



BCTS

BC Timber Sales

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Advisory Bulletin No. 25/06/08 – Shared Use Road Maintenance Policy (For internal and external communication)

Introduction:

The purpose of this bulletin is to improve the operational understanding and application of the Ministry of Forests and Range (MFR) Shared Use Road Maintenance policy. The policy, introduced on July 26, 2006 by way of a memorandum signed by the Deputy Minister, MFR, establishes a clear process for the sharing of road maintenance costs between a holder of a Timber Sale License (TSL) and a major licensee who have legal obligations as the Maintainer of a road or roads, in accordance with their Road Use Permits (RUP) or Road Permits (RP).

Policy:

The current policy (Shared Road Maintenance/Cost-Sharing Process Information Package dated July 6, 2006):

- Provides clear direction regarding the determination and collection of appropriate maintenance costs.
- Describes a clear set of maintenance standards, critical for the protection of the environment and structural integrity of the road prism and which supports the safe use of the roads by industrial users.
- Includes a Standard Road Maintenance Agreement (SRMA) template that must be signed by the two parties involved in the maintenance of forest roads under a RP or a RUP.
- Provides for reasonable shared cost calculation of maintenance under the SRMA which specifies a transparent costing methodology (i.e., applies maintenance allowance dollars, based on the Interior or Coast Appraisal Manuals tabular rates, prorated to the shared portion of the road only). Consistent with both Appraisal Manuals and associated recognized costs, the length of TSL road (on-block) to be maintained is also included as a portion of “T” which is the total length of forest road maintained from the TSL as referred to in the SRMA.
- Is sufficiently flexible to accommodate alternative local agreements under the umbrella of existing or emerging Road User Committees that are successfully working.
- Provides a detailed process to follow in various situations involving multiple users as related to the sharing of costs and implementation of maintenance standards.

Summary of the SRMA Process:

A TSL holder who is the user of a road that is subject of an existing RP or a RUP may encounter the following situations:

1. There's at least one major licensee holder of a RUP or RP, with the major licensee being designated as the Maintainer of the road:

For situations of a TSL holder utilizing a single extraction route, or multiple road routes as the case may be, prior to advertising a TSL, the Timber Sale Manager (TSM) is required to ascertain whether the Maintainer wishes to invoke the SRMA provisions which will allow for recovery of partial road maintenance costs from the TSL holder. If so, the requirement to sign a SRMA (or multiple SRMAs if multiple routes could be potentially utilized) must be built into the TSL documentation. District managers must also ensure that the appropriate road maintenance standards are amended into the Maintainer's RP or RUP, for the road portion that will be the subject of the SRMA.

The SRMA itself commits the TSL holder to paying the Maintainer based on one of the following rates:

- 100% of the Coast or Interior Appraisal Manual cost estimate¹ for the percentage of the shared road when the Maintainer will carry out all the required surface maintenance work, or
- 25% of the Coast or Interior Appraisal Manual cost estimate for the percentage of the shared road when the TSL holder will do the maintenance work. In addition, the TSL holder agrees to indemnify the Maintainer against any potential liabilities that may arise as a result of the TSL holder's maintenance activities on the respective portion of the road during term of the SRMA. Only one Maintainer can be responsible for any section of a road at one time. In situations where there are different Maintainers responsible for maintaining specific segments of road used for transporting timber from a TSL, the TSL holder will pay each Maintainer its corresponding share in accordance with a the applicable SRMA.

Where there is only one recipient/purchaser of the timber, that purchaser will be authorized by copy of a SRMA to hold back the agreed upon maintenance amount and remit it to the Maintainer every 30 days. This period is considered and measured as cumulative delivery of timber to the purchaser that amounts to 30 days. Otherwise, payment will be made directly to the Maintainer by the TSL holder every 30 days.

Periodicity of payment is every 30 days based on the volume transported on the shared portion of the road within this passed period. In those instances where timber is boomed or towed and scaling is deferred, the periodicity of payment is every 30 cumulative days of road use.

2. In the event that there is a Road User Committee in existence for the road section(s) serving a TSL with clear and acceptable terms and conditions for delivery of and payment for road maintenance, there will be no need to modify the existing arrangements. The TSL document will provide for a commitment of the

¹ Reference s. 4.6 of the Interior Appraisal Manual and s. 5.4 of the Coast Appraisal Manual.

holder to agree to the terms and conditions of the Road User Committee. No changes would be made to the Maintainer's permits.

A TSL holder must not use a road that has a damaged surface or sub-grade and must notify the Maintainer of any situations requiring maintenance work.

The maintenance of the road surface may be inspected by Compliance and Enforcement staff to ensure conformance with the contractual standards as stipulated in the applicable RUP.

TSMs may decide to access TSL deposits in order to satisfy shortfall in maintenance payments.

Any individual or entity that is qualified to bid on TSLs is advised to check with their local TSO regarding road use charges prior to submitting a sealed tender. In some cases, the road maintenance costs to the successful TSL bidder will be known prior to tender opening. In these instances, prospective bidders are advised to consider such costs prior to submitting a sealed tender.

Attachments:

The SRMA template and the cost sharing process information package are attached to this document as Appendix 1 and 2 respectively.

Contacts

Further details and direction regarding this matter are available from Wayne Hagel, Policy and Standards Specialist, Resource, Tenures and Engineering Branch at 250-387-6565 or Wayne.Hagel@gov.bc.ca.
