some fuel management projects is that the timber to be harvested is often dead or of low value and the required stumpage (based on tabular rates), does not allow the timber to be harvested profitably. For this reason some fuel management harvesting has been executed under an intermediate salvage FLTC where the district manager has the flexibility to establish reduced upset stumpage rates for the purposes of protecting a community from wildfire under section 6.2.1 (1)(a)(i) of the Interior Appraisal Manual. There is no volume limit under this section.

Where the fuel management harvesting is carried out as an intermediate salvage FLTC prior to any fuel management treatment, the process outlined in section 6.9 of this

manual would be followed for competitively awarding the FLTC. Any subsequent fuel management treatments would be dealt with as a separate contract.

Invitation to Tender for Fuel Management Projects

The document Procedures for Awarding Harvesting Tenures and Authorizing Fuel Management Treatments to Protect Communities from Wildfire identifies information that should be in the Invitation to Tender.

Direct Award

Section 1 of the FLTC Regulation does not require an FLTC for community wildfire protection to be competitively awarded so it is possible to direct award an FLTC for this purpose. With the approval of the applicable district manager, a local government could hire a forestry contractor to make a professional application for an FLTC in a manner similar to an application for a small scale salvage FLTC. There is no maximum volume limit specified in legislation for an FLTC for protecting a community from wildfire. So if a professional application is used, the normal 2,000 m³ volume limit for small scale salvage would not apply, and the timber would not have to be dead or endangered. Stumpage rates would be determined as per the applicable tabular rates (IAM section 6.1).

Exhibit A Map

The Exhibit A map outlines the area to which the FLTC applies and is generated by FLNRO district staff. A digital map of the proposed FLTC area should be provided to the FLNRO by the local government or a contractor working on their behalf who initiated the fuel management harvesting.

Document Preparation

A template for an FLTC issued for the purposes of community wildfire protection can be obtained on the FLNRO FTB website at: FLTC document templates

Harvesting for community wildfire protection will often have the following objectives:

- removing dead and damaged trees or smaller trees that constitute ladder fuels, and
- leaving a residual stand consisting of widely spaced dominant and co-dominant trees that are relatively fire resistant.

The FLTC template for community wildfire protection provides the following two options to ensure that the desired stand structure is achieved at harvest completion:

- 1) the FLTC would only authorize the harvesting of certain species or types of timber (i.e. dead or down timber or timber that was marked for harvest), or
- 2) the FLTC would describe the trees that must remain at the conclusion of harvesting by establishing these trees as reserved timber in Schedule B of the FLTC.

The FLTC template for community wildfire protection also contains a Schedule C which could be used to authorize the use of non-status roads or new road construction that are entirely within the FLTC area outlined on the Exhibit A map.

Upon confirming that the successful applicant would like to enter into the FLTC the FLNRO will prepare two copies of the FLTC document for the applicant to sign and return to the FLNRO. An acceptable deposit in the amount specified in the FLTC document must be provided to the FLNRO with the signed FLTC documents if the total deposit was not provided with the original application.

Deposit

If the FLTC is competitively awarded as an intermediate salvage FLTC or awarded to the successful bidder for a competitively awarded fuel management project, the FLTC is considered to be competitively awarded. Therefore under section 9(2) of the ADDER the district manager or regional manager has the discretion to establish an appropriate amount for the FLTC deposit. In the case of a direct award of the FLTC section 9(2) of the ADDER indicates that the deposit is 10% of the first \$100,000 of estimated stumpage value plus 5% of any remaining estimated stumpage value.

Small Scale Salvage	
Legal Authority	LTC Regulation section 2
Timber Type/Volume	Maximum of 2000 m ³ of salvage* timber
Eligibility	Generally no restrictions on who can hold the FLTC as long as the person meets the eligibility requirements of sec 81 of the <i>Forest Act</i>
Issuing Official	May be entered into by regional manager or district manager A forest officer authorized by the district manager may enter into an FLTC for up to 500 m ³
Award Process	Directly awarded in almost all cases.
Term	Term must not exceed 5 years, but is usually one year or less

Cutting Authority	FLTC provides cutting authority. CPs not required
Pricing	Tabular stumpage rates usually apply with the option of the applicant providing the information to do a full stumpage appraisal Silviculture levy should not be collected with stumpage
Cut Control	Cut control penalties will apply if the maximum harvest volume specified in the licence is exceeded
FRPA Obligations	Typically not designated as a major licence

*An FLTC for the purpose of small scale salvage (<2,000 m³) allow the harvesting of Crown timber that is:

- dead;
- in the opinion of the regional manager or district manager, in danger, as a result of insect infestation, fire, disease or windthrow, of being significantly reduced in value, lost or destroyed;
- must be harvested for insect management purposes, or
- interspersed with the timber described above and must be harvested to provide access to this timber.

Application Process

A Small Scale Salvage FLTC is generally issued by the district manager through a direct award process to a person who submits a professional application for an SSS FLTC. In rare instances, the FLNRO may initiate a small scale salvage FLTC and could use a competitive bidding process to award the FLTC after the FLNRO completes the necessary planning, referrals, field layout, mapping and First Nations consultation.

The Professional Application Provincial Guidelines for Small Scale Salvage Program (June 1, 2004) provides a framework for an efficient, effective and transparent application process. The foundation of the process is the requirement that an application must be signed by the applicant and a professional. The regional manager or district manager may establish local guidelines or procedures if they are consistent with the purpose of the provincial guidelines.

Regardless whether the application is professional or conventional, the District Manager will still need to ensure that consultation with First Nations has been adequate.

The memo "SSS Direction – Fall 2009" directs districts to develop clear, concise operating procedures for the professional application process. Any local guidelines or procedures

must be made known to potential applicants. An easily accessible district website dedicated to SSS is one method of providing that information.

The following comments about sub-components of the application process are intended to supplement the provincial guidelines.

Pre-Application Planning

The guidelines identify the necessary steps to assess the area to be harvested and gather information needed for the application.

In some cases the pre-planning information may be submitted to the FLNRO for review prior to the applicant proceeding with a completed professional application. This initial FLNRO review is being used to assess whether or not there are conflicts with legislation or land use objectives that would result in a rejection of the application. Receiving FLNRO feedback to continue with the application is not a guarantee that the application will be processed and a subsequent FLTC issued.

Professional Application

Professional applications must be submitted to the district manager in accordance with the [Small Scale Salvage](#) Electronic Submission Framework.

A professional application must supply the information requested in the Professional Application Template and the provincial SSS Mapping Standards as well as any additional information required by local guidelines or procedures.

Issuance Process

An overview of the direct award issuance process is provided in the business process map in section 6.9 of this manual.

The Assistant Deputy Minister's memo "SSS Direction – Fall 2009" (a copy is provided in Part 6 of this manual) directs districts to embrace a culture of professional reliance and take advantage of the best management practices that can expedite FLTC award.

To reflect our commitment to professional reliance and that applications prepared by a professional should carry some additional benefit in terms of processing, it is my expectation that once consultation has been completed, the timeframe for forest licence to cut (FLTC) approval should happen within 2 working days. I recognize that unforeseen delays can occur in our field operations for a variety of reasons, but it is my hope that with the emphasis placed on professional reliance those delays will be significantly reduced.

Document Preparation

To ensure that the most recent version of the SSS FLTC document is used, the appropriate FLTC template should be accessed from the [FTB Internal Website](#) each time a licence is being drafted.

Upon receipt of a professional application for a small scale salvage FLTC the FLNRO staff are responsible to:

- 1) receive the application, date stamp it and enter it into the corporate database
- 2) review the application for accuracy and consistency with the policy (and local guidelines where applicable)
- 3) prepare the FLTC document
- 4) prepare a road use permit or road use permit exemption if required to authorize the transportation of timber over a forest service road

The Exhibit A map identifies the external boundary of the area to which harvesting is authorized. It is most often generated by FLNRO district staff based on the digital map provided with the professional application.

Once the FLTC document is prepared, the licensee is responsible to sign and return the documents and provide any required security deposit. The district manager then signs the FLTC document, provides a signed copy to the licensee and the FLTC is entered into the forest tenure administration system (FTA) by the resource clerk.

Harvest Completion

The small scale salvage FLTC template contains a provision allowing the term of the FLTC to expire earlier than indicated if “the regional manager or district manager gives notice to the Licensee that all contractual and legislative obligations associated with this Licence have been completed”.

As per the Professional Application Provincial Guidelines for Small Scale Salvage Program (June 1, 2004) Schedule A of the SSS FLTC document contains a clause requiring a post harvesting report. This report serves as documentation attesting to the following:

- 1) The timber targeted for salvage has been removed in accordance with the FLTC and the professional application.
- 2) Waste and residue standards have been achieved.
- 3) If sufficient trees remain on the harvest area to meet the stocking specifications for partial cutting under section 46(3) of the Forest Planning and Practices

Regulation (so there would be no obligation for the minister to establish a free growing stand on the FLTC area).

- 4) Measures undertaken to protect soil, water, archaeological features and wildlife habitat have achieved the required results.
- 5) Access trails, roads and landings have been deactivated to an acceptable standard.
- 6) In the opinion of the forest professional who signs the post harvest report, the licensee has completed all on-site obligations associated with the FLTC.

A template for a “Post Harvesting Report” is available on the [Small Scale Salvage website](#).

When the FLTC harvest activities have been completed, FLNRO staff may check for any outstanding compliance or enforcement issues. After these final harvesting inspections have been completed, the licence can expire early as provided in paragraph 1.01 of the FLTC document. If all obligations have been met, then the security deposit may be fully refunded. If the licensee fails to produce a post harvesting report in accordance with the format and timeline specified in the FLTC document, or if licence obligations have not been met then contract conformance actions should be taken to get the licensee to correct the deficiencies. The security deposit may be forfeited to the FLNRO (once the FLTC expires or is cancelled).

FLNRO Free Growing Obligations

Section 46(1) and (3) of the FPPR indicate if more than 500 cubic meters is harvested under an FLTC that is not a major licence or a minor tenure then the minister is required to establish a free growing stand if the harvesting under an FLTC is clearcutting and results in an opening greater than 1 hectare.

The definition of “minor tenure” indicates an FLTC is a minor tenure if the FLTC document doesn’t indicate it is a major licence and the FLTC document limits harvesting:

- to an area not greater than 1 hectare, and
- a volume not exceeding 2,000 m³.

FPPR section 46(1) may require the minister to establish a free growing stand if the FLTC authorizes harvesting on an area greater than 1 hectare and more than 500 m³ is actually harvested under the FLTC. Regardless whether there is a legal requirement to establish a free growing stand, FLNRO policy is to assess the silviculture needs for SSS openings and ensure appropriate stewardship actions are taken. (See copies of directives in Part 6 of this manual.)

If the criteria in FPPR section 46(1) are satisfied, FPPR section 46(3) provides the following 2 situations where the minister is not required to establish a free growing stand:

- 1) the harvest area is clearcut⁹ and each of the resulting clearcut openings (including adjoining clearcut areas where a free growing stand has not been established), do not exceed 1 hectare, or
- 2) the harvesting employs a silvicultural system other than clearcutting and, at the conclusion of harvesting; sufficient trees are retained on the harvested area to make the establishment of a free growing stand unnecessary.

Under the first situation, FLNRO's *Post Harvest Reporting Requirements for Small Scale Salvage Licence to Cut* indicates that if the FLTC results in several non-contiguous clearcut openings (including adjoining clearcut areas where a free growing stand has not been established), and each clearcut opening is less than 1 hectare, the minister would not be required to establish a free growing stand on these openings, even if the total combined area of these small clearcuts exceeds one hectare.

Under the second situation, FPPR section 46(3)(b)(i) allows the district manager to establish stocking specifications for small scale salvage FLTC areas that are not clearcut, to document the stocking of trees that needs to be retained at the conclusion of harvesting so the minister would not be required to establish a free growing stand. The intention is that if, at the conclusion of harvesting, sufficient stocking of healthy trees that are ecologically suited to the site, are retained, there should be no need to establish a free growing stand on the harvest area.

If stocking specifications for partial cutting are not established by the district manager under FPPR section 46(3)(b)(i), then FPPR section 46(3)(b)(ii) indicates the stocking standards in the Reference Guide to FDP Stocking Standards¹⁰ apply. If harvesting retains sufficient trees to satisfy the applicable stocking standards there would be no legal requirement for the minister to establish a free growing stand.

If the intention is to retain sufficient trees at the conclusion of harvesting to avoid the need to establish a free growing stand, the FLTC document should contain "reserved

⁹ The term "clearcut" is no longer defined in forestry legislation but is generally considered to be a harvest area or silvicultural system where all of the merchantable trees are removed.

¹⁰ The following is a link to the FLNRO publication "Reference Guide to FDP Stocking Standards":

<https://www2.gov.bc.ca/gov/content/industry/forestry/managing-our-forest-resources/silviculture/stocking-standards>

timber” or other clauses to ensure the partial cutting stocking specifications established under FPPR section 46(3)(b) (i) or (ii) will be achieved by the holder of the FLTC. The partial cutting stocking specifications established under FPPR section 46(3)(b) (i) or (ii) do not legally apply the holder of the FLTC unless they are established as a contractual requirement in the FLTC document.

Although it is common to assume that openings up to 1 hectare such as those harvested under small scale salvage FLTC will regenerate naturally, FLNRO district staff have been directed to assess the silviculture needs for openings harvested under a Small Scale Salvage FLTC and ensure appropriate stewardship actions are taken. (See copies of directives in Part 6 of this manual.)

Policy, guidelines and other SSS resources are available from the [Small Scale Salvage website](#).

Intermediate Salvage	
Legal Authority	LTC Regulation section 2(4)
Timber Type/Volume	Maximum of 5000 m3 of salvage* timber
Eligibility	Generally no restrictions on who can hold the FLTC as long as the person meets the eligibility requirements of sec 81 of the <i>Forest Act</i>
Issuing Official	May only be entered into by regional manager or district manager and not a forest officer.
Award Process	Must be competitively awarded based on a request for a bonus bid (\$/m3) or lump sum bonus offer
Term	Term must not exceed 5 years, but is usually one year or less
Cutting Authority	FLTC provides cutting authority. CPs not required
Pricing	Upset stumpage rate can be based on tabular rates with the option of doing a full appraisal A silviculture levy may be included in the upset stumpage rate
Cut Control	Cut control penalties will apply if the maximum harvest volume specified in the licence is exceeded
FRPA Obligations	Not designated as a major licence

Intermediate salvage (IS) is a variation of small scale salvage that allows a larger FLTC (2,000 to 5,000 m³) to meet forest management objectives. Because of the size, a competitive award process must be used. Other than the higher volume limit and the competitive award process, the SSS guidelines and other resources on the [Small Scale Salvage website](#) are generally applicable.

Similar to small scale salvage (<2,000 m³), the criteria for being eligible for intermediate salvage (2000 m³ to 5,000 m³) includes Crown timber that is:

- dead;
- in the opinion of the regional manager or district manager, in danger, as a result of insect infestation, fire, disease or windthrow, of being significantly reduced in value, lost or destroyed;
- must be harvested for insect management purposes, or
- interspersed with the timber described above and must be harvested to provide access to this timber.

The direct awarded small scale salvage FLTC is discussed in section 0

Planning and Preparation

When initiating an intermediate salvage FLTC the FLNRO must undertake a process similar to what is required to prepare a professional application for an SSS FLTC. This would include selecting an area of salvage timber that satisfies the criteria in the FLTC Regulation, making any necessary referrals to other licensees or BCTS to ensure they are not overly opposed to the FLTC, ensuring FRPA values are adequately conserved or protected and the operations under the FLTC area will be in compliance with FRPA practice requirements, consulting with First Nations, etc. Field layout and mapping of the cutblock would also be required to produce a digital map in a format that could be used as an Exhibit A map for the FLTC.

Issuance Process

Competitive Award

Section 2(4) of the FLTC Regulation requires an intermediate salvage FLTC must be issued through a competitive award process.

The business process map in section 6.0 of this manual provides an overview of the FLTC competitive award issuance process.

Although the ADDER does not specify advertising requirements for licences to cut, the current FLNRO policy is to advertise opportunities for a competitively awarded FLTC a minimum of 2 weeks using the [B.C. Bid website](#). FLNRO Official Notices website located

The FLNRO is moving away from advertising harvesting opportunities in local newspapers in an effort to conduct all advertisement on recognized websites. The advertisement should identify:

- the closing location where applications should be submitted,
- the closing date and time,
- an estimate of the volume of timber to be harvested from a geographic location,
- the upset stumpage rate,
- whether a bonus bid or bonus offer is required,
- any deposit requirements, and
- contact information for a FLNRO employee who can provide additional information.

Digital tender packages should be available as PDF documents that can be downloaded from the website advertisement. Hardcopy tender packages can be made available but only from the originating FLNRO office. All tenders must be submitted in hard copy and digital bidding is not acceptable.

A template for advertisements to competitively award an FLTC is available at the [Small Scale Salvage website](#).

Establishing Upset Stumpage

In order for applicants to be able to determine how much bonus stumpage they can offer, it is necessary for the FLNRO to indicate the upset stumpage rate(s) that will apply to the FLTC. Section 6.2 (2) of the Interior Appraisal Manual provides the process for establishing an upset stumpage rate at 70% of Table 6-1 rates or some lesser amount requested by the district manager and approved by the regional manager. Section 7.4 of the Coast Appraisal Manual provides the process for establishing an upset stumpage rate based on schedule of average sawlog stumpage rates for damaged timber approved by the Director of Revenue Branch. Both appraisal manuals allow a basic silviculture levy to be included in the upset stumpage rate if the minister is legally required to establish a free growing stand on the harvest area. The silviculture levy is to equal the district manager's estimate of silviculture costs to be incurred by the Crown. An administrative levy can also be included in the upset stumpage rate to cover the cost of preparing the FLTC. (Also see section 0 of this manual for related guidance on silviculture and administrative levies.)

Document Preparation

To ensure that the most recent version of the FLTC document is used, the appropriate FLTC template should be accessed from the FTB template site each time a licence is being drafted.

Deposit

There are two types of deposit applicable to an FLTC. One is a deposit that accompanies each application/bid. The second type of deposit is a licence security deposit that is required from the successful applicant prior to entering into the FLTC.

LTC documents contain provisions to allow money to be taken from the deposit if the licensee fails to make required payments to the government or fails to complete other obligations associated with the LTC. If the government takes money from the deposit the LTC document requires the licence holder to replenish the amount of deposit that has been taken.

FLNRO policy usually requires all applications for an FLTC to include a bid deposit that is less than the eventual licence deposit. The successful applicant is then required to top up or replace the bid deposit to equal the amount required for the licence deposit. An applicant that is awarded the FLTC but declines to enter into the licence may forfeit their bid deposit. The bid deposits of unsuccessful applicants are refunded once the FLTC is signed.

Section 9(2) of the ADDER provides flexibility for the FLNRO decision-maker to set the bid deposit of a competitive FLTC to zero or any reasonable amount that is appropriate. If the salvage timber is of low value it may be desirable to streamline administration by setting the bid deposit at zero.

Harvest Completion

The intermediate salvage FLTC template contains a provision allowing the term of the FLTC to expire earlier than indicated “when the regional manager or district manager gives notice to the Licensee that all contractual and legislative obligations associated with this licence have been completed”.

The FLTC template for intermediate salvage also includes a clause in Schedule A that would require the licensee to submit a post harvesting report in the same format as the one required for a small scale salvage FLTC. If this clause is included in the FLTC document the post harvesting report that is prepared signed and sealed by a licenced forest professional would need to be submitted within 60 days of the completion of harvesting activities.

When the FLTC harvest activities have been completed, FLNRO staff may check for any outstanding compliance or enforcement issues. After these final harvesting inspections have been complete, the licence can expire early as provided in paragraph 1.01 of the FLTC document. If all obligations have been met, the security deposit may be fully refunded.

Harvesting in Controlled Recreation Areas	
Legal Authority	LTC Regulation section 3
Timber Type/Volume	No volume limit
Eligibility	Restricted to designated Controlled Recreation Areas
Issuing Official	Delegated to Mountain Resort Branch of FLNRO
Award Process	Direct award or competitive.
FRPA Obligations	No FSP or site plan. Legislated free growing obligation if >1 ha

The issuance and administration of an FLTC for the purpose of harvesting Crown timber within a controlled recreation area (CRA) established under the *Resort Timber Administration Act* has been delegated to the Mountain Resorts Branch of FLNRO. A CRA must be established by regulations made under section 4 of the *Resort Timber Administration Act* before staff can issue of FLTC within this area. This includes, issuing an OLTC, issuing an FLTC and granting exemptions to the holder of an FLTC from the requirement to establish a free growing stand under section 46 of the FPPR. The holder of one of these licences is still required to comply with all applicable forestry legislation (i.e. FRPA practice requirements).

Much of the harvesting for the development of facilities in CRAs will be conducted under an OLTC by a person who has been granted rights to occupy Crown land within the CRA. There are a number of circumstances where a FLTC may be issued within a CRA either to a third party or a resort operator outside the operator's occupation authority: forest health, salvage, public safety, road construction.

Associated with Government Contract (Forest for Tomorrow and Ecosystem Restoration)	
Legal Authority	LTC Regulation section 4
Timber Type/Volume	No volume limit
Award Process	Direct award in conjunction with a competitively awarded government funded contract
FRPA Obligations	No FSP or site plan. FFT to manage free growing obligations.

An FLTC for the purposes of Forest for Tomorrow (FFT) site preparation or ecosystem restoration is entered into under section 47.6 (2) (d) of the *Forest Act* and section 4 of the FLTC Regulation and is restricted to harvesting of Crown timber in conjunction with a government funded contract that:

- was competitively awarded, and
- provides for the preparation of the area for reforestation or the restoration of grasslands or open forests.

The primary use of section 4 of the FLTC Regulation is to allow an FLTC to be awarded to the successful bidder on a FFT site preparation contract to remove immature or dense lodgepole pine stands that have been killed by the mountain pine beetle. The FFT site preparation contract requires the stand of dead timber to either be piled and burned or harvested under the FLTC which covers the contract area. The FFT site preparation contract is advertised in conjunction with the FLTC on the Official Notices site, BC Bid and the FFT website. Contractors provide \$/hectare bids to pile and burn the timber or remove it through harvesting. The FFT site preparation contract is awarded to the low bidder and once the contract has been signed the successful bidder is legally entitled to enter into an FLTC over the contract area. The FLTC authorizes the harvesting of timber or post and rails or the grinding or chipping of timber on the FLTC area. If the contractor elects to carry out onsite processing of the timber into chips or hog fuel, the FLTC will also authorize the removal of this material.

An individual FLTC can be issued in conjunction with FFT site preparation contracts that authorize harvesting over more than 150 hectares. Although an FFT FLTC may encompass a significant area, it is not major licences. There is no maximum volume limit specified in legislation or policy for an FLTC that is issued in conjunction with an FFT site preparation contract. FFT policy #3 has been approved by the Chief Forester and Assistant Deputy Minister of Operations to establish a process for FFT to follow when initiating FFT site

preparation contracts with an FLTC. The policy can be accessed from the FFT website at:
FFT Policy # 3

This policy directs FFT into very low quality beetle killed pine stands with minimal sawlog volume that existing licensees are not interested in harvesting. The policy also requires FFT to provide BCTS the first right of refusal to harvest a rehabilitation area as an innovative timber sale licence. If BCTS is not able to harvest the rehabilitation area the policy requires FFT to complete a FRPA checklist before advertising an FFT site preparation contract with an FLTC. The FRPA checklist is designed to ensure that operations under the FLTC and FFT site preparation contract comply with FRPA practice requirements protect FRPA values and do not have adverse impacts on forest licensees, private landowners or others with rights in the vicinity. A copy of the FRPA Checklist is available on the FFT website at: FFT FRPA Checklist

Timber Pricing

Timber pricing for an FLTC Issued in conjunction with an FFT site preparation contract utilizes section 6.2.1 of the Interior Appraisal Manual (IAM). The IAM establishes a sawlog stumpage rate of \$ 1.20/m³ for an FLTC that is issued to the holder of a competitively awarded FFT site preparation contract if timber to be harvested meets criteria established under this section of the IAM. If the timber harvested under the FLTC meets the criteria specified in this section of the IAM, the equivalent of minimum stumpage would be charged for any timber that is ground into hog fuel or chipped on the FLTC area. These stumpage rates are fixed for the term of the FLTC and any extensions so that contractors can better estimate what stumpage they will have to pay when they are preparing their \$/hectare bids for the FFT site preparation contract.

Refer to the Coast Appraisal Manual for pricing FFT FLTC on the coast.

Note: always reference the most current version on the appraisal manual as it is subject to change.

Issuance Process

The business process map in section 6.9 of this manual provides an overview of the process associated with the issuance of an FLTC to the successful bidder of a competitive contract.

FFT Site Preparation

Most the implementation of the FFT program is carried out by contractors¹¹ who are responsible to select suitable areas for FFT site preparation contracts that may result in the issuance of an FLTC by the district manager. Where the FFT site preparation area is close enough to timber processing facilities to allow timber utilization, the FLTC is designed to promote the utilization of this fibre. The FFT contractors are required to conduct field work to select suitable stands for FFT rehabilitation and make referrals to licensees and BCTS to ensure they do not want to harvest the selected areas. The FFT Contractor must also make referrals to First Nations, any adjacent private landowners or persons with rights in the vicinity, and complete the FRPA checklist for presentation to the district manager before an FFT site preparation contract with an FLTC is advertised.

Once the FRPA checklist has been reviewed by the district and First Nation consultation has been completed, the district manager must determine that the FLTC can be issued. Once this determination is made the district will inform the FFT contractor to advertise the FFT site preparation contract. The FFT contractor will advertise the FFT site preparation contract and FLTC on the FFT website in accordance with the FFT advertising protocol. FLNRO staff will also advertise the FFT site preparation contract and FLTC on the Official Notices site and BC Bid. The advertisements on these government websites will link interested contractors back to the FFT website where tender documents can be downloaded.

The advertisements should follow the format and instructions contained in the FFT advertising protocol. The FFT Recipient agreement holders are currently responsible to administer the tender process for the FFT site preparation contract and confirm the successful contractor with the FLNRO. Where an FFT Recipient is managing this process, the FFT Recipient will enter into the FFT site preparation contract with the successful bidder and the FLNRO will not be a party to this agreement. Once the FFT site preparation contract has been signed by both parties, the contractor can apply for the FLTC and the district manager can issue the FLTC once the FLTC deposit has been provided.

Ecosystem Restoration

Section 4 of the FLTC Regulation allows an FLTC to be issued to the holder of a competitively awarded, government funded contract for the restoration of grasslands or open forests, (frequently referred to as ecosystem restoration). This enabling legislation

¹¹ The contractors who currently manage FFT field operations are called “Recipients” as they are holders of a Recipient Agreement with the FLNRO.

authorizes the issuance of an FLTC to the holder of a competitively awarded contract for ecosystem restoration using a similar process to what is used to issue an FLTC to the holder of an FFT site preparation contract. There is no formal policy or an FLTC template for the issuance of an FLTC for ecosystem restoration. There are also no specific provisions in the IAM to provide specific pricing for timber that might be harvested under the FLTC for the purposes of ecosystem restoration.

Deposit

The advertisement for the FFT site preparation contract should identify the FLTC deposit amount that the successful contractor will have to provide to the FLNRO upon entering into the FLTC. An FLTC that is issued in conjunction with an FFT site preparation contract is considered to be competitively awarded due to the competition for the FFT site preparation contract that makes it possible to obtain the FLTC. Therefore, section 9(2) of the ADDER provides flexibility for the FLNRO decision maker to set the FLTC deposit to any reasonable amount that is appropriate.

Exhibit A Map

The Exhibit A map outlines the area to which the FLTC and FFT site preparation contract apply and is generated by district staff based on the digital map submitted by the FFT Recipient who is managing the project.

Document Preparation

A template to be used to produce an FLTC document for the purposes of FFT Site Preparation can be obtained on Website. This document contains the following provisions that are specifically designed for the unique circumstances associated with FFT site preparation contracts:

- 1) The Licensee is authorized to manufacture wood chips, hog fuel or post and rails on the FLTC area and remove these special forest products in addition to just harvesting timber from the FLTC area.
- 2) The FLTC provides a linkage to the FFT site preparation contract so that if the site preparation contract is not maintained in good standing the FLTC could be suspended or cancelled.
- 3) The FLTC contains no maximum volume limit and therefore there are no cut control requirements.
- 4) There are special provisions for waste assessments so that the district manager, (not the Licensee), may conduct a waste survey after the Licensee has provided notification that piling under the FFT site preparation contract has been

completed. Any merchantable timber that is piled in accordance with the FFT site preparation contract is considered unavoidable waste.

- 5) Schedule A of this FLTC template envisions the possible insertion of additional clauses to address issues identified in the FRPA Checklist that are not covered by FRPA practice requirements.
- 6) Unlike the Small Scale Salvage FLTC template, there is no requirement for Licensee to have a forest professional submit a post-harvest report since the FFT Recipient will be reporting the harvesting into RESULTS.
- 7) The FLTC template contains an optional Schedule C that can be used to authorize
 - the use of non-status roads,
 - the reconstruction and use of non-status roads, or
 - the construction and use of new roads

that are wholly contained within the FLTC area.

Once two copies of the FLTC documents are finalized, the licensee is responsible to sign the documents and provide the security deposit. Once the signed FLTC documents are returned FLNRO district staff checks the signatures, ensure the payment for the security deposit has been received, and arrange for signing by the district manager. Upon completion of this, the FLTC is entered into the tenure administration system (FTA) by the applicable forest resource clerk and a copy of the signed FLTC is provided to the licensee. The licensee then harvests the timber in accordance with the licence conditions and the FFT Recipient conducts a pre-work conference with the contractor to ensure the legal and contractual requirements are explained.

3.3 FLTCs authorized under other sections of the Forest Act

Pulpwood Agreements	
Legal Authority	Section 41 (1)(e)
Timber Type/Volume	Types and volumes of Crown timber that are consistent with conditions set out in pulpwood agreement.
Eligibility	conditions set out in pulpwood agreement
Award Process	Direct award
Term	Up to 5 years

Pulpwood Agreements	
Cutting Authority	May provide for cutting permits
Cut Control	Not intended to specify a maximum volume limit The FLTC document contains provisions to ensure that the volume harvested is consistent with the pulpwood agreement which contains contractual cut control provisions.
FRPA Obligations	A major licence requiring an FSP and site plans

This direct award licence is intended to authorize harvesting a volume of Crown timber consistent with conditions set out in an existing pulpwood agreement. The FLTC document contains wording designed to ensure that the total volume harvested under the FLTC will be consistent with the total annual volume authorized in the pulpwood agreement.

An FLTC issued in association with a pulpwood agreement is a major licence as defined in section 1 of the *Forest Act*. As such the FRPA requires that a forest stewardship plan must be prepared by the licensee and approved by the district manager prior to any harvesting or road construction under the FLTC. The licensee must also prepare site plans for cutblocks and new road construction and establish free growing stands on areas harvested under the FLTC. Further details regarding these FRPA requirements associated with a major licence are specified in section 0 of this manual.

Conditions of a pulpwood agreement generally include the following:

- Keep the facility (pulp mill or oriented strand board plant) associated with the pulpwood agreement running at capacity for an entire calendar year.
- Purchase available pulp timber or deciduous from other licensees and private landowners (provided the price is reasonable)
- Trade coniferous sawlogs from mixed-wood harvesting for deciduous
- Harvest the maximum volume authorized under any forest licence that is issued to the holder of the pulpwood agreement before an FLTC can be issued to harvest additional volume.

The volume harvested under the FLTC is charged against the annual pulpwood agreement volume. Any volume harvested by the pulpwood agreement holder under a road permit associated with an FLTC is also charged against the pulpwood agreement. It is very important that road permits are correctly associated in FTA with the FLTC and not the

pulpwood agreement. The pulpwood agreement volume does not carry-over from year to year. If the pulpwood agreement volume is not harvested in a calendar year it does not increase the pulpwood agreement volume that is available in the next year.

Application

The holder of a pulpwood agreement makes an electronic application for an FLTC through the Electronic Submission Framework (ESF) in a manner similar to a major licensee applying for a cutting permit. Information must also be submitted to justify the need for the FLTC based on a lack of suitable timber being available for the holder of the pulpwood agreement to purchase.

Issuance Process

As each pulpwood agreement is slightly different it is important that conditions specified in the pulpwood agreement are reviewed prior to issuing an FLTC in order to ensure consistency between the pulpwood agreement and the FLTC.

Although an FLTC associated with a pulpwood agreement can be issued for a term of up to 5 year, they are typically issued for a 2 year term. A 2 year term FLTC can be extended through an FS3 Amendment up to a maximum total term of 5 years if harvesting under the FLTC is not completed and the conditions in the pulpwood agreement for issuing an FLTC remain satisfied.

Document Preparation

A template for an FLTC issued in association with a pulpwood agreement can be obtained on the FLNRO FTB website at: [FLTC licence document templates](#). This template does not provide for cutting permits as recommended by both interior forest regions. The FLTC should not specify a maximum harvestable volume as doing so would invoke the cut control requirements of section 75.21 of the *Forest Act*. The pulpwood agreement contains clauses that provide a contractual form of annual cut control so there is no need for the FLTC to trigger a second set of cut control requirements under the *Forest Act*.

Once the FLTC document is finalized, two copies of the document are sent to the pulpwood agreement holder for signature along with a cover letter indicating amount of any deposit required. The security deposit is calculated in accordance with section 9(1)(e)(iii)(A) of the ADDER based on 10% for the first \$ 100,000 of estimated FLTC stumpage value plus 5 % of any remaining estimated stumpage value. Once the document is returned, district staff check the signature, ensure the payment for any deposit has been received, and arrange for signing by the district manager.

Once the FLTC has been signed by the district manager, a copy is provided to the licensee and the resource clerk enters the FLTC into FTA. The licensee can then harvest the timber in accordance with the licence.

Salvage on Area Based and FL Operating Areas	
Legal Authority	Sections 72 and 73 of the <i>Forest Act</i>
Timber Type/Volume	Salvage or special forest products; up to 2,000 m ³
Award Process	Direct awarded but only after a notice to holder of other licence and if holder does not agree to salvage
Cutting Authority	The FLTC should provide cutting authority without cutting permits
Cut Control	Charged to the other licence for cut control purposes

Section 72 of the *Forest Act* provides a formal process where notice can¹² be served to an area based (e.g. TFL) holder, informing the holder that the FLNRO intends to issue an FLTC to allow another person to conduct salvage harvesting or the harvesting of special forest products from the TFL area. Under this section, the FLNRO can issue an FLTC if the TFL holder does not agree (within 14 days of receiving the notice), to harvest the timber described in the notice, by a date specified in the notice, or fails to complete the harvesting by the specified date (after agreeing to harvest the timber by that date). If a small scale salvage FLTC is issued under section 72 of the *Forest Act*, the volume of timber harvested under the FLTC is charged to the TFL for cut control purposes.

Section 73 of the *Forest Act* parallels section 72 and allows the district manager to serve notice on the holder of a forest licence of the intention to issue an FLTC to harvest salvage timber of special forest products from a specified area covered by the operational plan (FSP) for the forest licence. If the district manager issues an FLTC under section 73 the volume harvested under the FLTC would be charged to the forest licence for cut control purposes. There has not been a need to invoke section 73 of the *Forest Act* as forest licence holders usually provide written agreement to allow an FLTC to be issued when they receive a referral request associated with a professional application for a small scale salvage FLTC.

¹² This section is intended to be used if a TFL holder is not addressing salvage harvesting and other parties who would like to harvest the timber under a small scale salvage FLTC are being denied this opportunity by the TFL holder.

Part 4 OCCUPANT LICENCE TO CUT

OLTC are issued under section 47.4 (2) of the Forest Act for the cutting, or cutting and removal, of Crown timber from Crown land or private land. In all cases, the applicant must hold a right to occupy and use the land being harvested (e.g. Right of Occupation, Lease, and Special Use Permit). The purpose of the OLTC is to facilitate the cutting and possibly the removal of timber by the occupant to enable an authorized use of land.

If the OLTC only authorizes the cutting of Crown timber, an FLTC could be issued to another person to remove the timber that was cut under the OLTC.

4.1 Types of Occupation

Some examples where an OLTC may be issued include:

- Water lines
- Clearing for a fence on a grazing lease
- Mining exploration and mine development
- Independent Power Projects
- Leased or Crown granted land where the timber is still owned by the Crown.

4.2 Application

All applications must include:

- Copy of approved occupancy permit or proof of land ownership from the applicable government agency with a map showing area with occupation rights;
- proof that the applicant is the owner or occupier of the land in the application;
- a map showing the external boundary of the area to be harvested; and
- information required for determining stumpage rates.

Applications for larger areas such as ski operations must include:

- a plan showing all proposed development;
- time frames for completion; and
- type of development (e.g. trails versus a parking lot).

Applications for OLTCs can be submitted on-line through the [FrontCounter B.C. website](#).

4.3 *Issuance Process*

The business process map in section 6.9 of this manual provides an overview of the process associated with the issuance of an OLTC.

The Forest Act section 47.4 (2) provides the FLNRO decision maker with discretion by stating that they **may** enter into an OLTC. However, the *Mineral Tenures Act* (MTA) includes wording indicating circumstances when the FLNRO **must** issue an OLTC, FUP or an SUP. Section 14 (3) of the MTA states that the recorded holder of a mineral title not in production must on request be issued either a FUP or an OLTC.

Both the FLNRO and Ministry of Energy, Mines and Petroleum Resources share responsibility to ensure that concerns brought up through the referral process prior to licence issuance are addressed through appropriate conditions in the OLTC.

The ADDER does not specify the amount of deposit to collect for an OLTC. Therefore, the current direction is for staff not to collect a deposit for OLTCs until such time as the ADDER is amended to include OLTCs. Contact FTB specialist if further clarification is required.

4.4 *Document Preparation*

To ensure that the most recent version of the OLTC document is used, the appropriate OLTC licence document should be accessed from the FTB template site each time a licence is being drafted.

There are 2 OLTC templates to choose from depending on the intended use: Specifically,

- 1) The Licensee has the rights to cut and remove Crown timber (Cut and Remove).
The right to the Crown timber is given to the occupant.
Includes standard clauses with respect to timber mark, stumpage, scaling and waste assessment.
- 2) The Licensee has the right to only cut Crown timber (Cut and dispose timber as instructed.)
Does not include clauses with respect to stumpage, scaling and waste assessment.
Optional clauses are included in the "Schedule A" to address how the felled timber should be disposed (decked; bucked/scattered, burned, etc.)

It is up to the licensor to consider the forest management and revenue implications to the Crown in choosing an option. The purpose of the OLTC is to facilitate the removal of timber by the occupant to enable an authorized use of land. Therefore, in most cases the objective is to minimize the amount of Crown timber that is cut (and removed). In order

to meet this objective, the templates for both options will include a new clause restricting the rights to cut (and remove) only the timber that is necessary to facilitate the proposed use of the land. This framework removes the potential of take or pay being applied to any timber left standing within the licence area.

4.5 Examples

The “Cut and Remove” option is suitable where the volume is relatively small or the timber is of low value. The licensee will already be mobilized on the site to cut the timber and removing it at the same time would be the most cost effective. Normal waste and residue procedures will apply.

The “Cut Only” option with instructions to deck merchantable timber at roadside should be used in the case where there is a strong market or demand and there is a good chance the timber could be sold competitively for a good price. The requirement to deck the timber will be contractual. Any non-compliance with the requirement will be dealt with in accordance with the licence and Forest Act.

The “Cut Only” option could also be used where there is limited or no access to the timber and/or the cost to remove the timber far exceeds the value and volume of timber involved (e.g. remote power line). Where appropriate for forest health or fire hazard concerns, the license can include instructions to buck, pile, burn, or chip the timber that was felled. Waste assessments will not be applicable.

4.6 Timber Pricing

The Interior Appraisal Manual and the Coast Appraisal Manual sets stumpage rates for Crown timber harvested under an OLTC.

4.7 Waste Assessments

The usual objective of an OLTC is to only authorize cutting the timber necessary to facilitate the operations or use of Crown land authorized in the licensee’s occupation authority. The OLTC document has a clause to that effect. Timber within the cutting authority area that is not cut should not be assessed as waste. In effect, the waste assessment is set at zero for licences with this restriction.

4.8 OLTCs Administered within a Controlled Recreation Area (CRA)

The issuance and administration of an OLTC for the purpose of harvesting Crown timber within a CRA (e.g. a ski resort) established under the *Resort Timber Administration Act* has been delegated to the Mountain Resort Branch of the FLNRO.

Much of the harvesting for the development of facilities in a controlled recreation area will be conducted under an OLTC by a person who has been granted rights to occupy Crown land within the controlled recreation area.

There may be a number of circumstances where an FLTC such as harvesting for forest health, salvage, public safety and where road construction is required within the CRA

Part 5 FIBRE SUPPLY LICENCE TO CUT

5.1 Overview

Improving utilization of poorer quality timber and reducing the volume of residual fibre continues to be an important objective for the government of B.C. Finding ways to increase utilization will help mitigate shortfalls in projected fibre supplies, support new industries that can utilize low quality fibre, reduce carbon emissions and improve air quality through less burning of residual fibre.

5.2 Purpose of the Licence

The purpose of the Fibre Supply Licence to Cut (FSLTC) is to provide the ability to issue the rights to a secondary harvester residual fibre that is left behind on landings and roadsides on active cutting authorities. The FSLTC is a tool to be used where a third party arrangement cannot be established.

The rights and obligations associated with the FSLTC are similar to the Fibre Licence to Cut (FLTC). However, the FLTC is intended for small, one-off situations where the objective is to provide access to waste left behind on a few blocks. A purpose of a FSLTC is to provide longer-term access to a larger geographical area. The Fibre FLTC is the vehicle itself that provides the authority to process and remove the fibre. However, the FSLTC is the overarching licence that provides for the issuing of Fibre Recovery Permits.

As with the FLTC, before a Fibre Forestry Licence to Cut or a Fibre Recovery Permit can be issued, the PH's rights to the residual fibre must have been cancelled by the district manager.

A FSLTC also authorize the removal of unprocessed Crown timber, but does not authorize the cutting of standing Crown timber.

Features of the Fibre Supply LTC and Fibre FLTC include:

- Fibre Supply LTC is competitively awarded based on highest bonus bid and the Fibre FLTC may be direct or competitively awarded;
- A Fibre FLTC may be issued for a term of up to 5 years;
- A Fibre Supply LTC may be issued for a term of up to 5 years;
- Area based (areas that encompass landings and roadsides);
- No requirements for Forest Stewardship Plan, or reforestation responsibilities

associated with Forest and Range Practices Act (FRPA);

- Subject to Forest Planning and Practices Regulation practice requirements and soil disturbance limits;
- Must pay stumpage to the Crown;
- No requirement for appraisal of timber;
- Provisions for a security deposit; ☐ Requirement for hazard abatement under the Wildfire Act;
- Authority to process Crown timber into Special Forest Products such as chips or hog fuel on site;
- No requirement for waste assessment;
- No annual rent;
- No volume limit.

Note: A Fibre Supply LTC does not provide any assurance by the Crown of fibre being made available within the licence area since the primary licensee may change specifications for timber utilization or begin to utilize harvesting waste for their own purposes.

5.3 Issuance of a Fibre Recovery Tenure

A FSLTC may be either directly awarded or through competition.

5.4 Direct Award

The ability to directly award a FSLTC is limited. Section 47.3 of the Forest Act specifies the situations where a FSLTC may be directly awarded. These situations currently include:

1. A First Nation to implement or further another agreement
2. The applicant of a bioenergy contract (section 13.1(3)) of the Forest Act to provide fibre to the plant until a forest licence is operational and supplying fibre to the plant.

5.5 Competitive Award

Section 47.71 of the Forest Act provides the authority for the minister to invite applications; evaluate applications; and enter into a FSLTC with the approved applicant. Applications must be evaluated based on the prescribed criteria. The criteria are found in

The FLTC Regulation and include:

- a) sufficiency of the revenue the licence is anticipated to generate for the government;
- b) the best use of the Crown timber;
- c) the economic value to British Columbia of existing facilities proposed to receive and use the timber removed under the licence;
- d) the economic value to British Columbia] of facilities proposed to be modified or constructed to receive and use the timber removed under the licence.

Applications must be evaluated on the basis of any of any of these factors, and to the extent considered applicable and set out in the advertisement inviting applications for that licence. Therefore, the competition can be based on one or more or all of the criteria, and each criteria that is included may be weighted accordingly as long as the criteria and weighting are clearly identified in the particulars package. If required applications must contain or be accompanied by a sealed bonus bid payable to the government in addition to other amounts payable under the Forest Act in respect of the licence, and the application must contain or be accompanied by information specified for the purpose of evaluating the application.

Additional details on FSLTC are included in the Fibre Recovery Tenures Administrative Guide on the [FTB Internal Website](#).

As indicated above, an important component associated with the administration of FSLTS is the notification process outlined in section 79.1 of the Forest Act. This section allows the District Manager to order certain licensees to submit Fibre Recovery Reports at specified times. The licensee's reports must include the specified information regarding residual fibre that exists or will exist on cut-blocks. If the licensee is willing to abandon the timber, then the District Manager may cancel those rights and issue the rights to the residual fibre to a secondary harvester under a fibre recovery permit.

The authority to issue an order to notify provided under Section 79.1 of the *Forest Act* is sufficiently broad to tailor the order to localized circumstances. The notice process may apply to just a few cut blocks to accommodate small operations or may encompass larger

geographic areas to facilitate larger scale operations. It is up to the DM to ensure the information requested in an order meets the district's needs.

The information provided in the notice is critical to the decision as to whether or not an opportunity is available and to provide the SH with enough information to evaluate the opportunity.

5.6 Transfer of Obligations

Once the FRP is issued to the SH to allow the harvesting of the residual fibre, the responsibility to carry out hazard abatement is transferred to the SH. Further, the Wildfire Act and Regulation exempts both the PH and the SH from all hazard assessment requirements in the SH Operating Area once the FRP or the Fibre FLTC is issued. Please refer to the Wildfire Act and Regulation, including section 7 of the Wildfire Act and sections 11 and 12.2 of the Wildfire Regulation.

The SH will either utilize or meet hazard reduction requirements in accordance with the Wildfire Regulation and is only responsible for the area included in the licence area of the fibre recovery tenure. The responsibility remains with the PH to assess and abate the hazard for the PH tenure area not covered by the SH tenure.

5.7 Compliance with Licence Obligations

In addition to compliance and enforcement inspection procedures, when the SH has completed operations and there is a contractual requirement to prepare and submit a Timber Processing Report (the report) to the SDM, the following steps are advised before the security deposit is released:


- District staff will review the report against the licence/permit requirements, if all obligations are declared complete the licence/permit will be closed and the security deposit will be returned to the SH.
- If the district review identifies deficiencies in the report, the client will be asked to correct or clarify the deficiency.
- Where the report identifies that an obligation has not been completed, but proposes a date when the obligation will be completed, then operations staff will not close the licence/permit or release the security deposit until they are notified that the work is complete.

Where an obligation under the licence has not been satisfactorily completed, the SDM may access all or part of the security deposit to carry out the necessary works.

Part 6 REFERENCES

6.1 Directives

Small Scale Salvage Direction – Fall 2009

 BRITISH COLUMBIA The Best Place on Earth	Ministry of Forests and Range	OPERATIONS DIVISION	MEMORANDUM
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File: 19567-01

November 16, 2009

To: Regional Executive Directors
District Managers

From: T.P. (Phil) Zacharatos, RPF
A/Assistant Deputy Minister
Operations Division

Re: Small Scale Salvage Direction – Fall 2009

Over the past few months, a Ministry of Forests and Range (MFR) Working Group was tasked with reviewing small scale salvage (SSS) and making recommendations to our minister with respect to its revitalization.


While the report contained a broad range of recommendations it was decided at this time to focus on the professional application and implement refinements to our business processes around these applications. It was felt that if we focus on streamlining business processes based on an even greater reliance on the work of submitting professionals there would be a positive response from our small scale salvage community.

The following direction is for regional and district staff to consider for day to day Small Scale Salvage (SSS) operations.

Application Process

The use of professionals to aid in the development of operational salvage plans was a key recommendation from the 2003 Small Scale Salvage Review Committee report. Since that time, the professional application process for SSS has been very successful in streamlining the licensing process across the province. Therefore, districts should continue to use the professional application process as a means of reducing MFR workload and continuing to move toward a culture of professional reliance. In addition, districts should also have comprehensive strategic plans and guidelines in place for SSS.

In order to provide clear expectations and achieve greater consistency in using the professional application, districts will develop clear, concise operating procedures that outline this process. One forum for providing that information is through easily accessible websites



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All Regional Executive Directors
District Managers

dedicated to SSS. While I'm sure there are a number of good examples currently being used, I have attached a link to the Vanderhoof Forest District's website as an excellent example:

<http://www.for.gov.bc.ca/dva/SSSP/index.htm>

First Nations Consultation

The recently completed SSS review confirmed that many districts use a full 60 day referral process as part of the First Nations (FN) consultation. I appreciate that the level of consultation considered appropriate may vary based on the aboriginal interests and potential impact the proposed decision may have on those interests. Therefore, there are many good reasons why this practice has evolved to this level.

However, we are aware of a number of districts who have successfully incorporated a strategic level consultation protocol based on the district's general plans and guidelines for small scale salvage. This proactive consultation model has allowed an expedited decision-making process for an individual licence. This is consistent with the current guidelines published by Aboriginal Affairs Branch. See the "Matrix: Interim Guidelines for First Nations' Consultation November 2006" at:

https://gww.for.gov.bc.ca/haa/policy_and_reports_gww.htm

In addition, districts should explore opportunities for increasing the role of the salvage applicant/professional in the information sharing/consultation process. Currently, some districts are applying a best management practise (BMP) that engages the SSS applicant in the consultation/notification process. This allows the applicant to build essential relationships with FN and provides detailed field level expertise when responding to any FN queries. This BMP also maintains the Crown's obligation to have final sign-off on the adequacy of the consultation efforts.

Note that where an FRA/FRO has been entered into with a FN and the agreement speaks to small scale salvage, then the consultation process or protocol agreed to must be followed.

Licence Sign off

Having canvassed tenures staff across the province in the development of the SSS revitalization strategy, I understand that the timeframes for licence approval, once consultation and document review had been completed, range from as short as 24 hours to as long as 4 weeks.

To reflect our commitment to professional reliance and that applications prepared by a professional should carry some additional benefit in terms of processing, it is my expectation that once consultation has been completed, the timeframe for forest licence to cut (FLTC) approval should happen within 2 working days. I recognize that unforeseen delays can occur in our field operations for a variety of reasons, but it is my hope that with the emphasis placed on professional reliance those delays will be significantly reduced.

All Regional Executive Directors
District Managers

It is my expectation that districts continue to embrace a culture of professional reliance and take advantage of the BMPs that currently exist in order to expedite FLTC award. This includes licence documentation and FN consultation happening simultaneously or taking advantage of the option for the delegation of responsibility from the district manager to a forest officer to issue licences under 500 m³.

I believe it will be important to demonstrate the success of these changes. To that end we will be looking for district and regions to report out on a number of performance measures on regular basis. Further information on this will be forthcoming from the regional small scale salvage coordinators.

We are committed to making the province's SSS more accessible, economically viable and administratively efficient. To accomplish this, professionals engaged in the program must be held accountable for the quality of their work. I am confident that by using the BMPs and suggested processes referenced in this guidance document, we will meet our commitment.

Thank you for your cooperation

T.P. (Phil) Zacharatos, RPF
A/Assistant Deputy Minister
Operations Division

pc: Branch Directors

Advertising requirements for SSS and IS FLTC – Nov 2008



Ministry of Forests
and Range

Northern Interior
Forest Region

MEMORANDUM

File: 19567-02

NOV 06 2008

To: District Managers, Northern Interior Forest Region

From: W.J. (Bill) Warner, R.P.F.
Regional Executive Director
Northern Interior Forest Region

Re: **Minimum advertising requirement for Small Scale Salvage, Intermediate Salvage Forestry Licence to Cuts (IS FLTCs)**

The *Advertising, Deposits, Disposition and Extensions Regulation* does not speak to minimum advertising requirements for IS FLTCs; therefore I am taking this opportunity to advise you of my expectations with respect to the minimum advertising requirements for competitively awarded FLTC's.



Tim Sheldon's July 24, 2007 memo gave district managers direction that these competitive opportunities should be advertised on the "Official Notices" website at: <http://www23.for.gov.bc.ca/notices/init.do>. Given the unpredictable nature of Small Scale Salvage it is important to ensure that these tenure opportunities are also advertised in the local papers so that they get as much exposure as possible.

To this end, I am therefore requiring that, at a minimum, you advertise competitive IS FLTCs for a two week period. That is, post the licence opportunity on the Official Notices website for at least two weeks and advertise the licence in your local paper, at least once a week for the two weeks leading up to your tender opening.

W.J. (Bill) Warner, R.P.F.
Regional Executive Director
Northern Interior Forest Region

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Cash Sales for Crown Timber – Dec 2005



Ministry of Forests
and Range

Revenue Branch and
Resource Tenures and Engineering
Branch

MEMORANDUM

File: 6450-20/FTA

December 9, 2005

BY EMAIL

To: Regional Executive Directors

Re: **Cash Sales for Crown Timber**

The purpose of this memo is to advise you that cash sales should not normally be used to sell standing timber.

With a cash sale for standing timber, there is no simple or accurate way to ensure the licensee has not harvested excess timber. Therefore, where standing timber is harvested, the timber should be scaled and billed by invoice, in order to reduce possible revenue risk to the Crown. However, for standing timber of less than 50 cubic metres only, where the revenue risk is minimal, a cash sale may be used to dispose of that timber.



Forests Tenure Administration (FTA) permits the user to choose "cash payment" or "bill by invoice" on forestry licences to cut up to 50 cubic metres (file type B07C). If a cash payment method is selected FTA generates a "D" suffixed timber mark. FTA provides a warning to the user if the cash payment method is selected and the sale volume exceeds 50 cubic metres.

If you have any questions please contact Don Mullett, Senior Timber Tenures Forester, Resource Tenures and Engineering Branch, at 250-387-4371, or Jim Crover, Scaling Policy Forester, Revenue Branch, at 250-356-1955.

A handwritten signature in black ink, appearing to read "Bill Howard".

Bill Howard
Director
Revenue Branch

A handwritten signature in black ink, appearing to read "Jim Langridge".

Jim Langridge
Director
Resource Tenures and Engineering Branch

pc: Gary Townsend, Executive Director, Operations Division

Don Mullett, Senior Timber Tenures Forester,
Resource Tenures and Engineering Branch

Jim Crover, Scaling Policy Forester, Revenue Branch

Silviculture Levies and Reforestation of SSS Openings

Refer to both the January 3, 2007 memo and the April 3, 2009 update.



Ministry of Forests
and Range

Executive

MEMORANDUM

File: 19567-00

January 3, 2007

To: All District Managers

From: Jim Snetsinger
Chief Forester

Tim Sheldan
Assistant Deputy Minister
Operations Division

Re: Silviculture Levies for Small Scale Salvage (SSS) Tenures equal to or less than One Hectare

Under the *Forest and Range Practices Act*, openings harvested under SSS that are less than or equal to one (1) hectare do not generate any legal free growing obligation as the assumption was that areas would reforest naturally. General feedback from the field is that reforestation on these sites is not meeting expectations and therefore, a decision has now been made by the Executive to manage all new sites under the SSS initiative to ensure they are adequately reforested. We advise:



1. Stocking of new SSS Licences:

As of April 1, 2007 district managers are to ensure all new SSS Forestry Licence to Cut's (FLtCs) less than or equal to one hectare, where the application was received after April 1, 2007, are managed to ensure they are restocked in a manner targeting the stocking levels outlined in the *Reference Guide for FDP stocking standards*. This will require conducting appropriate field surveys, planting where necessary, and brushing if required. All activities will be required to be tracked in RESULTS. Exceptions are where the district manager does not anticipate that there will be any silviculture costs, i.e. natural regeneration, decked timber, etc.

The funding source for these reforestation activities will be the *Forest Stand Management Fund* (FSMF). The process for establishing, collecting, depositing and accessing the levy funds from the FSMF will be the same as what currently occurs for areas greater than (1) one hectare.

2. Existing SSS openings:

Funding sources for reforesting pre-April 1, 2007 historic SSS areas are being pursued, e.g. any FSMF surplus, FFT if their criteria is met, vote dollars, etc. In the meantime, these areas should be assessed to determine their stocking level status where possible.

All District Managers

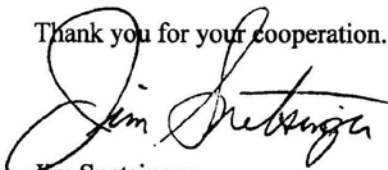
3. Consistency in applying Silviculture Levies:

A consistent approach on assessing silviculture levies is required in order for districts to access sufficient funds on all new SSS FLtC's to cover the costs of reforestation. As of April 1, 2007, for all new SSS tenures the silviculture levy, as per the *Coast and Interior Appraisal Manual's* wording, will be based on covering the district manager's anticipated silvicultural costs. This cost could be different than the appraisal cost estimate for silviculture and if there are no anticipated silviculture costs then the levy can be zero.

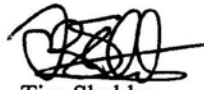
A list of sample questions and responses is attached for your information.

If you have any additional questions please contact John McClary, SSS Forester, Operations Division, 250-565-6216 or Al Powelson, Regeneration/Mixed Wood Specialist, Forest Practices Branch, 250-356-6932.

Thank you for your cooperation.



Jim Snetsinger
Chief Forester



Tim Sheldon
Assistant Deputy Minister
Operations Division

Attachment: (1)

pc: Regional Executive Directors
Ralph Archibald, Director, Forest Practices Branch
Bill Howard, Director, Revenue Branch
John McClary, SSS Forester, Operations Division
Al Powelson, Regeneration/Mixed Wood Specialist, Forest Practices Branch

From: Zacharatos, Phil FOR:EX
Sent: Friday, April 3, 2009 3:26 PM
To: Warner, Bill FOR:EX; Peitzsche, Larry FOR:EX; Gowriluk, Jim FOR:EX
Cc: Slydell, Caroline FOR:EX; Fuglem, Peter FOR:EX; Snetsinger, Jim FOR:EX
Subject: Silviculture Levies for Small Scale Salvage (SSS) Tenures

Please share this memo with your District Managers and staff.

This memo updates the direction provided to you in the memo from Tim Sheldan and Jim Snetsinger on January 3, 2007. This will advise that a decision has been made that it is no longer necessary to collect the silviculture levy for directly awarded Forestry Licences to Cut issued for Small Scale Salvage (SSS) with volumes less than 2000 m³. Districts will continue to assess the silviculture needs for SSS openings and ensure appropriate stewardship actions are taken (to illustrate this point by way of an example, in the right situations, the licensee could be encouraged to retain as much advanced regeneration as possible during their harvesting operations). The Interior Appraisal Manual was amended March 31, 2009 to implement this direction. The same direction applies to the Coast however the Coast Appraisal Manual did not require an amendment.

It is important that direct award SSS licenses be applied only to appropriate small-scale opportunities for salvage, especially localized small forest health and blow down situations. In situations where the anticipated harvest has the likelihood of exceeding 2,000 m³, this harvest authority should be competitively awarded under the Intermediate Salvage Program. Recent experience with penalty billings for harvest exceeding the SSS license would suggest that an initial limit of 1,500 m³ should be considered. Where operators are looking for larger business opportunities it is important that they consider other Forestry Licence to Cut opportunities such those available through the community fuel management projects.

Our mission is to protect, manage and conserve forest and range values through a high performing organization.

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6.2 *Web-based Guidance*

[Cutting Permit and Road Tenure Administration Manual](#)
[Small Scale Salvage](#)

6.3 Table of Key Features by Form of LTC

Authority	Purpose	Award Option	Legislated Harvest Limits	Planning Requirements	Free-Growing Obligations	Comments
Forest Act 47.6 (2)(d) s. 72 & 73	FLTC small scale salvage	Direct award or may be competitive ¹³	up to 2000 m ³	No FSP or site plan.	Legislated free growing obligation to DM if opening > 1 hectare. Policy to track and reforest all openings	Most issued pursuant to professional applications submitted by licensee. Website
FLTC Reg s. 2 (2) & (3)						
Forest Act 47.6 (2)(d)	FLTC intermediate salvage	Competitive award	> 2000m ³ < 5000 m ³	No FSP or site plan. Licensee may be required to do admin planning.	Legislated free growing obligation to DM if opening > 1 hectare. Policy to track and reforest all openings	Initiated by MOFR staff. Website
FLTC Regulation s. 2 (2) &(4)						

¹³ If less than 500m³, licence may be entered into by a forest officer (*Forest Act* s. 47.6 (2)(b))

Authority	Purpose	Award Option	Legislated Harvest Limits	Planning Requirements	Free-Growing Obligations	Comments
Forest Act 47.6 (2) (b.2)	FLTC timber - removal only	Direct award or may be competitive.	No volume limit	No FSP or site plan.	No legislated free growing obligations.	Initiated by MOFR staff. Website
Forest Act 41(1)(e)	FLTC Pulp wood agreements	Direct award to pulpwood agreement holder ¹³	No volume limit	FSP required. Licensee does admin planning.	Legislated free growing obligations apply to licence holder	Major licence by definition (<i>Forest Act</i>)
Forest Act 47.6 (2)(d) FLTC Reg s. 1	FLTC Community Wildfire protection	Direct award or may be competitive. ¹³	No volume limit	No FSP or site plan.	Legislated free growing obligation to DM if opening >1 hectare. Policy to track and reforest all openings	May be linked to Community Wildfire Protection Plan Website
Forest Act 47.6 (2)(d) FLTC Reg s. 4	FLTC Forests For Tomorrow /Ecosystem Restoration	Direct award in conjunction with a competitively awarded government funded contract	No volume limit	No FSP or site plan.	FFT to manage free growing obligations on FFT areas. Policy to track and reforest all openings	Insert link from FPB website Formal Chief Forester policy and FRPA checklist https://www2.gov.bc.ca/gov/content/environment/natural-resource-stewardship/land-based-investment/forests-for-tomorrow

Authority	Purpose	Award Option	Legislated Harvest Limits	Planning Requirements	Free-Growing Obligations	Comments
Forest Act 47.6 (2)(b.1)	FLTC maximum of 50m3 of timber	Direct award	up to 50 m3	No FSP or site plan.	No legislated free growing obligations as harvest < 500m3. Policy to track and reforest all openings.	Issued for small commercial purposes (i.e. firewood, fence posts and other special forest products).
Forest Act 47.3(1)(a)	FLTC Direct Award to First Nations	Direct award ¹³ to further an interim measures agreement between FN and government	No volume limit	FSP required. Licensee does admin planning.	Legislated free growing obligations apply to licence holder	Major licence by definition (<i>Forest Act</i>) Could provide for cutting permits
Forest Act s. 47.6 (3)	FLTC - BCTS	Direct award	No volume limit	No FSP or site plan.	No legislated free growing obligations	Used by BCTS to harvest and build roads but can be used for other purposes by BCTS.

Authority	Purpose	Award Option	Legislated Harvest Limits	Planning Requirements	Free-Growing Obligations	Comments
Forest Act 47.6 (2)(d) FLTC Reg s. 3	FLTC controlled recreation areas	Direct award or may be competitive. Authority to enter into delegated to Ministry of Tourism, Culture and the Arts (MTCA).	No volume limit	No FSP or site plan.	Legislated free growing obligation MTCA if >1 hectare. Policy to track and reforest all openings	Restricted to within formally designated controlled recreation areas. (all season resorts i.e. Whistler, Sun Peaks)
Forest Act s. 47.6(4)	FLTC – forest health project ‘to reduce the spread of an insect infestation’.	Award FLTC to contractor if Forest Health contract was competitive.	No volume limit	No FSP or site plan.	Legislated free growing obligation to DM if opening > 1 hectare. Policy to track and reforest all openings.	Only issued in conjunction with a project that is consistent with a government approved bark beetle management strategy.

Authority	Purpose	Award Option	Legislated Harvest Limits	Planning Requirements	Free-Growing Obligations	Comments
Forest Act 47.6(2)(b)	FLTC – Controlled scientific or investigative conditions	Direct award	up to 500 m ³	No FSP or site plan.	No legislated free growing obligations	
Forest Act 47.6(2.11)	FLTC- Residue Road side and landing waste	Direct or competitive	No volume limit	No FSP or site plan	No legislated free growing obligations	Road and landing waste

6.4 Forms and Templates

Forms

Forms can be accessed from the following links:

A complete list of all ministry forms for government staff:

<http://gwww.for.gov.bc.ca/gscripts/his/forms/forms.asp>

Index of forms for use by industry, ministry contractors and the public:

<http://www.for.gov.bc.ca/pscripts/isb/forms/forms.asp>

Templates

To provide legally appropriate wording and maintain consistency around the province the standard terms and conditions for each form of LTC are provided in LTC templates that are maintained by Resource Tenures Branch (FTB). To ensure that the most recent version is used, these templates should be accessed each time a licence is being drafted.

FLNRO Staff only: [FTB Internal Website](#)

6.5 Electronic Systems

Corporate system applications are integral to the issuance and administration of any licence or permit. Corporate systems are used as a business link for various functions within the FLNRO such as Compliance and Enforcement (C&E), revenue and scaling and tenure administration. The Business Information Centre (gwww.for.gov.bc.ca/HIS/BIC/index.htm) provides an overview of each of the existing FLNRO systems.

“An Orientation to Ministry Business Applications” can be accessed by FLNRO staff or the public at the [Learning Management System](#). The course is based on the ‘Big Picture’ PowerPoint developed in the summer of 2004.

General corporate systems are described in Table 0-3. Activity-specific applications are described in Table 0-4. If a direct link in one of these tables fails, FLNRO staff can access a list of up-to-date links to applications at [FLNRORD internal website](#).

General Corporate Systems and Applications

Table 0-3 General Systems

System & Link	Details
eFM Electronic Forest Management	<p>A key goal of the Electronic Forest Management initiative is to reduce the costs of doing business for the province's forest industry and the FLNRO. It is part of the government's commitment to move to electronic government.</p> <p>Key components of the initiative are e-Submissions (including ESF), e-Access (including CRS & MapView), e-Records, and e-Learning</p>
ESF Electronic Submission Framework	<p>ESF provides a single "framework" for licensees to submit data to the FLNRO electronically in a predefined format. Initially, tenure data is being submitted to FTA and silviculture data to RESULTS. (FTA and RESULTS described in Table 0-4) Maps which normally accompany submissions are also submitted in electronic format so they can be stored in the government's corporate spatial data warehouse. Licensees can submit applications for CPs, road permits or amendments to permits.</p> <p>The link to ESF Guides offers the following PDF documents:</p> <p>Industry ESF Submission Guide</p> <p>Industry & BCTS Guide to the Submission of Road Tenure via the Electronic Submission Framework</p>
CLI Client Management System	<p>CLIENT or CLI is the system used by FLNRO to manage the names, addresses, and business relationships of corporate clients and individuals who do business with the FLNRO.</p>

System & Link	Details
CRS Corporate Reporting System	The CRS is a FLNRO web-based corporate reporting tool. It is available to FLNRO staff and licensees for information reporting and operational support. Licensees will have the ability to view and produce a variety of reports on certain information contained in FLNRO databases.
MapView	MapView provides view access over the web to the information in the Land Resource Data Warehouse and provides querying and report generating tools.

Business-Specific Applications

A brief summary of each application is outlined in **Table 0-4** for each of the forestry business activities.

Table 0-4 Business Applications

Activity	System & Link	Details
Forest Stewardship Planning	FSP Tracking System	FSP Tracking System is a central electronic repository of spatially enabled Forest Stewardship Plan documents. Forest Licensees, BC Timber Sales and FLNRO users will be able to electronically manage Forest Stewardship Plan (FSP) submissions, determinations and retrieval of plans post approval.
Appraisal	E-Commerce Appraisal Application System (ECAS)	ECAS is an electronic commerce application for transmitting appraisal data between forest licensees and the FLNRO.

Activity	System & Link	Details
Permit application	Forest Tenure Application (FTA)	<p>FTA is a web-based application (for FLNRO users only) that replaces the Forest Tenure Administration System (FTAS). FTA supports the tenure administration and tenure registry business requirements of government. FTA contains the core components of forest, range, recreation and road tenures and other non-tenure file-type administration.</p> <p>An FTA – ESF Overview training module is available: http://www.for.gov.bc.ca/ftp/his/external/!publish/OnLineClassroom/FTA_ESF/FTA_ESF_Overview The module consists of a PowerPoint file and a PDF file named FTA_ESF-Overview-PG-v3.0</p> <p>BC Timber Sales (BCTS) planning components are not part of FTA functionality; instead they have implemented their own Integrated Forest Management System (IFMS). However, BCTS require a linkage to FTA for forest file ID, client and timber mark issuance.</p> <p>Licensees and BCTS make tenure submissions to FTA only through ESF (See ESF in Table 0-3)</p>
	Tenure Mapping Service (TMS)	TMS validates and displays a graphical map of electronic submissions destined for the Forest Tenure Application (FTA) via the ESF (see Table 0-3). Once the submission is ready, the user uploads the file for processing through the FTA system.
Road Tracking	Forest Roads Management Application (FRMA)	FRMA is a system FLNRO uses which spatially displays the roads and allows users to add, update and query attribute information on roads thereby facilitating the management of forest roads by Field Services Staff.

Activity	System & Link	Details
Notification & Inspection	Natural Resource Inspection Program (NRIS)	NRIS is used by Compliance and Enforcement staff to track inspections and related actions.
Scaling	Mark Site Designation (MSD)	MSD allows industry to see which scale sites a timber mark can be scaled at, and conversely, shows which timber marks can be scaled at a particular site.
Stumpage Billing	Harvest Billing System (HBS) https://www2.gov.bc.ca/gov/content/industry/forestry/competitive-forest-industry/timber-pricing/harvest-billing-system	HBS is an internet-based application to collect daily scale data electronically from the scale site. Process samples, invoice piece scale and weight returns are recorded. Audit, reconciliation and a variety of reporting capabilities are available for use by the FLNRO, industry and public. It can also report on appraisal data and do cut/cruise comparisons.
Harvest completion reporting	Reporting Silviculture Updates and Land Status Tracking System RESULTS	RESULTS tracks silviculture information by managing the submission of openings, disturbances, silviculture activities and obligation declarations as required by the forest legislation. Silviculture data submitted under the ESF is explicitly linked to the spatial information therefore ensuring consistency in the geographic information. Information is instantly accessible at all times to both FLNRO and forest industry staff either on-line or through various reports. All data (including Spatial data) will be replicated to the LRDW and can be viewed in RESULTS using MapView.
As-built road reporting	As-Built Roads (ABR)	ABR is a legislated requirement for licensees to submit information on as-built roads. ABR information is submitted by licensees and BCTS through ESF.

Activity	System & Link	Details
Waste assessment	Waste System	The Waste system is a web-based system which allows clients to enter, view, update print and submit waste assessment plans and data via the internet. Waste information can also be submitted by licensees through ESF. FLNRO district staff can approve or reject the submitted Annual Plans, Reporting Units and Blocks on-line. Once linked to the Harvest Billing System, waste invoices will be automated.
Silviculture	Seed Planning and Registry System (SPAR)	SPAR provides clients with on-line access to a provincial registry of forest tree seed and a comprehensive seedling ordering system for meeting annual reforestation needs.
Silviculture Activity Reporting	RESULTS	See above under “Harvest completion reporting”.
Milestone reporting	RESULTS	See above under “Harvest completion reporting”.

Spatial Data Repositories

FLNRO corporate databases are shared and maintained by other agencies within government such as the Ministry of Agriculture and Lands (MAL) and the Ministry of Revenue. FLNRO district input of licence to cut, CP and RP information is an essential part of the upkeep of the following provincial government databases.

DataBC

DataBC encourages and enables the strategic management and sharing of data across the government enterprise and with the public. It is responsible for the [B.C. Data Catalogue](#), the [Open Data initiative](#) and the [B.C. Spatial Data Infrastructure](#) and associated products and services.

<https://www2.gov.bc.ca/gov/content/data/about-data-management/databc>.

Integrated Land and Resource Registry

The Integrated Land and [Resource Registry \(ILRR\)](#) provides a single source of reliable information on 262 different legal interests on Crown land (tenures, regulated uses, land

and resource use restrictions, and reservations) that is visually represented on a map and is available to the public using a standard web browser. The ILRR also contains information on Crown land parcels, private land parcels (where available), administrative boundaries (e.g. forest districts, electoral boundaries), and base map information (topography, grids, etc.).

LTC Business Process Maps

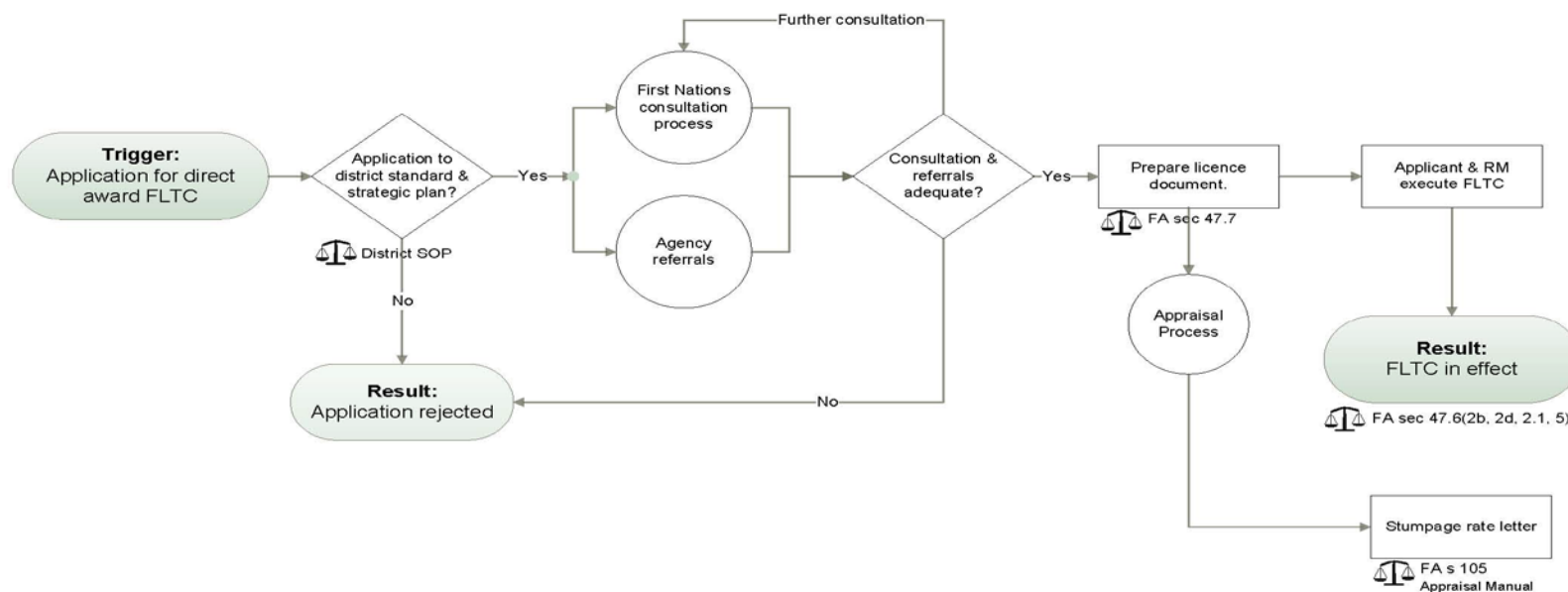
(See following pages)

Direct Award - Forestry Licence to Cut

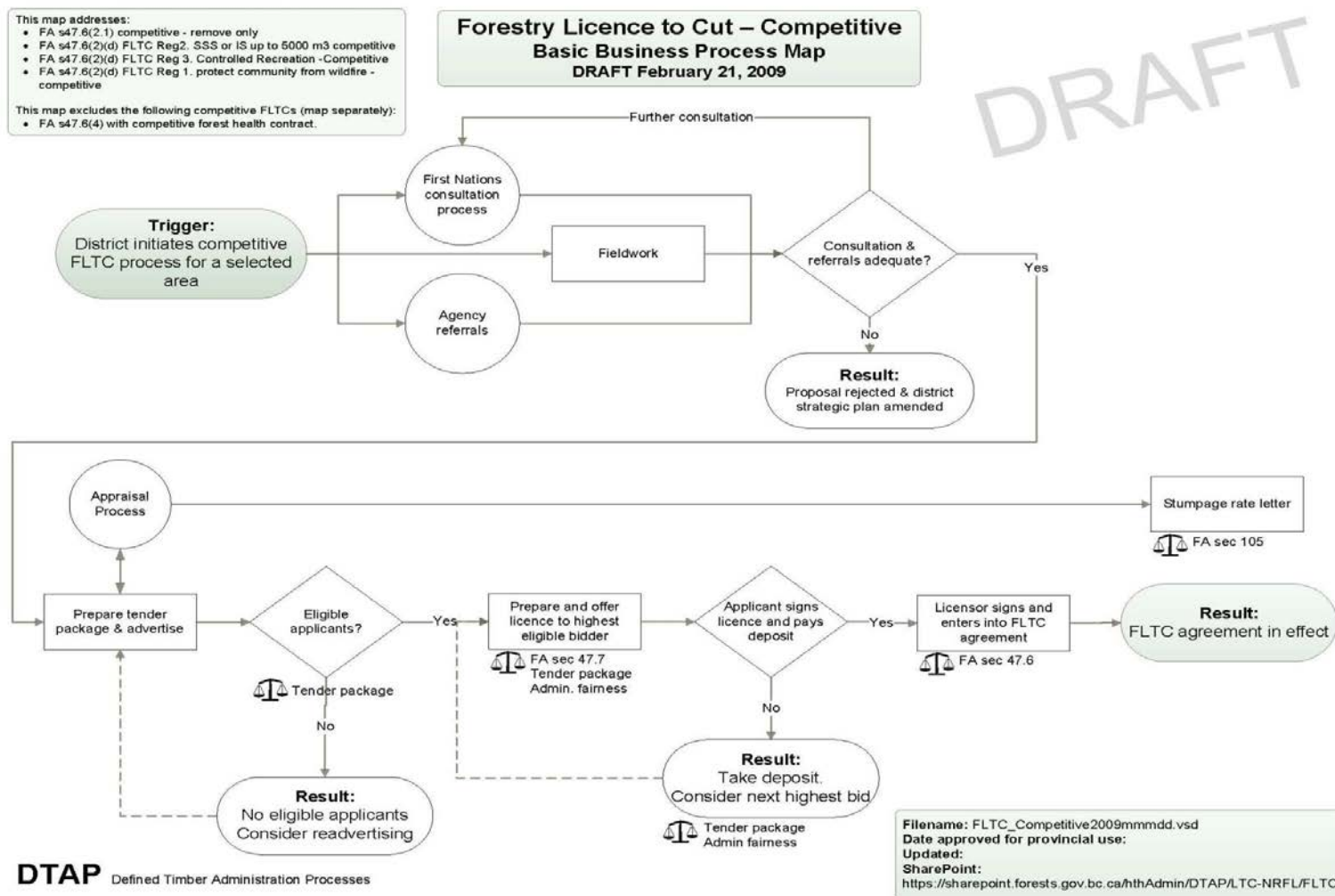
- This map applies to:
- FA s47.6(2)(b) science not over 500 m3
 - FA s47.6(2.1) direct award - remove only
 - FA s47.6(5) not over 50 m3
 - FA s47.6(2)(d) FLTC Reg2, SSS not over 2000 m3
 - FA s47.6(2)(d) FLTC Reg 3, Controlled Recreation
- This map excludes the following direct awards:
- FA s47.3 direct award to First Nation
 - FA s47.6(3) BCTS
 - FA s47.6(4) with competitive forest health contract.
 - FA s47.6(2)(d) FLTC Reg 1, protect community from wildfire

Forestry Licence to Cut – Direct Award Basic Business Process Map DRAFT February 21, 2009

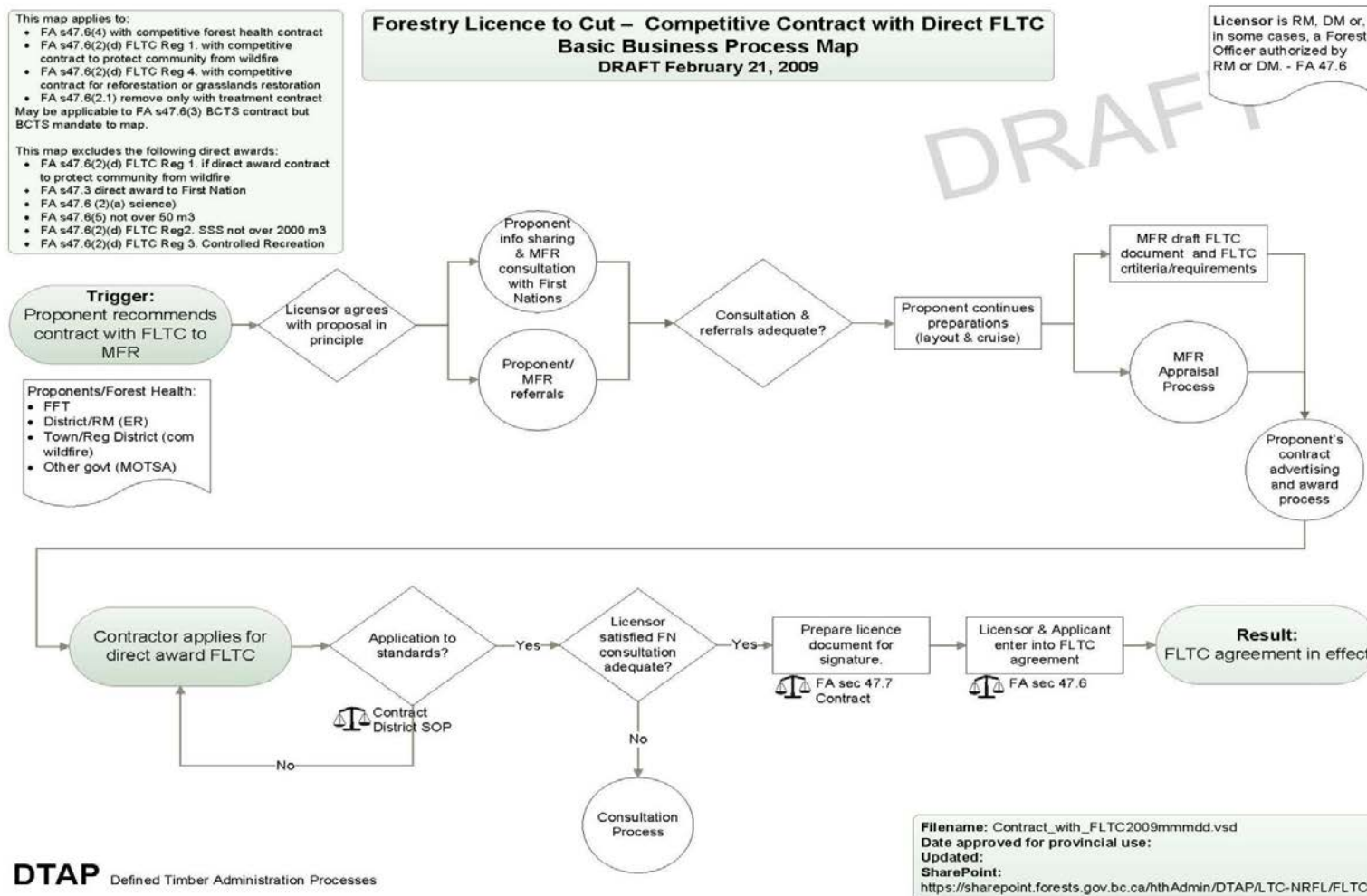
DRAFT



Competitive Award Forestry Licence to Cut



Competitive Contract Award Forestry Licence to Cut

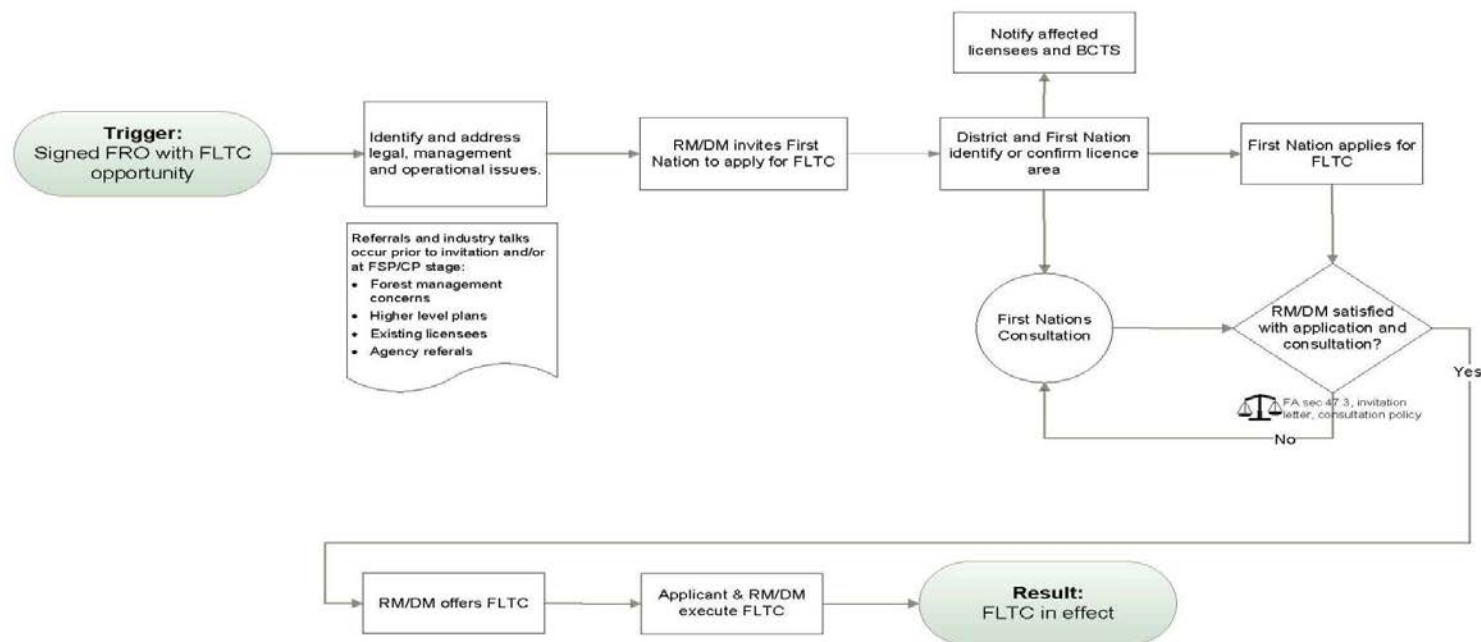


First Nations Direct Award Forestry Licence to Cut

This process map applies to:
• FA s47.3 FLTC with CP

The map excludes First Nations
FLTC without CPs

Forestry Licence to Cut – FN Direct Major FLTC Basic Business Process Map DRAFT February 21, 2009



Occupant Licence to Cut - Issuance

