



MINISTRY OF FORESTS

MINISTRY POLICY

POLICY SUBJECT

Apportionment Management – BC Timber Sales

EFFECTIVE

June 8, 2026

RESPONSIBLE BRANCH

BC Timber Sales

19.2

APPROVED

Makenzie Leine, Deputy Minister, Forests

Scope

This policy cancels and replaces any policy or procedure pertaining to the management of Allowable Annual Cut (AAC) apportioned to BC Timber Sales (BCTS) that existed prior to the effective date of this policy and applies to all BCTS agreements issued under the Forest Act unless specifically exempted by the Deputy Minister.

It is the policy of the Ministry of Forests (the Ministry) that the AAC apportioned to and sold by BCTS will be managed as follows.

Definitions

For the purpose of this policy:

BCTS agreement means a licence or permit as defined in section 1 of the Forest Act.

Disposition agreement means a BCTS disposition agreement entered into pursuant to section 22.2 of the Forest Act. Disposition agreements authorize the holder of a non-BCTS licence to temporarily release specified Crown timber harvesting rights to BCTS.

Reduced Volume Condition (RVC) licence means a Tree Farm Licence (TFL), Forest Licence (FL), Non-Replaceable Forest Licence (NRFL), Community Forest Agreement (CFA), First Nation Woodland Licence (FNWL) or Woodlot Licence (WL), issued with a requirement to make a specific amount of timber available to BCTS for a specified period of time, in return for payment, pursuant to section 22.4 of the Forest Act.

BCTS business cycles are fixed five-year periods, with the first BCTS business cycle beginning April 1, 2014, and ending March 31, 2019.

Management unit means a Timber Supply Area (TSA), TFL, CFA, FNWL or WL.

BCTS Apportionment means any volume specified by the Minister pursuant to the *Forest Act*, as available for granting under a BCTS agreement. This includes BCTS volume within TSAs, TFLs, CFAs or FNWLs; and any BCTS volume associated with RVC licences.

Rationalized apportionment means the apportionment level against which BCTS sales targets are planned and measured. Rationalized apportionment is approved annually by the BCTS Executive Director.

Reserve, reserved or reservations volume (collectively known as reserve volume) is a subcategory of BCTS apportionment that is specific to area-based management units (i.e. TFLs, CFAs or FNWLs). Management of reserve volume varies in some ways from BCTS apportionment with TSAs as described in more detail in the BCTS Reserve Volume Management policy.

Incremental volume means Crown timber harvesting rights released to BCTS through a disposition agreement. BCTS agreements issued in association with disposition agreements are a commitment against the non BCTS licence AAC, not BCTS apportionment. Pursuant to section 22.3 of the Forest Act, harvest of incremental volume under a BCTS agreement is considered as harvest under the associated non-BCTS licence.

Partition means that portion of the AAC specified by the Chief Forester that is attributable to different types of timber or terrain, or different areas of Crown land within a management unit.

Committed volume means a charge (debit) against BCTS apportionment that occurs upon issuance of a BCTS agreement. This charge equals the total estimated net cruise volume in the BCTS agreement.

Uncommitted volume means BCTS apportionment that is not contained in a BCTS agreement. Upon initiation of timber harvesting under a BCTS agreement, the committed volume for the BCTS agreement is considered as **harvested volume** for the purposes of apportionment management under this policy.

Unharvested volume means committed volume in a BCTS agreement where no harvest has been initiated upon its closure, surrender, cancellation, or expiry.

Unused volume means the sum of uncommitted volumes within each management unit as determined upon completion of a BCTS five-year business cycle.

Data Sources

Apportionments will be obtained from information provided by Ministry Apportionment Reports and other official sources.

Tracking

All apportionment management tracking by BCTS staff will be done using Land Resource Manager (LRM).

BCTS staff will track apportionment and partitions by management unit, including effective date of each apportionment. BCTS staff will track committed volume against each apportionment type and partition by management unit.

Incremental volume associated with a disposition agreement will be tracked separately.

Reporting

Reporting periods for apportionment management purposes will be aligned to the fiscal year and five-year business cycle(s).

Reports will identify apportionment, rationalized apportionment, incremental volume, committed volume and unused volume.

Credit for Unharvested Volume

Upon closure, surrender, cancellation, or expiry of a BCTS agreement where no harvesting has been initiated, a credit for the unharvested volume will be applied against the corresponding apportionment and partition(s). This credit will be applied to the fiscal year when surrender, cancellation or expiry occurs (rather than retroactive to when the BCTS agreement was issued).

Business Plan Considerations

Sales development, business planning and setting annual sales targets requires accurate information on volume available from current apportionments, unused volume, and incremental volume sources, as well as projections of future apportionment changes arising from Timber Supply Reviews or other processes.

BCTS objectives include selling its apportionment over the five-year business cycle, consistent with safe practices, reconciliation with Indigenous peoples and sustainable forest management. To plan and measure performance against this objective, the business plan includes current apportionment (i.e. year one) and apportionment projections, relative to forecasted AAC changes, over the remainder of the planning period (i.e. years 2-5).

Sustainability Reduction - TSAs

Consistent with the Ministry's Forest Licence Allowable Annual Cut Reduction and Apportionment Guide (February 2023), BCTS will apply a Sustainability Reduction to its existing TSA apportionment immediately following a new AAC determination by the Chief Forester for a management unit. The reduction will be proportionate to BCTS' share of the AAC prior to the AAC determination and will begin on the effective date of the new AAC.

Should the subsequent Minister's apportionment decision vary from the Sustainability Reduction in place, BCTS' apportionment tracking will be adjusted accordingly on the effective date of the Minister's decision. A retroactive adjustment will not be made for any difference.

Rationalized Apportionment

Circumstances may arise within individual management units whereby BCTS is unable to or should not attempt to sell its full apportionment. More specifically, where:

- **There is an established lack of market demand** for certain forest types or partitions (e.g. Mountain Pine Beetle uplifts or deciduous volumes in certain TSAs) as demonstrated by history of no bid sales or other evidence.

- **There are land base exclusions due to circumstances beyond BCTS' control** as supported by written direction from Ministry executive.

When these circumstances occur, a Timber Sales Manager may apply to the BCTS Executive Director to exclude the affected apportionment from the determination of "timber volume sold" targets in the first year of the upcoming business plan. Requests for rationalized apportionment will be made annually in coordination with the business planning process. Upon approval by the BCTS Executive Director, rationalized apportionments will be published in the business plan.

The business plan also includes rationalized apportionment projections over the remainder of the planning period (i.e. years 2-5). Where the noted circumstance is expected to continue beyond the first year of the plan, this should be reflected in these projections. Should the circumstance continue, a new application for a rationalized apportionment is required each successive year.

Application, approval and tracking of rationalized apportionments will be done using LRM.

Sustainability Principle

In meeting business plan sales targets, Timber Sales Managers must take measures to ensure appropriate levels of sales development occurs across all management units where BCTS holds apportionment. Specifically, effort must be made to ensure that for each management unit the aggregate of volume sold does not exceed the aggregate of apportionment available within each five-year business cycle. Sales volumes must also be consistent with any partitions that have been established by the Chief Forester.

Uncommitted volume in a given fiscal year carries over and should be sold in subsequent years in the business cycle to satisfy BCTS goal and objectives. Best effort should be made to utilize all uncommitted volume unless the volume is the result of a rationalized apportionment approved by the Executive Director.

Uncommitted volume in a management unit at the end of a business cycle carries forward as unused volume and remains available for auction in the following business cycle, subject to any retirement decisions by the Executive Director.

Over committed volume in a management unit at the end of a business cycle carries forward and reduces the apportionment available for sale in the next business cycle. This carry forward volume continues to apply following a new AAC determination by the Chief Forester.

Timber Supply Review and Unused Volume

Plans and decisions to retire or carry forward unused BCTS volume in TSAs should be coordinated with the Timber Supply Review process and must be reported to the Chief Forester for consideration, consistent with the Ministry *Policy Regarding the Administration of Unharvested Volumes, Uncommitted Volumes and*

Unused BCTS Volume.

Considerations related to the retirement of unused BCTS reserve volume in area-based tenures are distinct and done in accordance with the *BCTS Reserve Volume Management Policy*.

Unused Volume Retirement

Decision making packages for retirement of unused volume from BCTS and non BCTS sources will be developed collaboratively by BCTS and regional tenures staff consistent with the above noted policies.

Prior to putting forward recommendations for retirement of unused BCTS and non BCTS volume, engagement with affected First Nations will occur, consistent with current Ministry policy.

Where appropriate, one decision making package will be prepared outlining two linked, yet separate decisions. The decision maker for unused BCTS volume, including unused reserve volume, is the BCTS Executive Director. The decision maker for non BCTS unused volumes is the Regional Executive Director for the associated area.

Responsibilities

BCTS Executive Director

The BCTS Executive Director is responsible for:

- Monitoring the effectiveness and administration of this policy.
- Decision making on rationalized apportionments and the retirement of unused BCTS volume including reserve volume.
- Recommending changes to this policy to executive, when required.
- Providing advice to the Timber Sales Managers with respect to the implementation of this policy.

Timber Sales Managers

Timber Sales Managers are responsible for:

- Implementing and administering this policy.
- Recommending changes to this policy to the BCTS Executive Director, in collaboration with Regional Executive Directors.