



Reference: 258782

September 25th, 2020

VIA EMAIL

To All Licensees:

I am writing to you regarding the existing government policy for volume attribution under the Cut Control Regulation (Regulation). Volume attributions are the transfer or attribution of harvested volumes between eligible licences and are subject to the specified requirements found under Division 5 of the Regulation.

A volume attribution is a discretionary, stand-alone decision by the minister, who must ensure that the attribution is not contrary to the public interest. This decision may only be made after timber harvesting has been completed; an attribution cannot be pre-approved.

In considering whether a volume attribution is not contrary to the public interest, the minister must consider a wide range of factors. Although not limited to the following examples, the following questions illustrate what the minister may consider when determining whether a volume attribution would be contrary to the public interest:

- Will it reduce Crown revenues through stumpage avoidance strategies;
- Would it create or result in unsustainable harvesting of specific timber types or profiles;
- Will it impair BC Timber Sale's ability to meet their timber pricing and harvesting program mandates;
- Is it being sought to remedy an existing overharvest under a licence and will it result in that licensee avoiding the mandatory penalty for overharvest under the *Forest Act*; and
- Does it conflict with provisions found under the Timber Harvesting Contract and Subcontract Regulation?

All Licensees

It is recognized that volume attributions may be attempted to be used by licensees for a variety of purposes including: to support partnership and business-to-business arrangements with First Nations and others, maximizing the harvest of management unit allowable annual cuts, or to support increased economic activity. However, as stated above, an application for a volume attribution can only be made after the timber has been harvested and may only be approved following an assessment of the impact on the public interest by the minister or delegated decision maker.

It is important to recognize that the use of licensee partnership arrangements or harvesting strategies that rely on volume attributions carry potential overharvest risks. In particular, the overharvested licence may be left in an overharvest situation, and therefore, subject to cut control penalties. In order to avoid any potential overharvest penalties, licensees may wish to consider using other business-to-business approaches that do not put either licensee at risk of overharvest.

If you have any further questions, please contact Doug Kelly, Director, Forest Tenures Branch at (778) 974-2387.

Sincerely,

A handwritten signature in black ink, appearing to read 'S Fraser', with a stylized flourish at the end.

Sarah Fraser
A/Assistant Deputy Minister

pc: Diane Nicholls, Assistant Deputy Minister, Office of the Chief Forester
Paul Rasmussen, Assistant Deputy Minister, South Area
Craig Sutherland, Assistant Deputy Minister, Coast Area
Eamon O'Donoghue, Assistant Deputy Minister, North Area
All Regional Executive Directors
All District Managers
Doug Kelly, Director, Forest Tenures Branch