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**VIA EMAIL**

To All Licensees:

I am writing to provide you with an update regarding the use of Grade 4 credit orders and allowable annual cut (AAC) partition orders. As timber supply decreases, and the requests for access to timber harvesting rights increase, the use of these two Minister's Order provisions can better enable the efficient and sustainable management of forests and other important resource values that support forestry related jobs in British Columbia. These tools are key elements outlined in the *Intentions Paper: Modernizing Forest Policy in British Columbia* that aim to ensure fair returns to British Columbians from forest resources and increase the emphasis on sustainability and stewardship of forests and fibre supply.

**Grade 4 Credit Orders – Interior Only**

Section 17 (6) of the Cut Control Regulation provides licensees with a cut control credit if a Grade 4 log is delivered to a non-sawmill or non-veneer processing facility. This supports the continued harvest and delivery of low-quality timber that may otherwise be avoided. However, Grade 4 credit use may result in excess harvesting pressure, especially in those management units with declining AACs. Despite these concerns, some management units can support a targeted and sustainable level of Grade 4 credit use within existing and anticipated AACs.

Moving forward, ministry staff will be monitoring the usage of Grade 4 credits closely and will directly report on use to decision makers, licensees, and applicable clients through meeting forums such as Timber Supply Area Steering Committees, Resource Stewardship Tenure Committee, or other relevant collaborative venues.

To ensure that Grade 4 credit use is sustainable, licensees are expected to adhere to forest stewardship practices specified by the chief forester or other applicable decision maker when determining the AAC for a forest tenure or management unit. This also includes the consideration of collaborative land use planning objectives either in place or being developed.

Tenures or management units subject to a potential order include timber supply areas (TSAs), tree farm licences (TFLs), woodlot licences, community forest agreements, and First Nation woodland licences. BC Timber Sales timber sale licences are not eligible for Grade 4 credits.

If it appears that excess Grade 4 credit use is putting undue pressure on current AACs, and that harvesting behaviours are not changing, a recommendation will be brought forward to the minister to implement an order under Section 17.1 of the Cut Control Regulation.

The most recent version of the Sustainable Volume Grade 4 Credit Limit Guidebook can be found on the Forest Tenures Branch website as follows:

[https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/forestry/timber-tenures/cut-control/sustainable\\_vol\\_grade4\\_credit\\_limit\\_guidebook.pdf](https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/forestry/timber-tenures/cut-control/sustainable_vol_grade4_credit_limit_guidebook.pdf)

### **AAC Partition Orders**

As authorized under Section 8 (5) of the *Forest Act* (Act), the chief forester may specify AAC partitions when determining the AAC for a TSA or TFL AAC. AAC partitions are used to delineate and set harvest level expectations for different timber types or geographic areas within the TSA or TFL. Under the authority of Section 75.02 of the Act, the minister may order licence specific harvest limits within the AAC partition if the minister considers it necessary to ensure that the AAC and AAC partition harvest limits are not exceeded.

Ministry staff will be monitoring harvest performance for overharvest trends while also recognizing that harvest plans may temporarily lag a chief forester's AAC determination. If harvest performance and trends indicate excess harvest is, or may be, occurring within an AAC partition, and that licensee harvest behaviours are not changing, a recommendation will be brought forward to the minister to consider implementing an AAC partition order in accordance with Section 75.02 of the Act immediately to protect the long-term harvest level and forest resource sustainability.


As authorized under Section 8 (5) of the Act, the chief forester may create AAC partitions at any time in response to unforeseen catastrophic events such as wildfires or pest outbreaks or other significant factors affecting the availability of timber supply for an area. These new AAC partitions will generally require prompt action to plan and harvest imperilled timber before affected areas and/or stands become inoperable. Licensees are always encouraged to shift operations to this timber profile, but if these impacted stands remain unharvested, then the minister may consider partition orders to limit the harvest in other non-impacted partitions. Building on the experiences from the recent catastrophic wildfire seasons, new measures are in place, or soon will be, to further support timely planning and permitting. This includes updated Post-Natural Disturbance Forest Retention Guidance, clarity on Forest Stewardship Plan exemptions and new First Nations Wildfire Salvage Opportunity Agreements to improve fire salvage recovery capacity and provide opportunities for First Nations participation. Combined, these measures are aimed at improving the ability of licensees to harvest fire damaged timber.

All Licensees

In summary, ministry staff will continue to closely monitor both Grade 4 credit use and the harvest of timber within chief forester recommended AAC partitions. If negative impacts to harvest and resource sustainability are identified as a potential concern, ministry staff will recommend to the minister the implementation and enforcement of partition orders for all affected management units.

If you have any further questions, please contact Doug Kelly, Director, Forest Tenures Branch at (778) 974-2387, or at [Doug.Kelly@gov.bc.ca](mailto:Doug.Kelly@gov.bc.ca).

Sincerely,



Eamon O'Donoghue  
Acting Deputy Minister

pc: Lennard Joe, Chief Executive Officer, First Nations Forestry Council  
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