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To All Interior Licensees

The purpose of this communication is to provide clarification on the Ministry of Forests and Range's (MFR) strategy for terminating the interim species adjustment factors for timber supply areas (TSA), tree farm licences (TFL) and woodlot licences (WL) located in the Interior.

The species adjustment factors provide licence holders with an opportunity to adjust their operations in response to the implementation of the new interior log grades that occurred on April 1, 2006. See attached February 24, 2006 licensee letter. These adjustment factors are meant to be temporary and will eventually be eliminated for all applicable management units. The species adjustment factors are found in the schedules attached to the Cut Control Regulation.



The MFR strategy is as follows:

- for TFLs and WLs, the species adjustment factors are terminated at the next timber supply review (TSR). Adjustment factors for WLs will be removed at the same time the next determination is made for the nearest applicable TSA.
- for FLs in a TSA:
 - if the allowable annual cut (AAC) for the TSA is increased at the next TSR, the species adjustment factors are retained to the extent that the AAC will accommodate the adjustment factors, and
 - if the AAC for the TSA is reduced or stays the same, the species adjustment factors are terminated.
- if the species adjustment factors are retained after a TSR is completed, then due consideration will be given to BCTS AAC within the TSA.

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**Ministry of Forests
and Range**

Ministry Executive

Location:
1520 Blanshard, 3rd Floor
Victoria BC

Mailing Address:
PO Box 9525 Stn Prov Govt
Victoria BC V8W 9C3

Tel: (250) 387-3656
Fax: (250) 953-3687

To All Interior Licensees

The Cut Control Regulation will be amended on an annual basis to reflect any AAC determinations made by the Chief Forester in the previous 12-month period. The exact outcome on the adjustment factors for each management unit will not be known until the Chief Forester makes an AAC determination. The postponement of an AAC determination by the Chief Forester may result in the removal of the adjustment factors. This will depend on the Chief Forester having considered the species adjustment factors in the determination for the postponement.

Regular review by licensees of the planned TSR determination schedule should provide some advance notice of any upcoming adjustment factor removals. The link to the timber supply review schedule is as follows: <http://www.for.gov.bc.ca/hts/schedule.htm>

If you have any questions or comments, please contact Dennis McPhail, Senior Timber Tenures Forester, Resource Tenures and Engineering Branch at (250)387-8330.

Yours truly,



Bob Friesen
Assistant Deputy Minister
Tenure and Revenue Division

Attachment(s): 1

pc: Dennis McPhail, Senior Timber Tenures Forester
Resource Tenures and Engineering Branch, Ministry of Forests and Range
John Allan, President & CEO, Council of Forest Industries, allan@cofi.org
Dennis Cook, Director, Interior Logging Association, dbcCook@nethop.net
Dave Martin, President, North West Loggers Association, dmartin6@telus.net
Dave Lewis, Executive Director, The Truck Loggers Association, dave@tla.ca
Jim Hackett, Manager, Interior Lumber Manufacturers Association, ilma@shaw.ca
Shane Garner, Chairman, Central Interior Logging Association,
shanegarner@hotmail.com
Brian McNaughton, Federation of BC Woodlot Associations, lone_tree@telus.net
Jennifer Gunter, BC Community Forest Association, jgunter@bccfa.ca
Paul Heit, General Manager, Independent Lumber Remanufacturers Association,
pheit@vswp.com