

**BRITISH COLUMBIA
MINISTRY OF FORESTS**

**Tree Farm Licence 46
Old Growth Designated Area No. 1 and
Fairy Creek Watershed
Designated Area No. 1**

**Rationale for
Allowable Annual Cut (AAC)
AAC Reduction**

Effective June 16, 2022

**Shane Berg, RPF
Deputy Chief Forester**

Purpose of this document

The purpose of this document is to provide an accounting of the factors I have considered, and the rationale I have employed in making an allowable annual cut (AAC) reduction for Tree Farm Licence (TFL) 46 to account for the implementation of two Ministerial Orders, No. M232 and No. M233.

Statutory framework

Part 13 of the *Forest Act* (Sections 168 to 175) allows government to temporarily suspend forestry authorizations, obligations, and activities on Crown land within a “designated area” for up to 10 years. The establishment of designated areas and suspension of timber harvesting allows time for government to complete land base decisions (e.g., protected areas).

Section 173(2) of the *Forest Act* stipulates that the chief forester, by written order, may reduce the AAC of a timber supply area (TSA), or a TFL if all or part of the TSA or TFL is a designated area. In doing so, the chief forester may specify portions of the reduction that are attributable to different types of timber and terrain in different parts of the Crown land within the designated area.

AAC reductions under Part 13 of the *Forest Act* serve two purposes. They minimize the risk of an over concentration of harvesting in stands outside of the suspended harvest area, and they ensure the required temporary adjustments are made in a timely manner.

Old Growth Designated Areas

On September 11, 2020, in response to recommendations in the report, *A New Future for Old Forests, A Strategic Review of How British Columbia Manages for Old Forests Within its Ancient Ecosystems* (‘the Panel Report’), the Lieutenant Governor signed [Order in Council \(OIC\) No. 500](#) designating 10 parcels across the province as OG Designated Area No. 1 under Section 169 of the *Forest Act* for the period ending August 31, 2022. The OG Designated Area No. 1 includes parcels of land found throughout the province which overlap with seven TSAs, five TFLs and one woodlot.

Concurrently, Ministerial Order (MO) No. M338 was issued, suspending old growth harvesting (with some exceptions noted in the MO) for as long as the OIC remained in effect. Within OG Designated Area No. 1, suspended harvest areas were defined using a combination of natural disturbance type (NDT) and projected age. The age criteria for NDTs 1, 2 and 4 was greater than 212 years; and for NDT 3 was greater than 119 years.

On January 29, 2021, chief forester, Diane Nicholls met with Ministry staff to review preliminary information on the potential AAC impacts of the MO. For TSAs and TFLs where the MO was estimated to reduce the projected timber supply by less than one percent, the temporary harvest suspension is unlikely to cause an unsustainable concentration of harvesting outside of the suspended harvest areas. For any orders issued under Section 173, where the short-term timber supply impact was estimated to be greater than one percent, First Nations consultation and an assessment was conducted. On May 14, 2021, the chief forester determined AAC reductions for the Arrowsmith TSA, TFL 54 and TFL 57.

On June 9, 2021, MO No. M338 was repealed and replaced with [MO No. M232](#), which expanded the parcels within OG Designated Area No. 1 to include the Central Walbran Valley portion, which overlaps with TFL 44 and TFL 46. Under MO No. M232, any part of a permit or licence pertaining to a right to cut, damage or destroy standing timber in a “suspended harvest area” is suspended. It also sets out several conditions when suspension of a permit or licence does not apply.

Concurrently, the Lieutenant Governor signed [Order in Council \(OIC\) No. 333](#) designating the Fairy Creek Watershed under Section 169 of the *Forest Act*. On the same date, MO No. [M233](#) was issued that suspended old-growth harvesting in the Fairy Creek Watershed Designated Area No. 1 which overlaps with TFL 46 and Community Forest Agreement (CFA) K5U.

First Nations Consultation

Recently, British Columbia (BC) created a framework for advancing reconciliation with Indigenous Peoples, in keeping with the Calls to Action of the Truth and Reconciliation Commission. The provincial government passed legislation in November of 2019 to implement the United Nations Declaration on the Rights of Indigenous People (UNDRIP). The 2019 *Declaration on the Rights of Indigenous Peoples Act (Declaration Act)* aims to create a clear process by which Indigenous Peoples are a part of the decisions that affect them, their communities, and their territories. As such, First Nations Interests are an important consideration in making decisions related to timber supply.

There are six First Nations with asserted traditional territory overlapping TFL 46: Stz'uminus First Nation, Cowichan Tribes, Ts'uubaa-asatx, Penelakut First Nation, Ditidaht First Nation, Pacheedaht First Nation, Halalt First Nation, Snuneymuxw and Lyackson First Nation. First Nations consultation on the proposed AAC reduction was conducted by the Ministry of Forests (FOR) South Island Natural Resource District office in Port Alberni.

On September 24, 2021, initial engagement letters were sent to all potentially affected First Nations which explained Section 173(2) proposed AAC reduction decision and requested feedback on Aboriginal Interests that may be affected by this decision.

On March 1, 2022, the chief forester met with the Pacheedaht First Nation to describe the purpose and process of the AAC reduction decision. At this time, it was agreed to that the consultation period would be extended an additional five weeks to allow for the Pacheedaht representatives to present this information to the Pacheedaht Nation Chief and Council. No additional responses were received.

Based on the information presented to me by Ministry staff, I am satisfied that all potentially impacted First Nations were consulted in accordance with current Provincial guidance and applicable case law. Although no formal public review was conducted regarding these orders under Part 13 (Section 173) of the *Forest Act*, a public engagement process will be completed prior to the next AAC determination for TFL 46.

Timber Supply Analysis

Forest Analysis and Inventory Branch (FAIB) staff completed an estimate of the AAC impact based on the methodology described in Section 8 of the *Forest Act* Allowable Annual Cut Administration Regulation. On September 9, 2021, Teal Cedar Products Ltd. completed a similar analysis using more recent data made available during the ongoing TFL 46 Timber Supply Review (TSR).

The assessment method used by both FAIB and Teal Cedar Products Ltd. for TFL 46 impact analysis calculates the AAC contribution of the suspended harvest areas, based on a ratio of AAC (m³) to timber harvesting land base (THLB), referred to as the 'AAC ratio method'. I have reviewed the results of these assessments, information received from First Nations and licence holders, and the documents listed in Appendix 1. I have considered this information as described in the following section.

The most recent timber supply review for TFL 46 was conducted May 24, 2011, which set the AAC at 403 000 cubic metres. This AAC was adjusted May 15, 2012, to account for Order 3(4)21/23 which excluded 3501 hectares (21 991 cubic metres) from the timber harvesting land base (THLB) under the *Forestry Revitalization Act*, resulting in an AAC of 381 009 cubic metres.

The Central Walbran Valley portion of Designated Area No. 1 contributes 329 hectares (0.8 percent) of old forest to the THLB. Fairy Creek Watershed Designated Area No. 1 contributes 300 hectares (0.7 percent) to the THLB. Although the individual AAC contributions of the designated area are less than one percent, their cumulative impact is estimated by the Ministry to be 5568 cubic metres per year (1.5 percent) of the THLB, enabling an AAC reduction under Part 13 (Section 173) of the *Forest Act*.

I note that the FAIB assessed value is based on an AAC ratio method which did not fully account for the higher-than-average volume of the suspended harvest area (i.e., the high volume in old growth stands) and therefore represents a small underestimation in volume.

Teal Cedar Products Ltd. completed an analysis regarding the potential timber supply impact, using the AAC ratio method. It indicated an impact of 4364 cubic metres per year (1.2 percent) of the THLB, which is less than the impact determined by the FAIB analysis. The difference in values was due to additional land base exclusions to account for steep slopes. While I accept that this information is appropriate for use in this AAC reduction, it would be useful to evaluate the AAC impact in the context of new information incorporated into the ongoing TSR for TFL 46. Therefore, for the purposes of this decision, I believe an AAC reduction of 1.5 percent, is appropriate.

Within TFL 46, applying this reduction to the Central Walbran Valley portion of the Old Growth Designated Area No. 1 reduces the estimated old forest AAC contribution by 0.8 percent or 2910 cubic metres. The implementation of MO M233 for the Fairy Creek Watershed Designated Area No. 1 reduces the estimated old forest AAC contribution by 0.7 percent or 2657 cubic metres. The total reduction for TFL 46 is approximately 5567 cubic metres.

Determination

I have considered and reviewed all the impact assessments as documented above, including the risks and uncertainties of the information provided.

It is my determination that the timber harvest level that meet the requirements as specified in the MO No. M232 and MO No. M233, and that reflect current management, can be best achieved by temporarily reducing the AAC as follows:

- Central Walbran Valley portion of Old Growth Designated Area No. 1 - a reduction of 2910 cubic metres.
- Fairy Creek Watershed Designated Area No. 1 - a reduction of 2657 cubic metres.

The total temporary AAC reduction for TFL 46 is 5567 cubic metres, which effectively reduces the AAC to 375 442 cubic metres. This reduction is effective June 9, 2021, the date of the Ministerial Orders, and remains in effect until MO No. 232 or MO No. 233 expire.

It is my expectation that ministry staff will continue to gather information to support a revision of this order which may result for the TSR AAC determination.

The intention of this reduction is to support sustainability in the areas of the management unit which are not directly protected by the OIC, until such a time that an AAC determination is completed.



Shane Berg, RPF
Deputy Chief Forester



June 16, 2022

Appendix 1: Information sources used in the AAC reduction

Legislation

- Province of BC. *Forest Act* Part 13, Sections 173(2) to (10), 173.1(1), 168, 169(1) to (2), 170(1) to (10), 171(1) to (4); 172(1), 172(2) and (3), 174, 175, 175.1, 175.2(1), 175.4(1) to (3);
- Old Growth Designated Area No. 1, B.C. Reg. 228/2020;
- Ministerial Order (MO) #232 Ministerial Order (MO) No. M232;
- Ministerial Order (MO) #233 Ministerial Order (MO) No. M233;
- Ministerial Order (MO) #338 Ministerial Order (MO) No. M338;
- Order in Council (OIC) No. 500;
- Tree Farm Licence Management Plan Regulation, BC Reg. 280/2009.

Licence Holder Plans, Timber Supply and Other Related Documents

- Official map: Old Growth Designated Area No .1 file name Old_Growth_PT13_No1_20200722 with GEOBC;
- Province of BC. Old Growth Designated Area No. 1 Rationale for Allowable Annual Cut (AAC) AAC Reductions, Effective September 11, 2020;
- Province of BC. Arrowsmith TSA Rationale for Allowable Annual Cut (AAC) Determination, Effective February 9, 2018;
- Province of BC. Tree Farm Licence 54 held by Ma-Mook Natural Resources Limited. Rationale for Allowable Annual Cut (AAC) Determination, Effective February 7, 2019;
- Province of BC. Tree Farm Licence 57 held by Ma-Mook Natural Resources Limited. Rationale for Allowable Annual Cut (AAC) Determination, Effective September 14, 2016;
- Ma-Mook Natural Resources Limited Tree Farm Licence 54 Management Plan #5 October 2, 2018;
- Ma-Mook Natural Resources Limited Tree Farm Licence 57 Management Plan #2 September 2014;
- Teal Cedar Tree Farm Licence 46 Draft Management Plan #5, March 4, 2022.