

Timber Sales Advisory Council (TSAC) Meeting

Minutes

February 11, 2016
9:00AM-3:00PM

Radisson Vancouver Airport Hotel
8181 Cambie Road, Richmond, BC
Conference Call 1-877-353-9184 ID: 5545002

Participants: Tom Jensen (TOPFN), **Mike Falkiner (chair)**, Graham Archdekin (BCTS), Rob Bigalke (BCTS), Shawn Hedges (BCTS), Duncan Chisholm (ITMA), Jim Hackett (COFI), Barry Simpson (TLA), Shane Garner (ILA), Scott Marleau (West Fraser), David Watt (COFI), Russ Cameron (IWPA – Coast), Les Kiss (CFPA), Dennis Cook (ILA), Dan Battistella (ILMA) and Juli Scarrow (BCTS – Secretariat)

Guests: Steve Kozuki, Scott Mitchell, Jeff Fukumoto, Debbie Janning-Stewart and Norm Nalleweg

	Topic	Time 9:00 – 3:00	Lead	Category	Reference Material & Comments
--	-------	---------------------	------	----------	----------------------------------

Adoption of Agenda and Safety Briefing

- Roundtable of participants and agenda; safety briefing

Action Items Review

- **Action Item: BCTS to explore the opportunity to increase the proportion of road construction contracts with the R/W volume included – See topic E below**
- **Action Item: Bidder Risk Advisory Bulletin – See topic E below**





Timber Pricing Branch Update – Steve Kozuki

- The branch has been working on the Grey Pine Cut-to-Cruise Fall Down, which creates issues for prospective bidders.
- Back in 2006 Revenue Branch increased breakage from 2% to 22%. After doing some recent research of the data we found the breakage should be increased to 30%. The increase would enable licensees to have more accurate cruises. The objective is to get more accurate cruise so TSL bidders can have greater certainty of the volume they are going to recover from these stands.
- Working on the timing of billing and invoicing, updating the cruise compilation software and then amending the *Cruise Compilation Manual*.
- There is exploratory work being done on expanding cruise base on the Coast. The main barrier to extend cruise base is cut-to-cruise fall downs.

****Shane Garner**** - Raised the issue on stumpage and when it's applied. The current process isn't working.

Action Item: TPB and BCTS to look at the timing on cruise based billing.

	Topic	Time 9:00 – 3:00	Lead	Category	Reference Material & Comments
C	Quarter 3 Report Out <ul style="list-style-type: none"> Rob gave a presentation on Quarter 3. A copy of can be found on BCTS' website. 				
	Break (10:45 – 11:00)				
D	Grab Bag – Shawn Hedges <ol style="list-style-type: none"> RoW TSL Action Item Update: <ul style="list-style-type: none"> We have asked our BCTS Access Working Group to investigate Dennis Cook's R/W timber concerns and report back with their findings/recommendations (e.g., prepare and distribute an R/W timber best practices memorandum or advisory bulletin, etc.). Bidder Risk Action Item Update: <ul style="list-style-type: none"> Exploring the concept with legal counsel of developing policy/procedures that would enable BCTS to pay reasonable costs when a TSL holder or BCTS works contract seeks an injunction/enforcement order relating to blockades. Shawn will provide progress report on discussions next TSAC. 2016 Legislation: <ul style="list-style-type: none"> New tool to provide the minister with the discretionary authority to issue new non-BCTS licences that include a reservation to BCTS authority with compensation is proceeding as planned. M.G. Logging Litigation <ul style="list-style-type: none"> There was an ineligible bid with the application and tender. The printed name of the applicant did not match the registration. Court decision is strict compliance and there will be no discretion. A reminder to licensees to ensure their application and tender are accurate. Expired Cruise-Based TSL <ul style="list-style-type: none"> Logger forgot about a TSL and it expired. Because the TSL was awarded before Bill 25 passing last year he had to pay the bonus offer, the TSL couldn't be revived, he lost his deposit and he triggered the performance base deposit rule. Proposal to drop use of TSL bid deposits: <ul style="list-style-type: none"> BCTS planning to stop requiring bid deposits on TSLs auctioned throughout province on a 1-year pilot basis conduct a 1-year pilot on all TSLs around province. If not working as planned will cancel pilot. If successful, will report back to TSAC and pursue permanent change. 				
	Lunch (11:50 – 12:20) Provided				

	Topic	Time 9:00 – 3:00	Lead	Category	Reference Material & Comments
E	<p>Executive Update – Tom Jensen</p> <ul style="list-style-type: none"> Recent throne speech referenced the good work around the Great Bear Rain Forest and importance of softwood lumber. Budget day is next week, Tuesday, February 9th. Two initiatives were announced at UBCM: <ol style="list-style-type: none"> 1) Rural Dividend: The dividend will support communities and help us be more diverse. Funding is 25 million/year for three years. 2) Forest Enhancement Program: This program will create opportunity to get at stands of timber that we couldn't get at previously and to potentially support MPS and getting the volume out. Government and FNs have rebooted the reconciliation process and have renewed the FCRSA (revenue sharing process) for two more years. Ten million dollars has been approved to help fund engagement with FNs in the forest sector. The fund will also help provide resources for cultural studies, historical work, purchase of tenure etc. SLA Update: Talks are occurring and discussions are happening. The Softwood Lumber Unit is working hard on preparing for a counter vail duty case should it be launched if we are not successful at getting an agreement. 				
F	<p>Draft Report re: Category 2 TSLs</p> <ul style="list-style-type: none"> Jeff Fukumoto gave a presentation on Cat2 TSLs <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  F TSAC Cat 2 PPT .pptx </div> <div style="text-align: center;">  Appendix .pdf </div> <div style="text-align: center;">  BCTS Cat2 effectiveness review d </div> </div>				
G	<p>Draft decision note re: BCTS Commitment Tracking changes</p> <ul style="list-style-type: none"> Scott Mitchell provided a draft decision note on BCTS Commitment Tracking Changes <div style="text-align: center;">  G - TSAC Info Note Feb 11_16--BCTS Con </div>				
H	<p>Environmental Scan: Strengths and Weaknesses - Rob Bigalke</p> <ul style="list-style-type: none"> To be rescheduled for next TSAC 				

	Topic	Time 9:00 – 3:00	Lead	Category	Reference Material & Comments
I	Strait of Georgia (TSG) Business Area Update – Norm Nalleweg <ul style="list-style-type: none"> The business area (BA) has been challenged with FN issues. As a result the BA will have a lot of volume advertised in the 4th quarter. Powell River has been struggling somewhat with getting volume out due to FN issues. Port Alberni has been struggling the most. 				
J	Babine (TBA) Business Area Update – Debbie Janning-Stewart <ul style="list-style-type: none"> TBA had 41 sales advertised and sold 37, has eight more TSLs to sell this year. Had two no bids, re-advertised one and it sold. Also had two ineligible bids. Staffing issues have impacted getting sales out. Staffing is on track with six new hires. 832,000 m³ apportionment but over selling at 880,000 m³. 				
<u>2016 Meeting Dates:</u>					
	June 2, 2016	September 15, 2016			December 8, 2016

Future Agenda Items:

- First Nations & Business to Business Strategies
- NRRA Update
- Market Pricing Objective Regulation