



Ministry of
Forests, Lands, Natural
Resource Operations
and Rural Development

Managing Your New Timber Tenure in British Columbia

An Administrative Guide

For First Nations and Other B.C. Communities

Version 2.1

July 2019

Disclaimer

This document contains material to assist with the administration of *agreements* entered into under the *Forest Act*. This document contains both a summary of the legal requirements and advice/suggestions from the non-legal realm. The latter are not legal requirements that you must follow, nor are they government policy.

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Questions or comments should be directed to:

Forest Tenures Branch, Ministry of Forests, Lands, Natural Resource Operations and Rural Development
ForestTenuresBranch@gov.bc.ca

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1 Introduction

The guide is for:

- First Nations and other B.C. communities with one of the following tenures:
- Non-Replaceable Forest Licence
- Forestry Licence to Cut
- Woodlot Licence
- Community Forest Agreement, or
- First Nations Woodland Licence

The guide covers:

- How to obtain and manage your new timber tenure; addressing:
 - B.C.'s timber tenure system
 - The licence and permit process
 - Operational & business considerations

Use the guide to:

- Learn the basics(Part 2)
- Assemble your team (Part 3)
- Plan as a business (Part 4)
- Enter into the agreement (Part 5)
- Know which permits are needed (Part 6)
- Plan your operations (Part 7)
- Get more information (Part 8)

1.1 Who Should Use This Guide and What is Covered

This administrative guide has been developed by the Ministry of Forests, Lands, Natural Resource Operations and Rural Development (referred to as 'the ministry' throughout this document) for First Nations and other B.C. communities who have any of the following forest tenures:

- Non-replaceable Forest Licence
- Forestry Licence to Cut
- Woodlot Licence
- Community Forest Agreement
- First Nations Woodland Licence

This guide offers information and advice about how to obtain and manage your new tenure. It describes the administrative framework and processes for the above tenures. The guide also gives a brief introduction to the operational and business aspects of operating a tenure.

1.2 How to Use This Guide

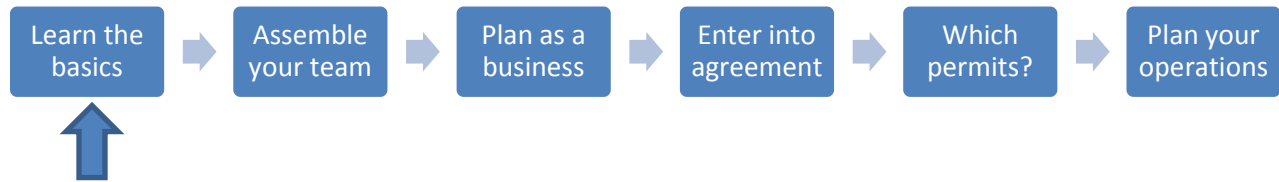
This guide is intended to be a road map to help you navigate the sometimes complex world of B.C. forest tenures.

Each part starts with an overview of key points that ministry staff would like you to be aware of. Make sure you review each overview, and make note of any topics that you need to learn more about. Then read through each section focusing on those topics and skipping over sections that are too detailed for your current needs. After you move into a new phase of managing your tenure, your information needs will change so you should return to this guide to get more details.



- Make sure you are aware of the basics. Part 2 introduces B.C.'s timber tenure system and the forest management activities that are required when you hold a forest tenure.
- Assemble your forest management team. See Part 3 for suggestions on who should be on your forest management team to get the tenure up and running. This part also recommends establishing good working relationships with government agencies, potential partners, adjacent licensees and stakeholders.
- Plan to run your tenure as a business. Part 4 suggests that before starting up your timber tenure, your team should consider community expectations and then look closely at your expected costs, revenues and risks. A realistic business plan is the next step for your forest management team.
- Obtain your licence and define an operating area. Unless you have an area-based tenure, the operating area does not provide exclusive right to harvest under the *Forest Act* and is an agreement between licensees. The operating area may be restricted under the terms of the licence. Part 5 lists the typical steps involved in obtaining the actual licence and securing an area to operate in.
- Know which permits you need and how to get them by reading Part 6. The licences discussed in this guide typically require a cutting permit before logging is authorized and a road permit before you can build access roads or use existing non-permitted roads. Other permits may be needed for special circumstances. Various permits have pre-requisites such as operational planning and submission of appraisal data.
- Get operational plans in place. Use Part 7 to help you plan ahead to be successful in your operations. Some plans are required by forest practices legislation before you can get permits to build roads or log. Other plans may be only for your use to handle operational logistics. Both types of plans are time-consuming but good planning can keep control of costs and improve profits.
- Find help and more information by using the resources in Part 8.

2 The Basics



Timber Tenure System

- *Forest Act* & regulations
- *Forest and Range Practices Act* & regulations
- other legislation
- harvest regulation framework (allowable annual cut)
- forms of agreements
- government policies

Forms of Timber Tenure

- forest licence
- licence to cut
- timber sale licence
- timber licence
- free use permit
- road permit
- community forest
- agreement
- woodlot licence
- First Nations woodland licence
- tree farm licence
- Christmas tree permit

Tenure Variations

- exclusive vs. non-exclusive rights
- cutting authority
- replaceable vs. non-replaceable
- major licence
- road permits and road use permits

Licence versus Permit

- Licence grants harvest rights within a management unit subject to conditions.
- Cutting Permit issued as part of the licence authorizes harvest on a specific area; links to stumpage, cut control & forest practice requirements.
- Road Permit allows industrial use of road and may authorize cutting and construction; also linked to cut control.

-
- Special Use Permit allows forestry-related use of Crown land not authorized by another permit.

Administrative Activities

Licence:

- Term, extension, replacement
- Deposits & annual rent
- Pay stumpage & waste
- Cut Control
- Management plan (for some licences)

Cutting Permit:

- Application/appraisal
- Timber mark & scale site designation
- Notification and reporting

Road Administration:

- Obtain permits, monitor maintenance

Operational Activities

- Forest stewardship plan / Woodlot licence plan
- Site plans
- Timber cruise and cutblock layout
- Road design, construction, maintenance and deactivation
- Logging, hauling and scaling
- Cleanup, waste assessment
- Log sales
- Reforestation, surveys and tending

2.1 The Timber Tenure System

In British Columbia, where 94% of the land is Crown land, the timber tenure system plays a significant role in addressing government objectives.

The term "timber tenure system" refers to the collection of legislation, regulations, contractual agreements, permits and government policies that define and constrain a person's right to harvest timber on Crown land (referred to as Crown timber). The term "timber tenure" is commonly used to describe the agreement between a company and the government which grants rights to harvest a specified volume of timber. A wide variety of timber tenures are in place, reflecting the diverse objectives for forest use that have been pursued since the early 1900s.

The timber tenure system is administered by the ministry and reflects the purposes and functions of the ministry as outlined in the *Ministry of Forests and Range Act*:

- encourage maximum productivity of the forest and range resources in British Columbia;
- manage, protect and conserve the forest and range resources of the government, having regard to the immediate and long term economic and social benefits they may confer on British Columbia;
- plan the use of the forest and range resources of the government, so that the production of timber and forage, the harvesting of timber, the grazing of livestock and the realization of fisheries, wildlife, water, outdoor recreation and other natural resource values are co-ordinated and integrated, in consultation and co-operation with other ministries and agencies of the government and with the private sector;
- encourage a vigorous, efficient and world competitive timber processing industry and ranching sector in British Columbia;
- assert the financial interest of the government in its forest and range resources in a systematic and equitable manner.

2.1.1 Legislation

2.1.1.1 Forest Act

The *Forest Act* and its regulations provide the structure for the tenure system, setting out:

- the forms of agreement for selling Crown timber and the factors that must be considered when this occurs;
- the rights and obligations of each form of agreement;
- rules about the administration of tenures such as cut control and payments.

2.1.1.2 Forest and Range Practices Act

The *Forest and Range Practices Act* (often referred to as FRPA) and its regulations set the requirements for planning, road building, logging, reforestation, and grazing activities.

FRPA and its regulations took effect on Jan. 31, 2004.

2.1.1.3 Other Acts

Although the *Forest Act* and FRPA may be the most directly applicable to timber tenure operations, many other acts of legislation can affect timber harvesting. These include the *Fisheries Act*, the *Water Act*, the *Water Sustainability Act*, the *Wildlife Act*, *Wildfire Act* and *Species at Risk Act*.

2.1.2 Regulating the Harvest

Central to the functioning of the timber tenure system is the manner in which permissible harvest rates are determined, distributed among operators and monitored.

The maximum rate of harvest is determined for each management unit. The chief forester is responsible for determining the allowable annual cut (AAC) for the larger management units in the province: 37 timber supply areas and 34 tree farm licences. Woodlot licences, community forest agreements and First Nations woodland licences are smaller units with their own harvest rates determined through a management plan process approved by the district manager or regional executive director.

Once the AAC is determined for a timber supply area, the AAC is distributed or “apportioned” by the Minister of Forests, Lands, Natural Resource Operations and Rural Development (“the Minister”) among various categories that are intended to achieve government objectives, including replaceable and non-replaceable forest licences, BC Timber Sales and new area based tenures. The volume is then committed in different licences within that category. If the volume apportioned to a category that is already fully committed, no new licences would be considered within that category. Where volume is apportioned but not fully committed, new tenure opportunities may be offered.

2.1.3 Forms of Timber Tenure in B.C.

Crown timber can only be harvested under authority of the *Forest Act*. The Act specifies the following forms of agreements:

- forest licence
- community forest agreement
- licence to cut
- woodlot licence
- First Nation woodland licence
- tree farm licence
- timber licence
- free use permit
- timber sale licence
- road permit
- Christmas tree permit

The first five agreements in the above list (shown in bold) are the types of tenure that could be offered through direct invitation and are described in more detail in this guide. Although there are several forms of licence to cut, only the “forestry licence to cut” will be addressed in this guide. Road permits (and/or road use permits) are required by most licensees to access timber and will also be addressed in this guide.

2.1.3.1 Exclusive Versus Non-exclusive Rights

Harvest rates determined for woodlot licences, First Nation woodland licences, community forest agreements and tree farm licences are exclusively available to the agreement holder subject to any provision in the agreement or legislation that allows other licences to be issued. Many tree farm licences have a specific volume dedicated to BCTS. Community forest agreements and First Nation woodland licences may also have specific volumes reserved for timber sale licences, or the licence holder may enter into a disposition (agreement) to release volume to BC Timber Sales.

All forest licences (and a forestry licence to cut that provides for cutting permits) provide a non-exclusive right to harvest in a management unit. These licences grant rights to a maximum volume of harvest which constitutes a portion of the total AAC available within a management unit.

2.1.3.2 Cutting Authority

If you were the successful bidder in a timber sale licence competition, you would receive the authority to cut a specific area of timber as part of your timber sale licence. However, typically, most types of licences do not include cutting authority with the licence. Like all forest licences, First Nation woodland licences, community forest agreements, woodlot licences and tree farm licences, your agreement allows the agreement holder to apply for cutting authority in the form of a cutting permit. If the agreement holder meets all of the conditions of the licence, including the planning requirements of the *Forest and Range Practices Act* and good financial standing with government, the ministry must issue a cutting permit.

2.1.3.3 Replaceable Versus Non-Replaceable

Forest licences, First Nation woodland licences, tree farm licences, community forest agreements and woodlot licences may specify in the licence document that they are replaceable under provisions in the *Forest Act*.

Replaceable tenures generally have terms ranging from 15 to 25 years to encourage investment and long-term forest management. The replacement provision allows the licence document to be periodically updated or replaced mid-term so it can reflect current government policy. Non-replaceable forest licences will expire at the end of the term.

2.1.3.4 Licence Silviculture Obligations

The obligation to reforest harvested areas with a free-growing stand of trees is a requirement of FRPA for all major licences. Where a licence doesn't require a forest stewardship plan, such as a forestry licence to cut that is not specified as a major licence, the Minister takes on the silviculture obligation.

The legislation does not provide any option to avoid this obligation in advance. Licensees become obligated to reforest as soon as they begin harvesting the area. The legislation does allow licensees to apply to transfer the reforestation obligation to another person or to the ministry but an approval decision takes place after the licensee incurs the obligation (note that typically, the ministry does not take over reforestation obligations). In some situations, licensees may be required to provide a silviculture deposit.

2.2 First Nations Information Sharing and Consultation

Tenure holders are required to share information with First Nations prior to beginning activities in an area. The ministry is required to consult with First Nations before approving activities in an area.

Information sharing and consultation must occur with all First Nations who may have interests in the area over which the tenure overlaps. Some First Nations have a forest consultation and revenue sharing agreement (FCRSA) or other agreement with the Province of B.C. that lays out the specific timeframes and details of consultation. The ministry may need to consider accommodation if there are potential impacts to rights and title expected as a result of activities in the area.

It is recommended that tenure holders develop relationships with local First Nations who may have interests in the area of their tenure, as this will help with both the information sharing and consultation processes.

The First Nations Relationship Branch of the ministry or the Ministry of Indigenous Relations and Reconciliation may be able to assist or provide links to guides to assist with the processes. Please see Section 8.2 of this guide for possible resources.

2.3 Licence and Permits

2.3.1 The Role of the Licence

A licence or agreement authorized under the *Forest Act* is a contract between the holder and government specifying harvest rights, administrative requirements (such as replacement and cutting permits) and obligations (such as stumpage and deposits payable, waste assessments and reporting requirements). Licences are restricted to a timber supply area, tree farm licence or a specific area described in an Exhibit A map. (See Section 5.4.1 for a more detailed description of the licence document.) Licences that provide for cutting permits do not provide any cutting authority within the licence. Cutting authority must be provided by a cutting permit or road permit. Most forest practices obligations in FRPA apply to activities authorized under a permit.

2.3.2 The Role of the Cutting Permit

The cutting permit provides the authority to exercise a licence's harvesting rights on a specific area of land. The cutting permit:

-
- Identifies the cutblock(s) authorized for harvesting on a map attached to the permit (referred to as Exhibit A);
 - Has a term of four years or less (normally at the applicant’s discretion);
 - Identifies the timber mark to be used as identifier of log ownership and area of origin;
 - Specifies whether stumpage will be calculated based on the cruise, scaled volume or tabular rates;
 - Authorizes construction, maintenance and use of roads identified in the cutting permit;
 - Specifies any timber that may not be harvested in the permit area (timber within a cutting authority area that is reserved from harvesting is typically a riparian reserve or another forest practices requirement).

2.3.3 The Role of the Road Permit

A road permit authorizes road construction, road use and maintenance and may authorize timber harvesting if Crown timber must be cut for construction. Road permits are associated with licences for recording cut control volumes but the underlying right to the permit is granted by legislation, not the licence.

The road permit:

- Defines the legal area of interest (Exhibit A map);
- Sets the effective date when the holder has the rights;
- Identifies the timber mark(s) to be applied to timber removed from the cutting authority area;
- Defines the rights granted (road construction and/or use and maintenance and/or timber harvesting).

A road permit provides ongoing authority for industrial use but not exclusive use. The public and other industrial users can use the road that is under road permit. Other industrial users may need to share maintenance costs.

If an industrial user needs to use a road that is a “forest service road” (a road designation under the *Forest Act*), that user must obtain a road use permit from the ministry. An exemption from a road use permit may be available for short term use of a forest service road. (See additional information about road permits and road use permits under Section 6.2.)

2.4 Current Policy

2.4.1 “Results-based” Legislation, Due Diligence, and Professional Reliance

The *Forest and Range Practices Act* is considered “results-based” legislation in that the desired result or objective is defined in the legislation and there is no legislated direction given to the licensee on how to achieve the result. It is up to the licensee to determine how they will achieve the result.

There are two concepts that are particularly important in how FRPA functions. The first is the legal concept of due diligence. Due diligence is the level of judgement, care and activity that a person would reasonably be expected to exercise under particular circumstances.

Part of being duly diligent is to be sure that competent people are responsible for carrying out forest management responsibilities. An important component of ensuring competence, and the second key element in how FRPA functions, is professional reliance. FRPA relies in part upon forest professionals, which include registered professional foresters (RPFs) and registered forest technologists (RFTs), to apply good judgement and act in the interests of the environment and public.

Registered professionals include Professional Agrologists (PAg), Professional Engineers (P.Eng.) and Geoscientists (P.Geo.), Registered Professional Biologists (RPBio), RPFs and RFTs. These registered professionals belong to regulatory bodies that establish standards of conduct, standards of practice and disciplinary processes. This is often referred to as professional accountability.

2.4.2 Compliance and Enforcement

Compliance and Enforcement (C&E) staff in the Ministry protect the Crown's revenue interests and the environmental values as described within the legislation. The standards for environmental values are established through practice regulations and through the licensee's forest stewardship or woodlot licence plan results and strategies. Protecting the Crown's revenue interest is a fundamental responsibility of the Ministry's C&E and Scaling programs.

FRPA allows licensees and permit holders the freedom to manage within the area defined by the cutting or road authority as long as they remain compliant with the regulations and their forest stewardship or woodlot licence plan. FRPA does have an extensive range of administrative remedies for breaches of the act and regulations.

2.5 Forest Management Activities

2.5.1 Licence Administration

Maintaining your licence in good standing is essential for uninterrupted timber harvesting rights. A licence that is under suspension or expired prevents use of permits and improvements while continuing the obligations incurred under the licence.

2.5.1.1 Term, Extensions, Replacement

Licences have an effective date and an expiry date. Licence-specific wording needs to be examined to determine if the licence allows or prevents extensions or replacements.

2.5.1.2 Deposits, Annual Rent and Levies

A security deposit must be provided at the time of issuance of a licence and maintained until the expiry of the licence. The deposit is then refunded if obligations under the licence have been fulfilled. Licence holders may also be required to provide government with a silviculture deposit to minimize the Crown's financial risk regarding silvicultural liabilities.

Annual rents must be paid prior to licence execution and yearly for the term of the licence in accordance with the Annual Rent Regulation.

Licence holders pay a levy for wildfire suppression activities or for other purposes (e.g., a woodlot levy), which is embedded in the annual rent payment.

Refer to Section 5.3.3 of this guide for more information on deposits and rent.

2.5.1.3 Payment of Stumpage and Waste

Timber harvested under a cutting permit may be billed based on the volume that is scaled (scale-based) or the volume that is cruised (cruise-based). For a cruise-based permit, the holder must report monthly how much of the permit area has been harvested. Timber harvested from a road permit must be scaled. Any timber that was under permit and could have been harvested but at the licence holder's discretion was not harvested may be assessed as waste and billed to the licence holder. This is known as "Take or Pay", however this does not apply to permits under tabular rates.

2.5.1.4 Cut Control

Timber volumes that are measured using scale-based or cruise-based procedures that meet the timber specifications in the licence will be charged to the licence's cut control. Private land that contributes towards the tenure's AAC, along with attributed volume, such as a B.C. Disposition Agreement or a Section 19 Attribution, also applies to cut control.

The type of tenure, length of term and whether the allowable annual cut exceeds 10,000 cubic metres will prescribe which set of cut control rules apply to the tenure. The licence holder should make themselves familiar with the cut control limit and/or maximum volume specified for their licence. There are no penalties for cutting less volume than planned (undercutting) but the volume is no longer available to the tenure holder and maybe made available to another tenure holder. There are mandatory penalties under the cut control regulation if you exceed the cut control limit or specified maximum volume in the licence.

2.5.2 Cutting Permit Administration

A cutting permit is the document that provides cutting authority. It can only be applied for after planning requirements of the Forest and Range Practices Act have been met. Section 6.1 of this guide describes the cutting permit in more detail.

Administrative requirements include:

- Cutting permit application (maps, compiled cruise and other appraisal data);
- Site plans;
- Cutting permit term (track start and expiry dates; consider extension);
- Timber mark (ensure staff and contractors know the timber marking requirements);
- Scaling (make arrangements for scaling and scale site designation);
- Stumpage billings (track volumes scaled to check billings);

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- Waste assessments (arrange to have blocks assessed for waste as required);
 - Notification and reporting requirements.

2.5.3 Road Administration

A tenure holder will need to determine how they will access the timber to be harvested. Depending on the physical and legal status of the road, the tenure holder may have a number of activities to administer:

- If considering the use of existing roads, obtain authorization in the form of a road permit or road use permit or give notice and make arrangements with another permit holder;
- If new roads are needed, design any road construction in accordance with FRPA;
- Seek approval for the road permit application;
- Upon approval of a road permit, arrange to have the right of way cleared, and build the road sub-grade in advance of hauling (usually the year before);
- Finish construction and subsequently maintain the road surface as well as bridges, culverts, fords, etc. until relieved of the obligation; and
- Negotiate maintenance charges if other industry is using the road.

Note that a road authority does not expire. The person with a road authority carries a road liability until it is deactivated or transferred to another user. (See Section **Error! Reference source not found.** for more information.)

2.5.4 Planning Requirements

2.5.4.1 Management Plans

Management plans are required for First Nation woodland licences, community forest agreements and woodlot licences prior to the licence being issued and periodically thereafter. Management plan content varies by licence but generally includes:

- guiding principles;
- proposed management objectives, and measures to meet those objectives;
- a proposed allowable annual cut for the licence area.

A woodlot licence management plan must also include forest inventory information.

2.5.4.2 Business Plans

Business planning is also generally discussed in this guide as a recommended internal activity for all tenure types. They are, however, not required for submission to the licensor for approval.

2.5.4.3 Strategic Plans

Higher-level strategic plans may exist for the area of proposed harvesting. Tenure holders should contact Ministry staff to determine which strategic plans exist and how they may affect

operational planning. In some cases, there are plans which do not have mandatory requirements but still contain valuable information and expert recommendations.

Higher level plans must be referenced in an applicable forest stewardship plan.

2.5.4.4 Operational Plans

Before cutting or road authorities can be issued, the following operational plans must be approved:

- a forest stewardship plan that is in effect under FRPA;
- a woodlot licence plan (woodlot licences only).

See Section 7.2 for more information about these operational plans. Except in prescribed circumstances, the holder of a forest stewardship plan or woodlot licence plan must prepare a site plan for any cutblock or road before the start of any timber harvesting. Site plans provide the approximate locations of road(s) or cut block(s) and require other resource information as detailed in legislation and regulation.

2.5.5 Practice Requirements

In addition to the requirement to follow operational plans, the *Forest and Range Practices Act* and the Forest Planning and Practices Regulation (or the Woodlot Licence Planning and Practices Regulation for woodlot licences) list specific practice requirements for objectives including the following:

- Protection of the environment;
- Soils;
- Forest health;
- Free growing stand requirements;
- Riparian areas;
- Water quality;
- Biodiversity,
- General wildlife measures
- Resource features;
- Invasive plants;
- Natural range barriers;
- Cultural heritage resources.

Note that these practice requirements are in addition to the measures in an operational plan that address values such as cultural heritage and visual objectives.

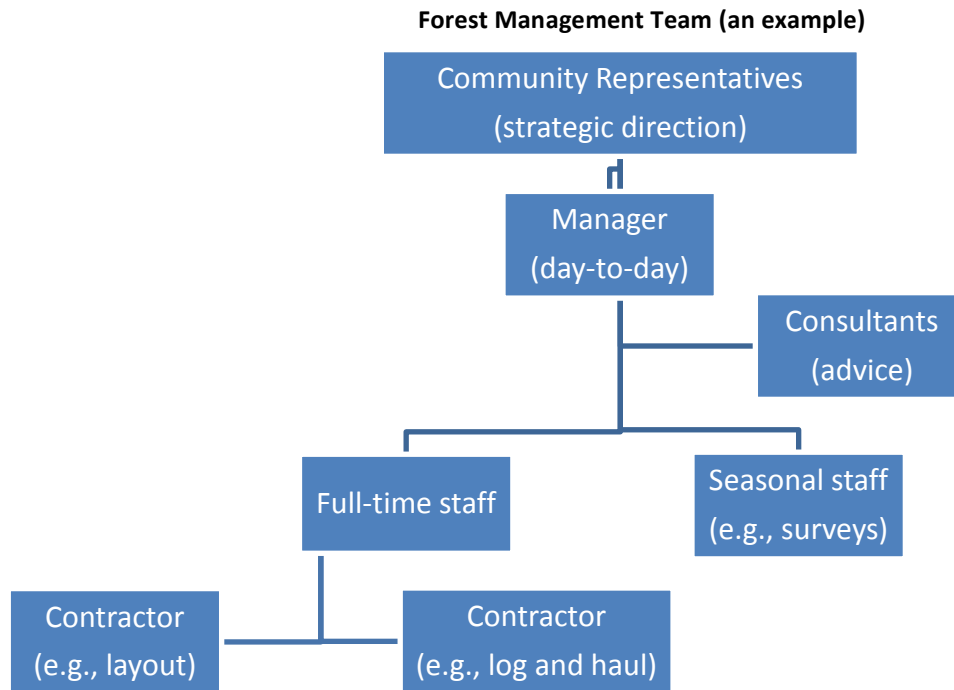
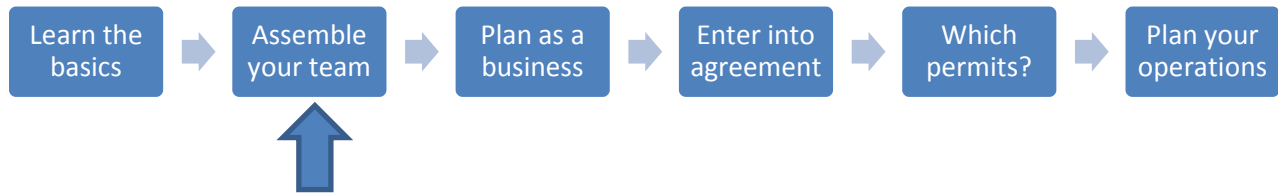
2.5.6 Woodland Operations

Staff or contractors will need to be assigned to supervise and/or conduct:

- Timber cruise (a measured estimate of timber volume) and appraisal;

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- Layout of cutting boundaries;
 - Road design, layout, construction, maintenance and deactivation;
 - Logging, hauling, towing/barging, scaling and log sales;
 - Cleanup and waste assessment;
 - Surveys and reforestation;
 - Tending until the new trees are freely growing with little risk of being taken over by brush (note that there are specific criteria for determining “free growing” status).

3 Your Forest Management Team



3.1 Strategic versus Day-to-Day Direction

It is in the best interest of the licensee to identify a group that can provide strategic direction on the business of operating the timber tenure.

The business of running the day to day operations can be technical and complex so the community group may want to have one or more managers that can become knowledgeable and available for planning and direction of activities.

3.2 Staff and/or Outside Help

Hiring full-time staff for all activities may be inefficient for a relatively small timber tenure. Your business plan should examine the tasks that need to be accomplished and the required expertise for each before deciding on the best mix of staff, consultants and contractors. Refer to Part 8.3 for contact information.

3.2.1 Consultants

Consultants are typically technicians or professionals with specialized expertise. They are a good choice when you need expert advice for a specific situation. Consultants can also take on the role of a contractor if you need their expertise to do a specific task at pre-determined costs and timeframe. In some situations it may be appropriate to hire different consultants for tasks specific to their professional expertise and required endorsement.

3.2.2 Contractors

A contractor is normally engaged to carry out a specific task or phase at a pre-determined cost as set out in a written contract with clear deliverables and deadlines. Contractors can be used to do a specific task like a timber cruise or multiple phases such as a full-phase contractor that builds roads, logs and hauls (stump to dump).

3.2.3 Training

Institutions and consultants can provide training for your managers or staff. Post-secondary institutions will often offer courses related to forest and business management. Consultants can be asked to provide customized group or one-on-one training.

There are also Community Futures Development Corporations located throughout rural British Columbia. They offer a variety of entrepreneurial programs, business counselling, loan programs and business information to community members interested in expanding or starting their own businesses. Refer to Part 8.2 for contact information.

3.3 Relationships

3.3.1 Relationships with Government Agencies

Managing a forest tenure involves working with a number of government agencies as plans are developed and permits are applied for.

The Ministry is the primary agency that you will work with as a licensee. Staff in the Ministry issue permits, review and approve plans (forest stewardship plan & management plan) and conduct inspections. The Ministry is also a source of information and advice; however, the Ministry does not have a mandate to provide significant extension services.

There are three levels to the Ministry (refer to Part 8 for contact information):

-
- The **natural resource district** is the local level, where most operational activity takes place. The district manager has been delegated to make a number of decisions on behalf of the Minister, including the approval of forest stewardship/woodlot licence plans, cutting permit and road permit issuance and making administrative penalty decisions.
 - Natural resource **regions** include in a number of natural resource districts. There are eight regions across the province, each led by a regional executive director (RED). Each region assists its natural resource districts, co-ordinates activities between natural resource districts, and provides a number of specialized services. Some aspects of licence management are a regional responsibility, including the setting of stumpage rates and the tracking of cut control performance. This varies through the province.
 - **Headquarters** includes the Minister, senior management levels of the Ministry and specialists in the various ministry programs. Headquarters is responsible for the overall performance of the ministry, including the establishment of policy direction and the development of legislation. Headquarters includes various different branches with expertise in specific aspects of natural resource management.

3.3.2 Relationships with BC Timber Sales

BC Timber Sales (BCTS) was founded in 2003 with a mandate to provide the cost and price benchmarks for timber harvested from public land in British Columbia. Through 12 business areas and an operational presence in 33 locations, BCTS manages approximately 20% of the provincial Crown allowable annual cut.

BC Timber Sales may enter into a partnership to develop and auction timber in specific circumstances. for example:

In 2015, Bill 25 amended the *Forest Act* to enable BCTS to enter into voluntary BCTS disposition agreements with holders of non-BCTS licences (i.e., forest licences, community forest agreements, First Nations woodland licences and woodlot licences). Under these voluntary agreements, non-BCTS licence holders can release some of their Crown timber harvesting rights to BCTS in return for a negotiated amount of money. BCTS can then auction that timber using timber sale licences and generate data that helps drive the Market-based pricing system.

In 2016, Bill 12 amended the *Forest Act* to provide the Minister with the discretionary authority to include a requirement in a non-BCTS licence that reduces the volume of Crown timber harvesting rights available to the holder and make that volume available to BCTS for auction. In return, BCTS pays the non-BCTS licence holder for the volume when BCTS sells that volume in one or more timber sale licences.

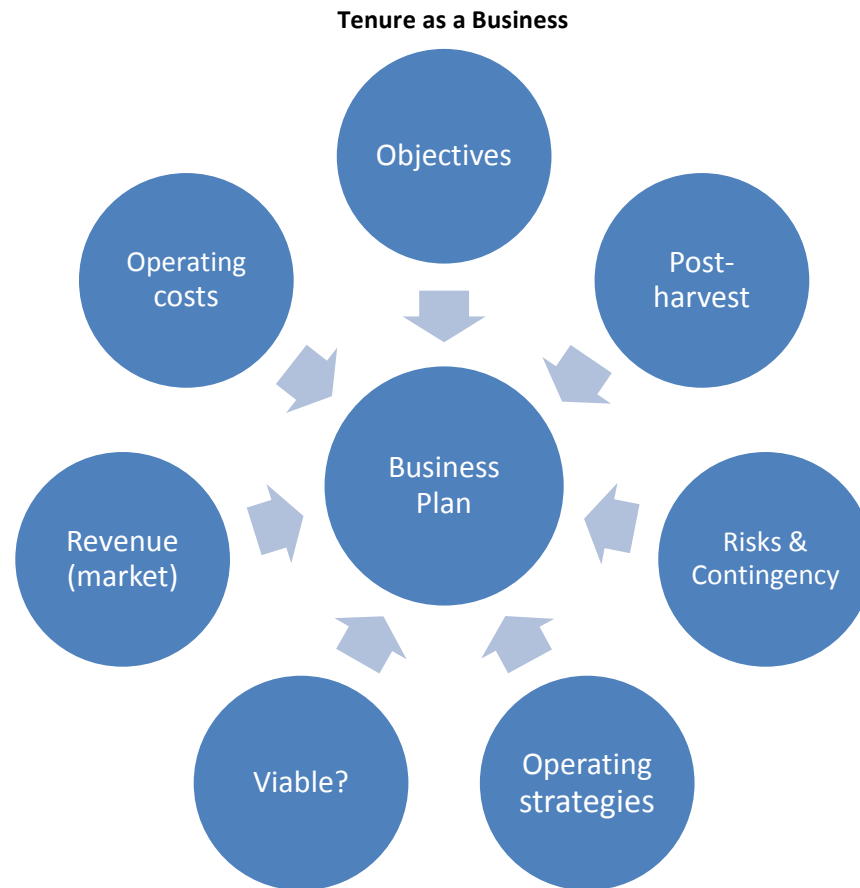
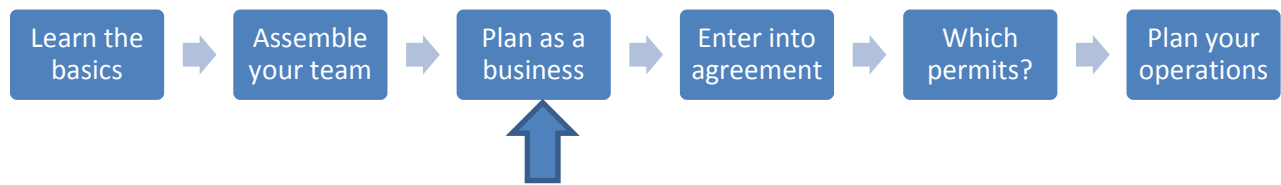
The circumstances under which the Minister will exercise this discretion will vary, however it is anticipated that it will typically be used in limited circumstances (e.g., where government has made commitments to some communities and First Nations to provide forest tenures on the condition that the timber is marketed through BCTS).

3.3.3 Relationships with Industry

Other tenure holders can be either potential partners or competitors, depending on the opportunities that licensees see for working together. An example of this would be a community or First Nation, via agreement, signing onto a forest stewardship plan held by a current licensee.

Mills and independent log buyers/traders are where most of the logs will be sent. Although they will look out for their own financial interests first, good relationships can improve communications, increase opportunities, reduce costs and promote streamlining.

4 Your Tenure as a Business



4.1 Costs

4.1.1 Start-up Costs

4.1.1.1 Annual Rents and Security

Annual rent and the deposit are relatively minor costs. They are known fixed costs that can easily be included in any financial projection.

Licensees with free growing obligations may also be required to provide a silviculture security deposit for future silviculture obligations associated with areas as they are harvested. This can accumulate to a large amount over several years. The amount of the silviculture deposit necessary may be determined by the district manager before harvesting occurs. The method of determining the deposit and the rules for releasing it should be well understood and built into any financial projections.

Sections 29.1 and 30 of the *Forest and Range Practices Act* provide options for transferring reforestation obligations to third parties or the ministry. Note that these are discretionary options, with which the ministry is not obliged to agree. The tenure holder must recognize that they will incur the reforestation obligation as soon as they harvest. Transferring obligations might be possible, but there is no guarantee that the tenure holder will be able to obtain a solid commitment prior to harvest.

4.1.2 Operating Costs

Major licence costs can be broken down into six broad groups:

1. Administration (decision makers, any permanent staff, contract managers);
2. Planning (forest stewardship plan, landscape planning, assessments);
3. Pre-harvest forestry operations (“Cutting Permit acquisition”);
 - cut-block reconnaissance, cruising
 - site plan development
 - block and road design and layout
 - appraisal and cutting permit submission
 - set up road building and logging contracts
 - road construction and maintenance
 - seedling order
4. Harvest phase;
 - logging and contract supervision
 - haul, scale, tow/barge
 - road maintenance
 - stumpage
5. Post-harvest obligations;
 - post-harvest assessments

-
- reforestation obligations
 - road obligations
 - waste assessments/stumpage

6. Liability contingency;

- reaching free to grow
- plan for risk of statutory breach

4.2 Log Sales = Revenue

Although community use of timber is an option, most of the logs harvested from your tenure will likely end up being sold to a sawmill. This section looks at the forest products industry to help you understand the market forces affecting your potential revenue (export outside of B.C. of logs from Crown forests is restricted but possible in some circumstances).

4.2.1 The B.C. Forest Products Industry

The B.C. forest products industry is composed primarily of sawmills and pulp and paper mills; both of which are designed primarily to use softwood (coniferous) species.

The coastal industry is less than half the size of the Interior industry. It produces more of the higher-valued products such as flooring, door frames, laminated and high value cedar products.

Coastal timber is more varied as well; more than 40% of the harvest is hemlock and balsam and roughly a quarter each of cedar and Douglas fir.

Interior B.C. production is 80% spruce, pine and balsam fir (commonly known as SPF) in dimension lumber markets.

On both the Coast and Interior, the majority of timber is initially processed through a sawmill with residual chips shipped to pulp mills for pulp and paper production. New awareness around managing for forest carbon include increasing the use of wood fibre as well as reducing the amount of residual burning. The bark, sawdust and fine shavings that were once unrecoverable and burned as waste are increasingly being used as fuel for power generation and the production of pellets.

4.2.2 Market Realities

The B.C. forest industry exported \$14.2 billion worth of forest products in 2017, accounting for 32% of all provincial exports. The United States accounted for over 60% of Canada's softwood lumber exports in 2016/17. In 2016, the value of B.C. lumber exports to the U.S. was \$4.3 billion and in 2017 the value was \$4.2 billion. Note that the quantity of lumber exports went down 9% from 2016 to 2017.

The latest softwood lumber agreement between Canada and the United States was signed in 2006 and expired in 2015. There is currently a dispute between Canada and the U.S. regarding softwood lumber, which has significant impacts for British Columbia given it is the largest producer of softwood lumber in Canada.

B.C. forest products companies sell into an international market place in which the price is largely out of their control. Because of this, business success is determined by how well the company can control costs.

Since B.C. milling costs are essentially fixed, the mills work backwards from the lumber market price to establish a log price range that they can afford (although a significant portion of logs become chips, the chips are viewed as residual by-products and so chip prices are generally not very responsive to pulp and paper prices).

Some licence holders choose to use the services of log brokers while others may sort and sell their logs directly to mills. Loggers and tenure holders who sell to the mills are directly affected by changes in international lumber prices and cannot affect revenue significantly, so the priority is to manage costs.

Some licence holders are interested in exporting whole logs. There is a fairly complex administrative process required and it is recommended that you contact your local ministry office. See Part 8 of this guide for more information.

4.3 Timelines and Risks

4.3.1 Planning Ahead

Cutting permits can only be applied for areas as shown in a forest stewardship plan or woodlot licence plan. A forest stewardship plan can have a term of five years and can be extended up to five more years. These plans have a good lifespan but getting the initial plan in place takes time, especially if they involve a number of field assessments. From initial fieldwork through preparation, review and approval, an operational plan typically takes 6-12 months to put into effect. Woodlot licence plans have a term of 10 years and may be extended at expiry for an additional 10 years.

In many areas, roads will be more useable and will cost less to maintain if they are constructed the year before any heavy hauling. At a minimum, roads should be built three months ahead of logging. Road design and permit application needs to be done first, and those have to be consistent with the approved plan.

Cutting permit applications may also have to wait for an approved plan and fieldwork may have to take place in a snow-free period. Local ministry staff can advise on typical timeframes for processing cutting permit applications.

Logging and hauling contractors may require advance notice of contracts, especially if there are significant logistics involved such as water access or remote locations.

4.3.2 Continuing Liabilities

Reforestation obligation represents a large cost to the tenure holder. Most of this cost occurs within two years of logging but there may be foreseeable costs afterwards (e.g., to cut back competing brush on an ecologically productive site). Then, throughout the period of time until the stand is declared free growing, there is ongoing risk of additional treatments or even plantation failure.

Roads represent another ongoing liability as they remain the responsibility of the permit holder until fully deactivated or until the district manager relieves the permit holder of the obligations so that the road can be used for others.

4.3.3 Risks in a Natural Environment

Weather (e.g., early snow or late spring) is always a challenge and can be a significant factor for operational costs.

Despite a licensee's best efforts to reforest a site, wind, pests, brush or fire can cause damage to a plantation that the licensee will be required to manage and address.

4.3.4 Market Risks

Markets are always changing. Reductions in log prices during logging can drastically affect profitability.

4.4 Put It All Together in a Business Plan

Business planning is a recommended activity for any tenure holder but voluntary for most. Suggestions are made on what to consider but the prospective tenure holder may need to get expert advice for their specific circumstances. This section is not directed at the business plan that might be required of applicants for a community forest agreement

4.4.1 Community Expectations versus Business Objectives

Business management strategies should be designed to address the various objectives established for the tenure. A privately-held tenure might be able to focus on profit while relying on government regulations to meet social and environmental objectives. But where a licence is held by, or operated on behalf of a community, a more complex set of objectives may be expected. Objectives might include:

- Environmental protection that varies or exceeds government regulations;
- Management approaches that reflect the community's cultural values;
- Community employment and job/career training;
- Profitable operations, reserves for contingencies;
- Surplus profits for community projects.

It may not be possible or even desirable for the tenure holder to attempt to address too many objectives. Factors to be considered may need to be discussed with community representatives so that realistic business objectives can be established.

The British Columbia Community Forest Association has a guidebook built on the experience of other communities that may help set realistic objectives. A link to the guidebook is provided in Section 8.3.1 at the end of this document.

4.4.2 Business Viability

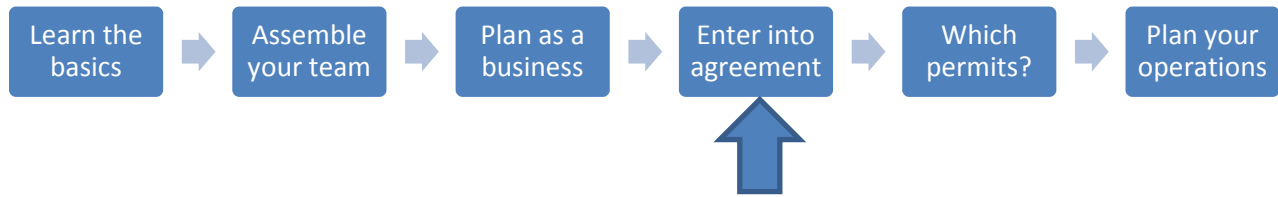
The key outcome of a business plan is to determine whether the tenure will be viable in current/projected markets, given the location, size and term of the tenure.

4.4.3 Business Strategies

The business plan's cost-revenue-risk analysis should be able to produce some guidelines about when logging should proceed or not. Changes in cut control rules removed penalties for undercutting; so,

whether and when to log should be a business decision based on strategies and criteria developed in the business plan.

5 Enter into the Agreement



Enter into the Agreement: A Process

- Invitation letter
- Explore options to locate the tenure (operating area or licence area)
- Application
- Evaluation
- Execute (sign) the agreement

Before Licence is Issued

- Application acceptable according to invitation letter conditions
- Deposit and annual rent paid
- Management plan approved (Community forest agreement, First Nations woodland licence or woodlot licence)
- AAC determination or volume apportionment

A forest and range agreement may include a timber tenure commitment. Other B.C. communities may be the subject of an announcement of government's intention to create a forest tenure opportunity. These tenure opportunities will usually be a direct invitation; meaning that only one entity will receive the invitation.

Even in the case of a direct invitation, there is still a process that involves the following:

- Invitation letter;
- Exploring options to locate the tenure operations;
- Application and evaluation;
- Approval and AAC determination;
- Executing the agreement.

5.1 Invitation

It is the Minister who determines that it is appropriate to invite a community to apply for a First Nation woodland licence or community forest agreement and the Minister will send an invitation to apply for a specific type of tenure.

The invitation letter will usually be more specific about the form of tenure and any geographic limitations. The letter will specify information requirements for the application and may also ask the applicant to provide input to assist the ministry in locating an operating area for the licence within the specified management unit.

5.2 Locating the Tenure Operations

5.2.1 Operating Area for Non-Replaceable Forest Licence or Forestry Licence to Cut

Forest licences (replaceable and non-replaceable) grant rights to harvest a specified volume within a management unit; normally a timber supply area (TSA). Forest licences do not grant exclusive rights to operating areas (also referred to as chart areas). The TSA is theoretically shared among all of the volume-based licences and BC Timber Sales within the area of the management unit.

A forestry licence to cut will describe one or more areas of land within which its holder may harvest Crown timber.

Despite there not being any exclusive licensee right to a particular area, licensees (and BC Timber Sales) have developed a consensus-based allocation of operating areas. The arrangement has been respected because all parties benefit from efficiencies and reduced conflicts.

In some cases, a new, non-replaceable forest licence may be restricted to a portion of the TSA. Such a restriction is usually done only after the ministry has established that it is a suitable area for the new tenure and is not in conflict with established licensees.

If a planned new tenure does not have a pre-arranged operating area, the prospective tenure holder may need to work with other licensees and the ministry to locate a suitable area.

In some cases, a new tenure holder may be able to develop a working relationship with one of the established licensees in which they share an existing operating area. This kind of arrangement could extend to the exchange/purchase of plans and/or developed cutblocks.

5.2.2 Area for a Woodlot Licence, Community Forest Agreement or First Nations Woodland Licence

Woodlot licences, community forest agreements and First Nations woodland licences are area-based tenures. When an area is included in one of these tenures, it essentially becomes permanently unavailable to other tenures (except that cut control undercut could be offered to others or when the area-based tenure holder relinquishes their first right of refusal under a Section 72 notice to recover dead or damaged timber). Selection of area for undercut volume becomes a significant decision entailing consultation amongst government agencies and all affected First Nations, and might need to involve input from licensees in the affected management unit.

5.3 Application and Evaluation

5.3.1 Application Format

The invitation letter will specify the format for the application.

5.3.2 Evaluation Process

Applications will be evaluated by the Minister against the requirements in the invitation letter and any associated legislation or regulations.

If the application is satisfactory, the Minister will direct the licensor (regional executive director or district manager, depending on the form of agreement) to enter into the agreement with the applicant, provided that annual rent and deposit(s) are paid and that any additional requirements have been met.

5.3.3 Deposits and Annual Rent

A deposit must be provided before the licence is issued, and maintained during the term of the licence. The deposit can be cash or another form of security acceptable to the Ministry of Finance. It may be refunded at the end of the licence term if obligations under the licence have been fulfilled. Licence deposits are based on the type of tenure and may be based on the AAC. Refer to Section 9 of the Advertising, Deposits, Disposition and Extension Regulation under the *Forest Act*. As an example, a forest licence requires a deposit of \$0.15 per cubic metre of AAC, whereas a woodlot licence requires \$1,000.00 regardless of the AAC.

Annual rents are a separate fee set according to the AAC established for the licence, that must be paid prior to the execution of the licence and yearly thereafter. The Annual Rent Regulation under the *Forest Act* specifies the amounts of annual rent by licence type. Annual rent is payable regardless of whether the full AAC was harvested any given year, and is not refundable.

5.3.4 Other Requirements

The ministry cannot enter into a First Nations woodland licence, community forest agreement or a woodlot licence until a management plan is approved by the Minister or delegate for the proposed agreement and licence area.

The invitation letter may also ask a community forest applicant to submit a business plan that meets the requirements of the Community Tenure Regulation.

5.4 Entering into the Agreement

Once all requirements have been met, the agreement is executed (signed) by both parties.

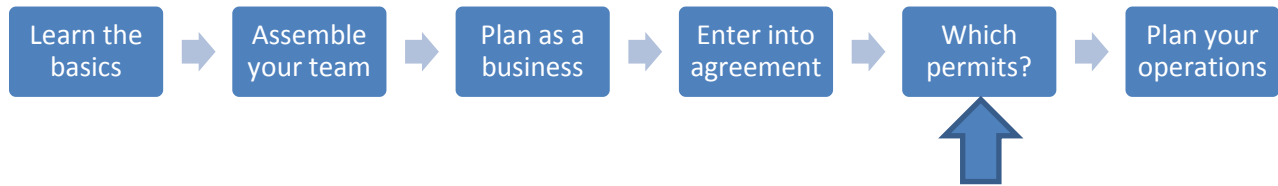
5.4.1 The Licence Document

A licence or agreement authorized under the *Forest Act* is a contract between the holder and government, specifying rights and obligations to harvest Crown timber from an area of land. The following components of a forest licence document illustrates the content of an agreement that specifies an allowable annual cut (AAC):

1. Grant of Rights and Term
 - Sets the AAC and specifies all or part of a management unit that the licence applies to. For non-replaceable forest licences, a maximum volume over the licence term is specified in addition to the AAC. Woodlot licences and community forest agreements generally enjoy exclusive cutting rights to their area subject to an AAC determined periodically in conjunction with their management plan;
 - Sets the effective date and the term of the agreement in years;
 - Specifies whether the licence is replaceable.
2. Timber Harvest Limitations
 - Prohibits harvesting of timber that is reserved by the cutting permit, an operational plan or forestry legislation;
 - Provides the ability to place restrictions on cutting permit applications.
3. Timber Volume Charged to the Licence

-
- Links the volume harvested under the agreement to the cut control provisions in the Forest Act and the procedures in the Waste Assessment Manual;
 - Establishes the cut control specifications that will be used in cutting permits, subject to cutting permit-specific variations.
4. Waste Assessment
- Sets the requirements for waste assessments;
 - Requires the licensee to pay for volumes they could have taken but did not.
5. Cruise and Appraisal Information
- Requires the submission of cruise and appraisal information compiled according to specified manuals, unless the applicant is applying for a one-cutting permit (in the case of community forest agreement or woodlot licence). For one-cutting permit, the Interior Stumpage Request Rate Form is required to be submitted.
6. Cutting Permits
- Enables the licensee to apply for a cutting permit if certain conditions are fulfilled;
 - Requires the cutting permit to be issued unless certain circumstances exist;
 - Sets out the content of a cutting permit.
7. Other Provisions
- Allow cutting permits to be varied, suspended or refused to be consistent with a court-determined Aboriginal right and/or title;
 - Enable a requirement for reporting of information regarding the licensee's performance of its obligations under the licence for the previous year;
 - Require the licensee to pay stumpage billed, any bonus offer, or waste assessment;
 - Require a deposit as a security for performance and specify how the deposit can be accessed and returned;
 - State provisions on liability and indemnity;
 - Establish that cutting permits will terminate at the expiry of the licence and any improvements are vested with the Crown;
 - Identify how notices are handled.

6 Cutting Permits and Other Authorizations



Which Permits are Needed?

- Cutting Permit: Cutting authority, stumpage, mark & scale
- Road Permit: Construction and/or primary user
- Road Use Permit: Use of forest service road
- Special Use Permit
- Other permits, licences and leases: for use of aquatic Crown land

Cutting Permit Activities

- Timber Cruising
- Cutting Permit Application
- Appraisal to Determine Stumpage Rates
- Marking and Scaling of Harvested Timber
- Billing of Stumpage and Waste

Logging Road Authorization

Logging roads fall into one of three categories:

- **Forest Service Roads** –maintained by industrial users under road use permit; or, by the Province, subject to available funding, where communities, rural residents and high-value recreation sites have priority..
- **Operational Roads** – managed by licensees, either under a cutting permit, a road use agreement or outside a cutting permit under a road permit (primary user).
- **Non-Status Roads** – these are older, abandoned logging roads. Opening them up for logging requires a road permit from the ministry.

Maintenance Obligations

A person with a road authority (cutting or road permit) must maintain the road until it is:

- Deactivated;
- required for other permit or other users; or

-
- designated as a forest service road.

A person with a road use permit may be ordered to maintain all or part of a FSR.

Other Authorities

- Special Use Permits :
 - Issued by district manager
 - For pits and quarries for forestry-related roads, logging camps, and dryland sorts
- Licences, Permits, Leases on Aquatic Crown Land:
 - issued by the ministry
 - for log-handling activities such as storage, booming, and dumping

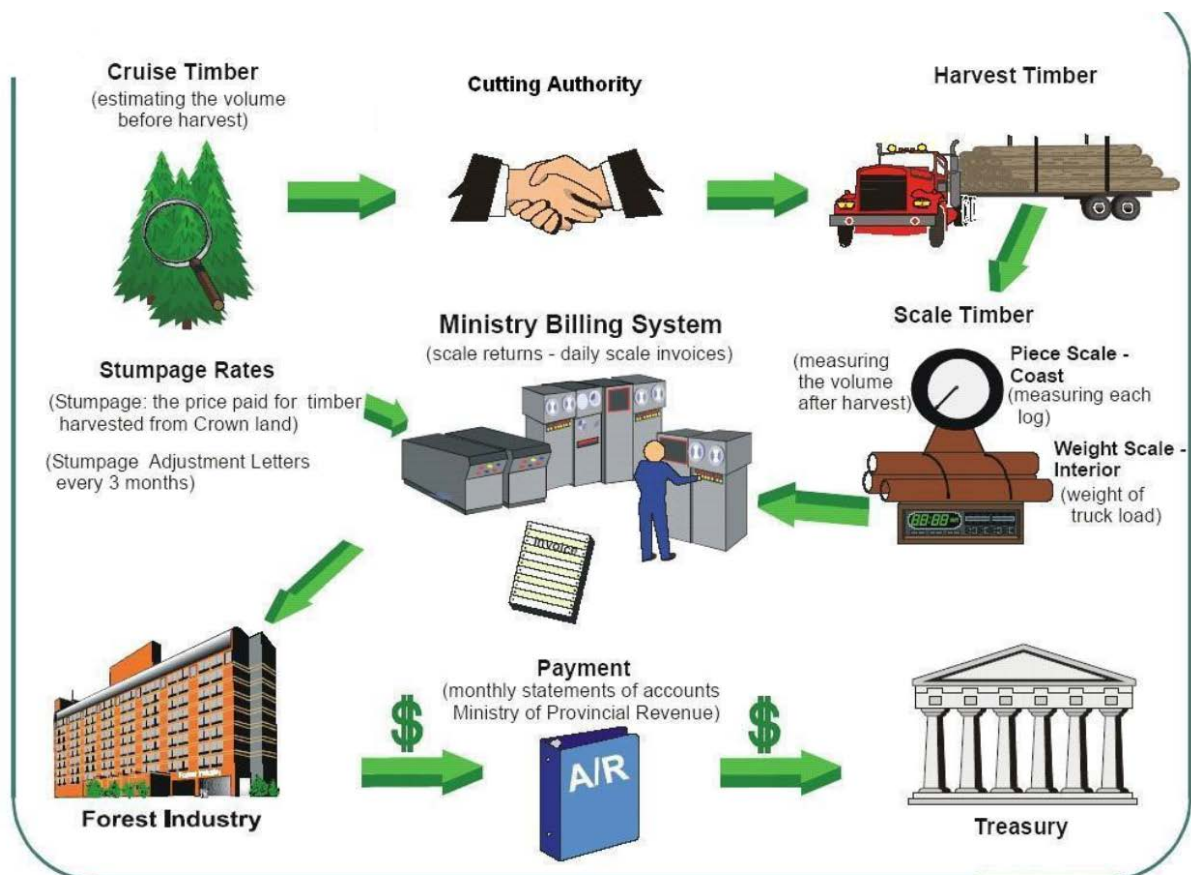
6.1 Cutting Permits

A cutting permit is the document that provides cutting authority for specific types of trees on a defined area of land. In addition to the planning requirements of forest practices legislation (see Part 7), the timber proposed for harvesting must first be cruised (except in the case of an approved one-cutting permit in a community forest agreement or woodlot) and an application must be submitted with appraisal information that will be used to prepare the permit and determine a stumpage rate.

Once the cutting permit is issued, there are requirements for timber marking and scaling of harvested timber. Monthly invoices are sent to the tenure holder for payment of stumpage. At the end of logging, a waste assessment is required to determine if there will be billing for the volume wasted.

At the end of a calendar year, scale and waste volumes from each cutting permit are combined to determine the volume harvested under the licence for cut control purposes.

Timber cruising, appraisal information, scaling and billing are stumpage-related activities, as indicated in the following chart. See also Section 8.2.2 for related links.



6.1.1 Timber Cruising

Crown timber on each cutting authority needs to be inspected, cruised and computed according to the standards and procedures in the Cruising Policy. The timber cruise will provide the estimate of volume, species composition, quality of timber and other data required to determine stumpage rates.

The Cruising Manual sets out the minimum cruising standards that must be met. These include specifications for the statistical design of the cruise, the accuracy of field measurements and standard compilation procedures. See Part 8.2.2 of this document for a link to the cruising manual.

Cruising is not required for cutting permits using tabular rate stumpage.

6.1.2 Cutting Permit Application and Appraisal

The form and content of a cutting permit application is specified in the licence document and district procedures. The applicant may ask for a term of up to four years. If the term is less than four years, an extension may be requested provided a fee is paid and the total term does not exceed four years. Woodlot licences and community forest agreements are eligible to apply for a one-cut permit; the technical specifics of an application for a one-cutting permit are specified in a separate document.

A key part of the application involves the submission of appraisal data. The *Coast Appraisal Manual (CAM)* and *Interior Appraisal Manual (IAM)* contain the Minister's policies and procedures for determining stumpage rates for Crown timber. Stumpage rate determination for non-auction harvesting authorities are based on the bid results from auctioned timber sale licences and cost survey information from an annual survey of logging and forest management costs incurred by licensees operating on Crown lands in B.C. See Part 8.2.2 of this document for links to the one-cutting permit and appraisal manuals.

6.1.3 Timber Marking

The "timber mark" is a unique identifier for a specific cutting authority and is governed by the *Forest Act* and Timber Marking and Transportation Regulation. See Part 8.2.2 of this document for a link to the regulation.

The purpose of the timber mark is to identify:

- the authority under which timber is harvested;
- whether the timber comes from Crown or private land;
- the area of land from which the timber is removed;
- the holder of the timber mark;
- the exportability of the timber.

The timber mark facilitates billing by associating the timber with a specific stumpage rate. The timber mark also allows timber to be tracked for cut control measurement.

6.1.4 Scaling

Scaling is the physical measurement of both Crown and private timber to determine its volume and quality or grade. Scale data is reported by species and grade, and volumes are expressed in cubic metres (m³). One cubic metre of timber can be viewed as a cubic metre of solid wood, free of any rot, hole or char.

The legal and administrative framework for scaling in British Columbia is set by Part 6 of the Forest Act and the Scaling Regulation. This legislation contains the authority and requirements for scaling. It is applicable to all timber cut from both public and private land within provincial jurisdiction. This legislation does not apply to timber cut on lands that are under federal jurisdiction. Such timber includes timber cut on Indian or military reserves, administered under Federal Acts. See Part 8.2.2 of this document for links to the timber scaling manual.

6.1.5 Stumpage Billings

Under Part 7 of the *Forest Act*, a holder of an agreement that harvests Crown timber is required to pay stumpage in accordance with that part and the agreement. Crown timber applied for under a cutting or road permit is subject to payment of stumpage. The Harvest Billing System is a corporate data base that records and prepares stumpage billing and related fees with respect to Crown timber harvested under that agreement.

See Part 8.2.2 of this document for a link to Harvest Billing System information.

6.1.6 Waste Assessments

Merchantable Crown timber, whether standing or felled, that is not reserved from cutting and remains on site upon the completion of primary logging of each cut block or at the expiry of the agreement or cutting permit is waste. The ministry issues waste bills charging for this waste. Waste volume is charged against the licensee's cut control.

See Part 8.2.2 of this document for links to the waste assessment policy and the waste assessment manual.

6.2 Logging Road Authorization

Logging roads fall into one of three categories:

Forest Service Roads – these are maintained by industrial users under road use permit; or, by the Province, subject to available funding, where communities, rural residents and high-value recreation sites have priority. .

Operational Roads – these are actively managed by the licensee. The licensee requires a road permit from the ministry unless the roads are already authorized under a cutting permit. A road use agreement can be arranged to use an industrial road currently held under permit by another licensee. Rates are negotiated.

Non-Status Roads – these are older, abandoned logging roads or oil and gas roads. Opening them up for logging requires a road permit from the ministry.

Section 79 of FRPA’s Forest Planning and Practices Regulation requires a person who has a road authority (e.g., a road permit or cutting permit) to maintain the road, including bridges, culverts, fords and other structures associated with the road, until:

- the road is deactivated;
- the district manager gives notice that the road should not be deactivated due to use by others;
- a road permit or special use permit for the road is issued to another person; or,
- the road is declared a forest service road under the *Forest Act*.

The district manager may order the holder of a road use permit to maintain all or part of a forest service road.

6.2.1 Roads within a Cutting Permit

A cutting permit provides authorization for construction and/or use of any roads within the cutting authority area; assuming the planning and practice requirements of forest practices legislation has been met.

Despite expiry or cancellation of a cutting permit, road maintenance obligations will continue until deactivation or the district manager notifies that the road is needed for other purposes and should not be deactivated.

6.2.2 Road Use Permit

6.2.2.1 How to Get a Road Use Permit

To use a forest service road for any activity related to logging, you must apply to the natural resource district manager for a road use permit.

After receiving your application, district staff will prepare a road use permit considering:

1. Are any other logging companies using this road?
2. What condition is the road currently in?
3. Is bridge or culvert work needed before the road can be safely used?

The answers to these questions will dictate the terms and conditions of the road use permit. You may be designated as responsible for all or a portion of the road maintenance, or instructed to share the overall maintenance costs with other logging companies. In some cases, there may be bridges that you will need to repair or replace before you can begin using the road. Companies are encouraged to inspect the road prior to applying, to make certain that they know what sort of costs they will be incurring.

6.2.2.2 What Happens after Getting the Road Use Permit

Once you receive your permit, you are authorized to use the forest service road. As mentioned above, you may still have some work to do before you can begin logging but the ministry won't be too involved in how you manage those obligations as long as you operate in accordance with legislation.

During the course of your operations, other logging companies may show up who also want to use the road. Like you, they'll get a road use permit and be obligated to share in the road maintenance costs. There may also be other companies who close their operations while you're still in there. In either situation, the district manager may have to amend your road use permit, to adjust who will be responsible for maintaining certain road sections.

6.2.2.3 How to Request Termination of a Road Use Permit

Road use permits do not have an expiry date. In other words, they remain valid until the licensee requests – and the district manager approves – its termination.

When the district manager receives your request to terminate your road use permit, ministry staff may consider two questions:

1. Do you have any outstanding obligations under the permit such as burning, planting or road stabilizing?
2. Will you be operating in that area within the near future (e.g., the next 18 months)?

If the answers to both are no, then the district manager should be able to close your road use permit.

6.2.3 Road Permit

A road permit provides authority to construct and/or use roads that are not within a cutting permit. If necessary, the road permit may include cutting authority for the timber within the road right of way. A road permit authorizing construction can only be applied for after planning requirements of the applicable forest practices legislation have been met.

A road permit that includes cutting authority is always associated with a timber tenure agreement for cut control purposes but technically, it is considered a stand-alone agreement.

A road permit provides authority for industrial use but not exclusive use. The public and other industrial users can use a road that is under road permit. Other industrial users are required by the *Forest Act* to pay a share of reasonable maintenance costs under a road use agreement.

6.2.3.1 How to Get a Road Permit

If you want to use an operational road or a non-status road for logging-related activity, you must apply to the district manager for a road permit.

After receiving your application, district staff will consider several things:

1. Is the road currently under another road permit?
2. What sort of condition is the road currently in?
3. Is bridge or culvert work needed before the road can be safely used?

The answers to these questions will dictate what happens to your application. Under current legislation, if the road is already permitted to another logging company then you will not need your own road permit. You will, however, be required to contribute to the cost of maintaining the road.

If there is no current road permit holder, then you will be issued a road permit – which will make you responsible for all of the road maintenance. In some cases, there may be bridges that you will need to repair or replace before you can begin using the road. Companies are encouraged to inspect the road prior to applying, to make certain that they know what sort of costs they will be incurring.

6.2.3.2 What Happens after Getting the Road Permit or Permit Exemption

Once you are authorized to use the road, you may still have some work to do before you can begin logging but the ministry won't be too involved as long as you operate in accordance with legislation.

During the course of your operations, other logging companies may show up who also want to use the road. They will be obligated to notify you of their use and to share in the road maintenance costs.

6.2.3.3 How to Request Termination of a Road Permit

Road permits do not have an expiry date and remain valid until the licensee requests – and the district manager approves – its termination. When the district manager receives your request to terminate your road permit, ministry staff may consider two questions:

1. Have you fulfilled all your obligations under the permit – including any burning, planting and road deactivation?
2. Have you fulfilled all your obligations except for deactivation, but there's another logging company or industrial user willing to take responsibility for the road?

If the answer to either question is yes, then the district manager should be able to close your road use permit.

6.3 Special Use Permits

Special use permits authorize a forestry-related use or occupation of Crown land in a provincial forest or woodlot for a purpose not authorized by another authorization (e.g., cutting permit or road permit). Activities authorized under a special use permit include pits and quarries for forestry-related roads, logging camps, and dryland sorts. Special use permits are issued by the district manager in accordance with the Provincial Forest Use Regulation. The special use permit defines the area to be used, establishes the term, provides for the collection of fees, requires a plan as to how the land is to be used and addresses any clean up or restoration issues.

In some instances, a lease or licence of occupation, issued under the *Land Act*, may be more suitable for activities requiring occupancy on Crown land. It is recommended to discuss options with district staff.

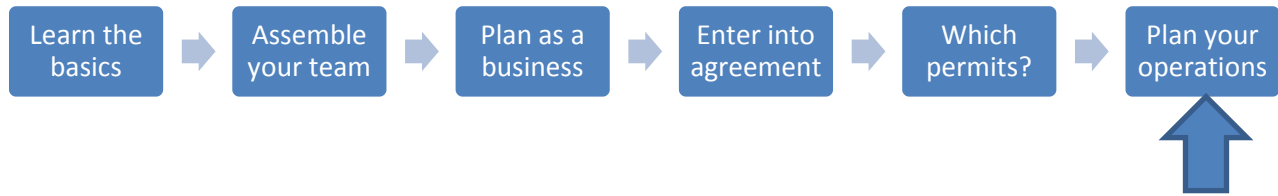
6.4 Log Handling on Aquatic Crown Land

Aquatic Crown land is all the land, including the foreshore, from the high water mark out to the limits of provincial jurisdiction. This includes all submerged land between the mainland to the east and Vancouver Island and Haida Gwaii to the west, as well as all submerged land within bays on the west coasts of these islands.

Operations related to log handling such as storage, booming, and dumping that occur over aquatic Crown land are authorized through permits, licences, or leases issued by the ministry, as explained in the Land Use Policy for Log Handling. See Part 8.2.2 for a link to this policy.

The ministry strives to process a Crown land application in 140 days from the date of acceptance of an application. The most common reason for delay is submission of an incomplete application, which is then returned to the applicant. Therefore, it is important to ensure you submit the required information.

7 Plan Your Operations



Planning Framework	
Plan Level	Document
Management Unit	Management plan (woodlot or community forest)
Operational (FRPA)	Forest stewardship plan or woodlot licence plan
Site Level	Site plan
Authority	Cutting permit/road permit
Operations	Internal plans for woodland staff

Operational Plan Options

Forest stewardship plan or woodlot licence plan). Cutting permits operate under FRPA.

- Apply for cutting permits in another licensee’s operational plan (FRPA).

(Options will vary depending on type of tenure)

7.1 Management Plan

Management plans are mandatory for First Nation woodland licences, woodlot licences and community forest agreements. Preparing a management plan is a significant undertaking, as this document sets out the long-term plans for managing both forest resources and harvesting activities within the area of the agreement. The plan contains objectives for the management of forest resources, including biodiversity, visual quality, heritage resources, range resources, wildlife and fish. The plan may also address wildfire protection, forest health strategy and silviculture treatments. The management plan also forms the basis for an AAC determination.

7.2 Forest Stewardship Plan / Woodlot Licence Plan

Forest stewardship plans and a woodlot licence plans link government objectives to practices on the ground through approved results and strategies (forest stewardship plans are under Division 1 of FRPA and woodlot licence plans are under Division 3 of FRPA).

A forest stewardship plan and a woodlot licence plan contain elements of the following:

- a map showing boundaries of all forest development units;
- the map must illustrate areas of previously approved cutting permits and road permits;
- identified results and strategies for every applicable government objectives;
- consistency with timber harvest rights;
- the signature of the person required to prepare the plan;
- identified stocking standards;
- measures for invasive plants and range barriers.

For new tenures other than a [minor] forestry licence to cut, operational planning requires:

- a prepared and submitted FRPA operational plan and operations throughout the term of the plan under FRPA; or
- with agreement from the licensee, an amended existing forest stewardship plan to include your new licence. From there, a cutting permit can be issued.

Note that a forestry licence to cut, designated as a major licence, needs to have an approved forest stewardship plan under FRPA.

7.3 Site Plan

Site plans provide the approximate locations of road(s) or cutblock(s) and identify how the results and strategies in the forest stewardship plan will be met on site. The site plan specifies standard units, stocking standards, and soil disturbances for one or more cutblocks. Site plans are not legally required for woodlot licences but are a good practice.

Site plans are not submitted for approval, but are prepared and retained until requirements are met. Professional sign-off requirements are determined by professional association requirements. There is no review and comment process but the public can ask to see them at any reasonable time.

7.4 Planning for Cutting and Road Authorities

Advance planning is required to ensure the right cutting permits, road permits and other authorities are in place for when they are needed. Some questions to consider include:

- What professionals are required in my operations?
- Where will the logs be sold?
- Who will do the road construction and when?
- Who will supervise the roadwork and road maintenance to ensure it meets the plans?
- Who will do the logging and hauling?
- Who will supervise the logging to ensure the site plans and other forest practice requirements are met?
- Where will the logs be scaled?

8 More Information

8.1 Glossary

Following are some of the terms used in this guide.

Allowable annual cut (AAC): The allowable rate of timber harvest from a specified licence or a specified area of land. The chief forester determines AACs for timber supply areas (TSAs) and tree farm licences (TFLs) in accordance with Section 8 of the Forest Act.

Apportionment of AAC: The distribution of the AAC for a TSA among timber tenures by the Minister in accordance with Section 10 of the Forest Act.

Silviculture: Operations that are for the purpose of establishing a free-growing crop of trees of a commercially valuable species, including seed collecting, site preparation, artificial and natural regeneration, brushing, spacing and stand tending.

Crown land: Land that is owned by the provincial Crown (referred to as federal Crown land when it is owned by Canada).

Cruise: The systematic measurement of a forested area designed to estimate to a specified degree of accuracy the volume of timber it contains. This is done by evaluating the number and species of trees, their sizes and conditions.

Cut control: A set of rules and actions specified in the Forest Act and Cut Control Regulation that establishes the framework for how various tenures are to be managed and the consequences when timber is under- or over-harvested.

Cutting permit: A document issued under a tenure that specifies an AAC that authorizes the holder to harvest trees from a specific area of land.

District manager: The manager of a ministry natural resource district office, with statutory responsibilities specified or delegated under the Forest Act, Ministry of Forests and Range Act, Range Act or forest practices legislation.

Forest health: A forest condition that is naturally resilient to damage; characterized by biodiversity, it contains sustained habitat for timber, fish, wildlife, and humans, and meets present and future resource management objectives. The term is also refers to the subject area of forest management that addresses natural threats to forest health such as pests and diseases.

Forest inventory: A survey of a forest area to determine such data as area, condition, timber, volume and species for specific purposes such as planning, purchase, evaluation, management or harvesting.

Forest practices legislation: In this guide, the term refers generally to the Forest and Range Practices Act.

Free-growing stand: Defined in the Forest and Range Practices Act as a stand of healthy trees of a commercially valuable species, the growth of which is not impeded by competition from plants, shrubs or other trees.

Hauling: A general term for the transportation of logs from one point to another, usually from a landing to the mill or shipping point.

Planning: The determination of the goals and objectives of an enterprise and the selection, through a systematic consideration of alternatives, of the policies, programs and procedures for achieving them. An activity devoted to clearly identifying, defining, and determining courses of action, before their initiation, necessary to achieve predetermined goals and objectives.

Procedure: A particular way of accomplishing an objective; this term generally refers to the method rather than the result. Procedures are usually developed to describe the methods for implementing policy.

Range: Any land supporting vegetation suitable for wildlife or domestic livestock grazing, including grasslands, woodlands, shrublands and forest lands.

Riparian: An area of land next to a stream, river, lake or wetland that contains vegetation that, due to the presence of water, is distinctly different from the vegetation of adjacent upland areas.

Strategic land-use planning: Planning at the regional, sub-regional and, in some cases, at the local level, which results in land allocation and/or resource management direction.

Stumpage: The fee that holders of a cutting authority are required to pay to the government when they harvest Crown timber in British Columbia. A stumpage rate (\$ per cubic metre) is determined through an appraisal of each area of trees that will be harvested for a given timber mark. The stumpage rate is applied to the volume of timber that is cut or wasted and invoices are sent to the holder of the cutting authority.

Tenure: The holding of rights, particularly as to manner or term. The Forest Act defines a number of timber tenures by which the rights to cut timber on provincial Crown land are assigned.

Timber mark: A unique set of letters and numbers marked in a specified manner (e.g., a hammer indentation) made on cut timber for identification purposes.

Timber supply area (TSA): A management unit established in accordance with Section 7 of the Forest Act. TSA boundaries were originally established to reflect the pattern of wood flow from forest land to the primary timber-using industries.

Waste: The volume of timber left on a harvested area that was authorized for harvest but, at the licence holder's discretion was not harvested or removed. Waste timber is subject to monetary billings and charged toward cut control.

8.2 Government Resources

8.2.1 General Government Information

Following are some useful links to government websites.

Government of B.C. website:

<http://www.gov.bc.ca>

Ministry of Forests, Lands, Natural Resource Operations and Rural Development:

<https://www2.gov.bc.ca/gov/content/governments/organizational-structure/ministries-organizations/ministries/forests-lands-natural-resource-operations-and-rural-development>

Ministry of Indigenous Relations and Reconciliation:

<https://www2.gov.bc.ca/gov/content/governments/organizational-structure/ministries-organizations/ministries/indigenous-relations-reconciliation>

B.C. legislation on the web:

<http://www.bclaws.ca>

Acronyms & initialisms list (2007):

<http://www.for.gov.bc.ca/hfd/library/documents/acronyms>

Glossary of forestry terms (2008):

<http://www.for.gov.bc.ca/hfd/library/documents/glossary>

Government forms:

<http://www.for.gov.bc.ca/pscripts/isb/forms/forms.asp>

Licence document templates:

Contact Forest Tenures Branch at ForestTenuresBranch@gov.bc.ca for the most current version.

Electronic forest management initiative and electronic submissions:

Government provides a single means for licensees to electronically submit data to the ministry. Licensees can submit applications for cutting permits, road permits or amendments to permits.

<https://www.for.gov.bc.ca/his/efm>

8.2.2 Guides and Information Links

Cruising Manual:

<https://www2.gov.bc.ca/gov/content/industry/forestry/competitive-forest-industry/timber-pricing/timber-cruising/timber-cruising-manual>

Coast Appraisal Manual:

<https://www2.gov.bc.ca/gov/content/industry/forestry/competitive-forest-industry/timber-pricing/coast-timber-pricing/coast-appraisal-manual>

Interior Appraisal Manual:

<https://www2.gov.bc.ca/gov/content/industry/forestry/competitive-forest-industry/timber-pricing/interior-timber-pricing/interior-appraisal-manual>

First Nations information-sharing and consultation information:

<https://www2.gov.bc.ca/gov/content/environment/natural-resource-stewardship/consulting-with-first-nations>

Harvest billing system:

<https://www2.gov.bc.ca/gov/content/industry/forestry/competitive-forest-industry/timber-pricing/harvest-billing-system>

Timber Marking and Transportation Regulation:

http://www.bclaws.ca/Recon/document/ID/freeside/253_97

Timber scaling manual:

<https://www2.gov.bc.ca/gov/content/industry/forestry/competitive-forest-industry/timber-pricing/timber-scaling/timber-scaling-manual>

Waste assessment policy and the waste assessment manual:

<https://www2.gov.bc.ca/gov/content/industry/forestry/competitive-forest-industry/timber-pricing/forest-residue-waste>

Non-Replaceable Forest Licence Management – Understanding the Basics:

This is a ministry publication from September 2005 that describes a management system developed as a collaborative effort between the Tsay Keh Dene Nation and the Mackenzie Forest District. It is available online at: www.for.gov.bc.ca/hfd/library/documents/bib95806.pdf

One-cutting permit manual:

One-cutting permit administrative manual for community forest agreements and woodlot licences:
https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/forestry/timber-tenures/community-forest-agreements/one_cp_admin_manual_cfa_wl_2015.pdf

Log Handling:

The Land Use Policy for Log Handling is found at: <https://www2.gov.bc.ca/gov/content/industry/crown-land-water/crown-land/crown-land-uses/log-handling>

8.3 Other Useful Contacts

8.3.1 Community Resources (including training)

British Columbia Community Forest Association (BCCFA)

BCCFA and FORREX-Forest Research Extension Partnership published the 2004 guide “*Community Forestry Guidebook: Tools and Techniques for Communities in British Columbia*”, a practical guide for communities and organizations interested in applying for community forest licences or launching community forestry programs. The publication includes information on governance structures, strategic and business planning, conflict management, budgeting, and evaluation.

BCCFA contact: www.bccfa.ca or info@bccfa.ca

Community Futures BC

Community Futures BC offices are located throughout rural B.C., offering a variety of entrepreneurial programs, business counselling, loan programs and business information to rural community members interested in expanding or starting their own businesses.

Web: <https://www.communityfutures.ca>

Federation of BC Woodlot Associations

The Federation of British Columbia Woodlot Associations (FBCWA) promotes the economic and social interests of woodlot licensees, private forest landowners and others involved in small-scale forest management in British Columbia.

The FBCWA’s mission is for all its members to practice exemplary forest and natural resources management in a socially, economically and environmentally responsible manner.

Web: <https://woodlot.bc.ca>

B.C. First Nations Forestry Council

The B.C. First Nations Forestry Council is a non-profit society supporting all First Nations in their forestry activities.

Web: <http://www.fnforestrycouncil.ca>

Indigenous Forestry Initiative

The Indigenous Forestry Initiative is a program that provides funding to support the economic development of Indigenous Peoples in Canada. The funded activities promote greater participation by Indigenous communities in all natural resource sectors, especially the forest sector.

Web: <http://www.nrcan.gc.ca/forests/federal-programs/13125>

Forest Practices Board

The Forest Practices Board serves the public interest as the independent watchdog for sound forest and range practices in British Columbia. The board reports to the public and government about compliance with the *Forest & Range Practices Act* and the *Wildfire Act* and the achievement of their intent. Reports and publications are available on their website: <https://www.bcfpb.ca>

Council of Forest Industries

The BC Council of Forest Industries (COFI) is the voice of the B.C. forest industry. COFI members produce lumber, pulp and paper, panels and engineered wood products. COFI tracks and periodically publishes statistics and information about the forestry sector in British Columbia.

Web: <https://www.cofi.org>

Interior Lumber Manufacturer's Association

The Interior Lumber Manufacturers' Association (ILMA) is the voice of independent and innovative lumber manufacturers in the southern interior of British Columbia, supporting the industry by being a credible voice for sustainable, responsible, and community-minded forestry and manufacturing.

Web: <http://www.irma.com>

8.3.2 Professional Associations

Professional associations can provide you with information about the various professionals available whose expertise may be needed in managing your forest tenure.

Association of BC Forest Professionals

Telephone: 604 687-8027 Facsimile: 604 687-3264

e-mail: info@abcfp.ca

Web: <https://abcfp.ca/web>

Association of Professional Engineers and Geoscientists of BC

Telephone: 604 430-8035 Toll free in Canada 1 888 430-8035

e-mail: apeginfo@apeg.bc.ca

Web: www.apeg.bc.ca

BC Institute of Agrologists

Telephone: 250 380-9292 B.C. Toll Free: 1 877 855-9291

Telephone: 604 855-9291

Web: www.bcia.com

College of Applied Biology

Telephone: 250 383-3306

Web: <https://www.cab-bc.org>