

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

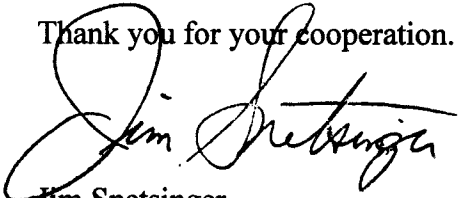
3. Consistency in applying Silviculture Levies:

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.

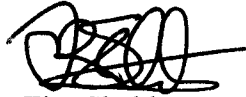
A list of sample questions and responses is attached for your information.

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 Sheldan
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

Questions and Answers for applying Silviculture Levies to SSS FLtCs:

Q: Why is MOFR putting a silviculture levy on SSS FLtCs < 1 ha?

A: MOFR field staff has advised that some of the previously harvested SSS FLtCs < 1 ha are not reforesting naturally due to various reasons. In general, the estimate was that 80% of the SSS < 1 ha harvested sites in the heavily MPB impacted districts were not reforesting adequately through natural means (District response range was from 30% to 100%). The Forest Practices Board also noted in their assessment of MPB strategies that reliance on natural regeneration may not result in adequate stocking.

Q: What about increased workloads?

A: Operations Division, HQ is aware of this issue. Decision is to monitor and present figures in BAI for possible resolution.

Q: What about increased administration duties?

A: District Managers are responsible for managing accordingly.

Q: Will there be a transition time period for applications in the works?

A: Yes, 3 months before implementation date of April 1, 2007 for any application received by MOFR.

Q: Stumpage rates will be too high if a silviculture levy is added to Table 6-1 rates?

A: This issue has been discussed with Revenue Branch. Decision is to stay with Table 6-1 rates. Review at future date.

Q: What are the additional data management requirements for this decision?

A: Since SSS FLtC's < 1 ha are not tracked all the information (and highlights part of the problem) we have is anecdotal. As the harvesting in these areas is not tracked in RESULTS it is difficult to get a good handle on the funding and resources required to tackle the reforestation of these sites. Now that a decision to impose a levy and manage towards the appropriate reforestation standards has been made, all SSS openings will have to be entered into RESULTS. The document "**Post Harvest Reporting Requirements for Small Scale Salvage Licences to Cut**" (<http://www.for.gov.bc.ca/his/results/business.htm>) provides information on the RESULTS based information requirement. This document is being modified to reflect the current changes in policies regarding the imposition of silviculture levies on small scale salvage FLtC's < 1ha.

Q: Can we utilise existing Silviculture programs to assist, i.e. FFT, FSMF, etc?

A: All funding for silvicultural activities will come from the FSMF fund. The current focus of the FFT program does not include the reforestation activities on Small Scale Salvage FLtC's, however, the FFT model for program delivery can be utilized if a district considers it to be the most effective way of dealing with the limitations on staff and resources.

Q: Does this memo apply to COFR?

A: Yes, but only if District Manager decides there is a Silviculture cost.

Q: What if there will be a major licensee CP in future over top the SSS blocks?

A: If there is no Silviculture cost then DM does not add Silviculture Levy. Keep in mind that the Interior Appraisal Manual only applies a silviculture cost estimate to the “merchantable” area of the CP which could exclude previously logged areas such as SSS FLtCs.

Q: What about reforestation of previously logged SSS FLtCs < 1 ha?

A: MOFR is pursuing alternate funding sources, e.g. FSMF surplus, FFT, Vote, etc.

Current as of December 2006.