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BY EMAIL

To: Assistant Deputy Ministers
Regional Executive Directors
District Managers

From: Doug Konkin,
Deputy Minister

**Re: Forest Licence Regulation – Guidance on Categories of Applicants for
Non-Replaceable Forest Licences (2012)**

This memorandum replaces the November 25, 2009 guidance from T.P. (Phil) Zacharatos, titled, "Guidance on Categories of Applicants for Non-Replaceable Forest Licences".

This memorandum provides guidance on the administrative process ministry staff will follow in recommending appropriate categories of applicants to the minister in accordance with the criteria found in the Forest Licence Regulation (Regulation).

Under Section 13(2.1) of the *Forest Act* the minister may specify that applications for a non-replaceable forest licence (NRFL) only be invited from one or more categories of applicants as established under the Regulation.

The provisions of Section 13(2.1) of the *Forest Act* are to be applied on a case-by-case basis. The authority to specify categories of applicants for these NRFLs remains with the minister.

Categories of applicants are based on the criteria provided for in the Regulation and result from combining one or more of the following four categories:

- one or more types of interest, or intended interest in a timber processing facility (own, lease, intends to lease, intends to own by way of purchase, or intends to build and own);
- one or more types of processing facility;
- one location category; and
- one of the annual combined input capacity ranges.

General Administrative Process

Regions will be required to draft a briefing note to obtain the minister's consent to proceed with a NRFL and to get the minister's decision on:

- whether it is appropriate to restrict applicants for a NRFL to one or more categories; and,
- if it is appropriate, to set specifications of the categories of applicants for a restricted forest licence.

Once the minister has set the categories of applicants, the regional executive director can then initiate a formal competition that invites eligible applicants to apply. The applicants are required to submit information that substantiates that the applicant's qualifications in meeting the requirements of the Regulation, and that they have the ability to carry out the timber harvesting operations under the licence and perform the obligations specified in the licence. The regional executive director may approve the application of the applicant whose bonus bid or bonus offer is the highest of those tendered of all eligible applicants.

Appendix A contains general principles that apply to all licences advertised and issued under Section 13(2.1) of the *Forest Act*. Appendix B contains clarification regarding eligible types of processing facilities associated with licences advertised under Section 13(2.1) of the *Forest Act*. Appendix C contains clarification regarding linkages between the Forest Licence Regulation, Cut Control Regulation and the Transfer Regulation.

If you have any questions, please contact Blair Pigeon, Senior Tenures Forester, Forest Tenures Branch at (250) 387-8330.



Doug Konkin
Deputy Minister

pc: Doug Stewart, Director, Forest Tenures Branch
Blair Pigeon, Senior Tenures Forester, Forest Tenures Branch