

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

Policy Regarding the Administration of Unharvested Volumes, Uncommitted Volumes and Unused BCTS Volumes

January 10, 2018

Part 1 – Introduction

Overview

The process of providing timber harvesting rights to agreement holders begins with the Chief Forester, or other applicable official, determining the allowable annual cut (AAC) for a given management unit. The Chief Forester is responsible for determining the AAC in Timber Supply Areas (TSA) and Tree Farm Licences (TFL). The Minister (or delegated official) is responsible for determining the AAC for Woodlot Licences (WL), Community Forest Agreements (CFA) and First Nations Woodland Licences (FNWL).

The minister then has the option of apportioning (i.e. allocating) the AAC to various forms of agreement that can be issued within a TSA or TFL. The apportionment is a forward looking plan based on the minister's decision for how the AAC should be distributed amongst the various categories or forms of agreement within that management unit. The minister's apportionment also determines the AAC that is available for the issuance of new tenures and to support the BCTS program. An apportionment decision, in itself, has no effect on existing harvesting authorities or tenures operating within the TSA or TFL. Existing harvesting rights are either reduced through a defined *Forest Act* mechanism (e.g. Section 63) or contractually.

Licence holders (FL, TFL and WL) do not always harvest all their allocated harvesting rights within a given cut control period. These non-harvested volumes are referred to as <u>Unharvested Volume</u> within this policy and may be disposed of by the Crown via section 75.8 of the *Forest Act*, or through clauses in the licence document for CFAs or FNWLs.

In a few cases not all the apportioned AAC within TSAs or TFLs is ultimately issued under new tenures. Reasons can include poor market conditions, marginally economic timber, etc. These volumes are referred to as <u>Uncommitted Volume</u> within this policy. In most management units these volume accumulations tend to be small.

BCTS does not always sell the whole of the AAC apportioned by the Minister to the BCTS program. These volumes are referred to as <u>Unused BCTS Volume</u> within this policy.

Allowable Annual Cut

As forest conditions change due to external pressures (e.g. insect outbreaks, changing economics, removals or alienations from the timber harvesting land base, past harvesting patterns, etc.) the ability of a management unit to support the AAC can become more difficult. To address these changes, the Chief Forester or Minister (or delegated official) periodically (usually every ten years) determines the AAC for the applicable management units.

When the Chief Forester or Minister (or delegated official) determines a new AAC for a management unit or a form of agreement, it is based on the <u>current</u> forest inventory at that moment in time, and on the state of many other non-timber values including social and economic considerations. Historically, the Chief Forester or Minister has not had to consider the potential impact to the new AAC that can arise from the harvest of historic volume

accumulations carried forward from the past. Unlike today there has never been a time where AACs were being reduced so significantly across the province.

Historic Volume Accumulations

The minister (or delegate) may issue new agreements using historic volume accumulations regardless of the source. However, the potential impacts of harvesting these historic volume accumulations have not in general been considered or included when a new management unit AAC is determined. In the past, timber supplies were usually robust enough to offset any sustainability risks to the new AAC arising from the use of historic volume accumulations. However, with declining AACs, ongoing land base deletions for other uses and the pressure to maximize the use of the available volume of timber, the utilization of historic volume accumulations may result in extra harvest pressures on a management unit's AAC. Utilizing historic volumes may lead to future AAC reductions and forest sustainability issues.

Historic volume accumulations are different from AAC and can be represented as a "one time" accumulation of volume from previous AAC Determination periods, cut control periods or BCTS planning cycles. On the other hand AAC represents the sustainable annual harvest potentially available within a management unit moving forward in time (until a new AAC is determined).

This policy eliminates the past disconnect between the determination of a management unit's AAC and the use of historic volumes by requiring all applicable historic volume information, including anticipated future dispositions, to be collectively provided to the Chief Forester (or other decision maker as referenced in this policy) for consideration when setting a new management unit AAC.

It is also important that government strives to ensure that as much of a management unit's AAC is utilized, if possible. This will support important government objectives, including sustained or increased economic activity, ongoing First Nations forest sector participation and greater employment opportunities. This is balanced with the requirement that the AAC of a management unit be managed and harvested sustainably.

In summary there are three main sources of accumulated volume: (1) Unharvested Volume, (2) Uncommitted Volume, and (3) Unused BCTS Volume.

Part 2 – Unharvested Volume

1. Definitions

Unharvested volume is, for the purposes of this policy, volume that FL, TFL and WL holders had the rights to harvest, but did not utilize within a previous and completed cut control period. In accordance with Section 75.8 of the *Forest Act* (No carry forward of unharvested volume) the holder of the licence does not have a right to harvest this volume in a subsequent cut control period. For the purposes of this policy unharvested volume does not apply to volumes currently part of an active licence cut control period.

The minister may, but is not obliged to, dispose of unharvested volume by issuing new tenures as described below.

2. Disposition of Unharvested Volume

Tree Farm Licences and Woodlot Licences

Section 75.8(2) of the *Forest Act* states unharvested volume from TFLs and WLs may be disposed of to a third party through a forestry licence to cut (FLtC), a TSL issued under Section 20, or a non-replaceable forest licence (NRFL). Section 75.8 prohibits the TFL or WL holder from being the recipient of any unharvested volume that was generated from the respective TFL or WL. Any disposition of these volumes through an FLtC, TSL or NRFL must be done in accordance with any approved Forest Stewardship Plan or Woodlot Licence Plan as applicable, and must be attributable to that TFL or WL.

Forest Licences

Section 75.8 of the *Forest Act* states that unharvested volume associated with both replaceable forest licences (RFLs) and NRFLs may be disposed of through an FLtC, TSL, or a NRFL.

NRFLs are sometimes issued using timber from specific parts of the timber profile (i.e. different types of timber or terrain, distinct geographic area, AAC uplift volumes, etc.). If new tenures are issued later using these unharvested volumes, then the new tenure should ideally be restricted to that same timber, terrain, or geographic area.

If previously unharvested volumes are used as a part of a NRFL, but are subsequently returned (for a second time) under Section 75.8 of the *Forest Act*, these volumes should not be made available for disposition as a future unallocated or unused volume tenure.

Community Forest Agreements and First Nations Woodland Licences

The cut control provisions found in the *Forest Act* are applied contractually to CFAs and FNWLs through clauses found in the licence document. Therefore, depending upon the terms of the licence, unharvested volume associated with CFAs and FNWLs can also potentially be disposed of through an FLtC, TSL, or a NRFL.

Part 3 – Uncommitted Volume

1. Definitions

Uncommitted volume is volume that has been apportioned by the minister under Section 10 of the *Forest Act*, but has not been awarded under a licence or other form of agreement. Uncommitted volume generally only applies to TSAs. Uncommitted volume for TSAs is managed by regional tenures staff, and can originate from any apportionment category except

volume apportioned to BCTS. In the majority of TSAs the amount of uncommitted volume will be minimal due to normally robust demand for timber harvesting opportunities.

The minister may, but is not obliged to, issue new tenures based on volume accumulations from uncommitted volume sources.

2. Disposition of Uncommitted Volume

Uncommitted volume accumulations can occur due to a number of factors such as; weak markets for logs and lumber, low quality timber or less desirable species mix, land base constraints, administrative delays and the overall economics of harvesting. In management units with declining and/or fully committed AACs, uncommitted volume accumulations tend to be small.

Where possible, ministry staff should make every effort to tenure as much uncommitted volume as possible between AAC determinations. If uncommitted volumes are not used, there is usually an economic or forest management reason. The exception may be in those management units with an anticipated decline in AAC. In these cases it may be more prudent not to add harvesting pressure by issuing new tenures. Any TSA level uncommitted volume information will be provided to the Chief Forester prior to the next timber supply review (TSR) – see Part 5.

Part 4 – Unused BCTS Volume

1. Definitions

Unused BCTS volume is volume apportioned to BCTS that has not been committed to in a BCTS agreement (i.e. TSL or FLtC). For the purposes of this policy unused BCTS volume does not include volumes planned for sale within an active five-year BCTS business cycle.

2. Disposition of Unused BCTS Volume

In 2014, government provided BCTS with a clarified role and established the program's primary goal as providing cost and price data for the Market Pricing System. To achieve this goal, BCTS has an objective to sell its full apportionment over a five-year business cycle, consistent with sustainable forest management. BCTS was also given an operational guideline to target sales of accumulated unused BCTS volume and marginally economic and poor quality timber when market demand permits.

The minister may, but is not obliged, to issue new tenures based on Unused BCTS Volume.

Details on the administration of BCTS apportionment can be found in the **BCTS Apportionment Management Policy**. Please contact BCTS HQ at Forests.BCTimberSalesHQOffice@gov.bc.ca for further information.

Part 5 – Principles and Considerations

The following are key principles and considerations that will be factored into any decision to dispose of volumes that originate from unharvested volume, uncommitted volume or unused BCTS volume.

The Management Units AAC

In management units with a current or anticipated decline in the AAC, the issuance of new tenures using historic volume accumulations will generally put additional harvest pressure on the AAC and may result in deeper future AAC reductions. Given that all available forest inventory is inventoried and used to set a new AAC, it should be understood that any "unharvested volume" is technically already included in any new management unit AAC determination. If tenures are issued using historic volume accumulations (that have now been included in a new management unit AAC via the inventory) this would in effect lead to a "double counting" of the same inventory and could lead to additional pressure on the AAC going forward.

As a general principle tenures should not be issued using unharvested volume, uncommitted volume and unused BCTS volume in management units with a declining AAC. There may be exceptions where harvest levels in the immediately preceding period were significantly lower (e.g. economic downturn, access issues, etc.) than anticipated, or where there is a particular type of timber that is being underutilized. In these cases there may be potential opportunity to issue short term tenures. However, this approach should be used with caution especially if significant AAC declines are anticipated.

In management units with stable or increasing AACs there may be viable opportunities to issue tenures using unharvested volume, uncommitted volume and unused BCTS volume.

Reasons for Volume Accumulations

Understanding the reasons for the accumulation of unharvested volume, uncommitted volume and unused BCTS volume is important in deciding whether or not the volume should be made available for future disposition.

Reasons will vary, but can include poor market conditions that limit harvest activities, timber that is either no longer economic or physically available (i.e. sourced from outdated mountain pine beetle based tenures and/or apportioned AAC uplifts), existing land base constraints, geographically uneven harvest levels within the management unit, delays associated with First Nations consultation requirements, harvest delays resulting in circumstances beyond a licence holder's control (e.g. civil disobedience, Acts of God), timber originating from a specific part of the timber profile (i.e. partition), etc.

Land Base or Timber Supply Availability

Prior to the issuance of new tenures using the various accumulated volume sources, it must be determined if there is sufficient timber available for the proposed tenure. In those management units where the land base has been fully committed to existing tenure holders and BCTS, or the short-term timber supply is constrained, it may be difficult and impractical to issue new tenures based on old, historic volumes.

Consultations with First Nations

Government staff is required to consult with First Nations on any applicable unharvested volume, uncommitted volume or unused BCTS volume that should be carried forward and considered in the next TSR and potentially be made available for new tenure opportunities. Consultation should also occur on the volume that will not be made available for new tenures. This information must be provided to the Chief Forester (or delegate) as found in this policy. The Chief Forester will also consult with First Nations separately as per regular government consultation policies during the TSR process.

Consultations on any tenure planned to be issued using unharvested volume, uncommitted volume or unused BCTS volume will also occur at the time of tenure disposition as per regular government consultation policies. See Appendix A for further information.

Discussions with Licence Holders

Area tenures, BCTS staff, and other ministry staff, as applicable, will seek input and information from existing licence holders within the management unit in situations where unharvested volume, uncommitted volume or unused BCTS volume information is being reviewed prior to the Chief Forester's AAC determination. Licence holders can provide specific operational information that may be useful or applicable to decision makers, and help minimize unintended impacts to existing and future licence holder operations.

Information from Most Recent Timber Supply Review

Any stewardship issues and assumptions previously identified by the Chief Forester (i.e. previous TFL and TSA AAC determinations) or district manager (previous WL AAC determinations) must be clearly articulated in the AAC rationale to provide for their consideration during the decision making process regarding the potential disposition and impact of unharvested volume, uncommitted volume and unused BCTS volume.

Cut Control Considerations

Other considerations include the potential impacts or pressures that cut control related provisions such as Grade 4 credits, species adjustment factors, and volume attributions may have on overall utilization of the management unit AAC. These downward pressures can restrict or preclude the issuance of new tenures using unharvested volume, uncommitted volume and unused BCTS volume within a given management unit.

Part 6 - Process

The following outlines the process to determine the unharvested volume, uncommitted volume, and unused BCTS volume that may be made available in the next AAC determination period for the management unit, as well as those volumes that will no longer be considered available for tenure issuance.

Note: See Appendix B for applicable AAC determination decision maker based on the form of agreement.

Note: Appendix C contains two diagrams that illustrate the following processes for TSAs, TFLs and WLs.

Process Steps – Timber Supply Areas

The process needs to commence well before the next TSA AAC is determined by the Chief Forester. Information should be submitted to the Chief Forester early enough to be considered as part of the larger data package.

Important: Staff from Forest Analysis and Inventory Branch (FAIB) is responsible for contacting and engaging with Area and/or Regional tenures staff and appropriate BCTS staff at the start of the new AAC determination process for the applicable management unit. As the TSR process is approximately 18 to 24 months in duration, it is critical that FAIB staff inform regional tenures and BCTS well in advance to ensure unharvested volume, uncommitted volume, and unused BCTS volume information can be compiled and First Nations consultations will have sufficient time for completion.

The process to determine the unharvested volume, uncommitted volume, and unused BCTS volume in TSAs requires staff to use the following steps. These steps are as follows:

- 1. Area/Regional tenures staff must establish the net amounts of <u>unharvested volume</u> that have accumulated within the TSA since the last AAC determination (Determination #1). For example, if there was a total of 100,000 m³ of unharvested volume returned to the Crown (Section 75.8 *Forest Act*) from all licences within the TSA in the current AAC determination period, and 60,000 m³ was subsequently disposed of through new tenures during the current AAC determination period, the net amount of unharvested volume to be considered at the end of the current AAC determination period is 40,000 m³. All, some or none of this volume may be made available depending in large part on the anticipated trend in AAC for the management unit.
- 2. Area/Regional tenures staff determines the amount of <u>uncommitted volume</u> that has been generated within the TSA since Determination #1. For the purposes of the policy, apportioned volume attributable to the last three years of the AAC determination period (Determination Period #1) are to be treated as committed volume and still available for new tenures. If this volume has still not been committed and harvested by the end of the next AAC determination term (Determination Period #2) i.e. ten years after AAC

Determination #2, then it will be dealt with as per Step 12 (below). All, some or none of this volume may be made available depending in large part on the anticipated trend in AAC for the management unit.

- 3. BCTS staff must determine the net amounts of <u>unused BCTS volume</u> applicable to the BCTS Program that have accrued since Determination #1 for the TSA. All, some or none of this volume may be made available depending in large part on the anticipated trend in AAC for the management unit.
- 4. Area/regional tenures and BCTS staff must then determine the net unharvested volume, remaining uncommitted volume and any unused BCTS volume that is recommended to be <u>carried forward</u> into the upcoming AAC determination period. Depending on the factors (see Principles and Considerations Part 5) staff may recommend that all, some or none of this volume be carried over for potential tenure issuance into the next AAC determination period. Area/regional tenures staff and BCTS staff must work collaboratively on a management unit wide basis.
- 5. Staff will also recommend those unharvested volume, uncommitted volume and any unused BCTS volume that will <u>no longer be made available</u> for new tenures.

 Area/regional tenures staff and BCTS staff must work collaboratively on a management unit wide basis.
- 6. Consultations with affected First Nations will occur on unharvested volume, uncommitted volume, and unused BCTS volume that have accumulated within the management unit as outlined in this policy (see Appendix A for further details). Any engagement with First Nations must be consistent with existing government consultation policy.
- 7. Discussions with existing licence holders operating within the TSA will occur on applicable unharvested volume, uncommitted volume, and unused BCTS volume that has accumulated within the TSA since the last AAC determination.
- 8. Following consultations and discussions, a joint decision package must be prepared for the applicable regional executive director (RED) for unharvested volume and uncommitted volume, and the ADM, BCTS¹ (for unused BCTS volume). This single decision package should include, but not be restricted to, the following general information:
 - Overview of TSA AAC history of TSA AAC and harvesting activity, summary of existing and emerging management issues for the TSA (trend in AAC, existing harvesting pressures, anticipated future commitments, etc.).
 - Total amount of net unharvested volume, any uncommitted volume and total amount of unused BCTS volume for the TSA.
 - Total amounts of net unharvested volume, any uncommitted volume and unused BCTS volume that is recommended to be carried forward for potential tenures issuance into the next determination period.

¹ Assistant Deputy Minister, Timber Operations, Pricing and First Nations Division

- Total amounts of net unharvested volume, any uncommitted volume and unused BCTS volume that are recommended no longer be available into the next determination period. This volume will not need to be considered by the Chief Forester when determining the new AAC.
- Summary of First Nations consultations.
- Summary of discussions and input from licence holders and other stakeholders.
- Other information as required for the RED and ADM, BCTS to make an informed decision
- If the above analysis indicates sustainability risks include recommendations on potential partitions of the timber profile for the Chief Forester to consider.
- 9. This jointly approved decision package will be forwarded to the Chief Forester well in advance so that the applicable information can be considered in the upcoming TSA AAC determination. Early discussions with FAIB staff will determine the specific timing of when the Chief Forester will require this information to be provided. As referenced earlier, FAIB staff will be responsible for contacting Area, Region and BCTS staff to advise them on the timing of the TSR to ensure information will be available when needed.
- 10. Any of the net unharvested volume, uncommitted volume, or unused BCTS volume that is not carried over into the next AAC determination period will no longer be made available for future tenure disposition.
- 11. The portion of the net unharvested volume retained will be available for potential disposition via a TSL, NRFL or FLtC in accordance with Section 75.8 of the *Forest Act*. Any uncommitted volume carried over into the next AAC determination period may be made available for a new tenure (generally short term, non-replaceable tenures). Any unused BCTS volume carried over in to the next determination period will be available for disposition by the BCTS TSM in accordance with the *Forest Act*.
- 12. If unharvested volume, uncommitted volume or unused BCTS volume that was carried forward has still not been committed under a new tenure by the end of the second AAC determination period (just prior to AAC Determination #3) it should no longer be available for disposition in new tenures after AAC Determination #3 has been made.

The process outlined above in Step 1 through Step 12 repeats for each subsequent AAC determination.

Process Steps – Tree Farm Licences and Woodlot Licences

Section 75.8 of the *Forest Act* currently prohibits the holders of tree farm licences (TFLs) and woodlot licences (WL) from receiving unharvested volume in a subsequent cut control period. Consequently, the following process must be followed:

- 1. Area/Regional tenures staff must track all unharvested volume accumulations on an ongoing basis for TFLs and WLs. Districts will track WL unharvested volume where administrative responsibility for tracking has been formally assigned to a District.
- 2. Prior to the next AAC determination for the TFL or WL, the AAC determination decision maker (Chief Forester for TFLs and district manager for WLs) must be provided with information regarding the total net volume of unharvested volume for each of these licences. No decision regarding carryover of unharvested volume is required, since TFL or WL unharvested volume continues to exist unless the volume is disposed of under Section 75.8 of the *Forest Act*. However, the minister (or delegate) is under no obligation to dispose of any of the accumulated unharvested volume on TFL and WLs.
- 3. The Chief Forester (for TFLs) or district manager (for WLs) will consider the amount of unharvested volume as one of the factors (e.g. a pressure on the standing inventory, etc.) when determining the AAC for the TFL or WL.
- 4. The minister (or delegate) may, in accordance with Section 75.8 and the principles outlined in this policy, issue a forestry licence to cut (FLtC), a TSL issued under Section 20, or a non-replaceable forest licence (NRFL) based on unharvested volume accumulations for each TFL or WL. Prior to doing so, the minister (or delegate) should consider the following:
 - Current harvest levels within the TFL or WL.
 - Harvest plans of the TFL or WL agreement holder.
 - Existing BCTS or other government reservations within the TFL or WL.
 - Any agreements with First Nations regarding volume considerations.
 - Anticipated future trends for AAC (i.e. downward, stable or upward).
 - Other information as applicable.
- 5. First Nations consultations will be required for any subsequent tenure issued using in accordance with Section 75.8. See Appendix A for further information.

Community Forest Agreements and First Nations Woodland Licences

The principles regarding unharvested volume outlined for TFLs and WLs should also be considered for CFAs and FNWLs. Specific cut control provisions for CFAs and FNWLs are managed contractually through each licence agreement. The applicable decision maker for these two tenures is the RED with potential sub-delegation to district managers. See the *Forest Act* Delegation Matrix and any subsequent RED sub-delegations (as required).

Part 7 – Areas of Responsibility

Note: Please see Appendix B for applicable AAC determination decision maker based on form of agreement.

<u>Area/Regional Tenures Staff</u> – are responsible for tracking unharvested volume and uncommitted volume within management units and working with BCTS staff on the development of joint unharvested volume, uncommitted volume and unused BCTS volume disposition decision/option notes for the applicable RED and ADM, BCTS approval. Regions or natural resource districts may also track unharvested volume for WLs, CFAs, and FNWLs if required by internal regional policies and delegations.

<u>BCTS Staff</u> – are responsible for tracking unused BCTS volume and working with regional tenures staff to develop joint unharvested volume, uncommitted volume and unused BCTS volume decision/option notes for the ADM, BCTS and applicable RED approval. BCTS is also responsible for maintaining its related BCTS Apportionment Policy.

Forest Analysis and Inventory Branch – is responsible for taking applicable unharvested volume, uncommitted volume and unused BCTS volume information provided by the RED and ADM, BCTS and incorporating it into the larger TSR process. FAIB is also responsible for informing regional tenures and BCTS staff well in advance (18 to 24 months) of an upcoming TSR, and when the TSR process has formally begun for the applicable management unit. Also, need to inform staff on what critical timing requirements are involved to ensure that the Chief Forester receives the required information as needed.

<u>Regional Executive Directors and ADM, BCTS</u> – approval of the decision/options note determining the amount of unharvested volume, uncommitted volume, or unused BCTS volume accumulations that will be carried forward or will no longer be made available for tenure issuance following the next AAC determination.

<u>Districts</u> – support areas/regions in unharvested volume and uncommitted volume tracking for applicable tenures, and provide information as required to regional staff for TSAs and TFLs. District staff may also be involved in determining areas selected for the issuance of tenures.

Districts may also be required (where applicable, based on specific regional and district processes) to track unharvested and uncommitted volume for WLs, FNWLs, and CFAs, as well as to provide information to the applicable decision maker who has been delegated responsibility for setting new AACs for these management units. Responsibility will vary between the various regions based on internal structures and delegation procedures.

<u>Forest Tenures Branch</u> – is responsible for developing and maintaining the Provincial Unharvested Volume, Uncommitted Volume and Unused Volume Policy and providing support to areas/regions/districts and executive, as required.

APPENDIX A: FIRST NATIONS CONSULTATIONS INFORMATION

This information will help staff determine what volume should require consultation as part of this policy. Any First Nations consultations must first be consistent with existing government consultation policies. Input from ministry staff that specialize in First Nations consultation is required with respect to any volume issued under a new, amended or replaced agreement as per existing consultation requirements.

- 1. <u>Unharvested volume</u> is volume that applicable licence holders had the rights to harvest, but did not exercise those rights within a cut control period. This volume is then returned to the Crown via Section 75.8 of the *Forest Act* and may be considered for subsequent disposition under an FLtC, a TSL issued under Section 20, or a NRFL.
 - Consultations with First Nations will not include those volumes that are currently, or anticipated to be, under an active licence holder cut control period at the time of the Chief Forester's AAC determination.
- 2. <u>Unallocated volume</u> is volume that has been apportioned by the minister under Section 10 of the *Forest Act*, but has not been awarded under a licence or other form of agreement. Volume apportioned by the minister is usually considered available for the issuance of new agreements until a new apportionment decision is completed. New apportionments are generally completed after a new AAC determination has been made.

Consultations with First Nations will occur on any volume that has not been allocated to a new form of agreement prior to three years before the Chief Forester's next anticipated AAC determination. For example: the minister apportions volume at the start of Year 1 (assumes this occurs shortly after an AAC determination has been completed and that the AAC determination period covers a standard ten-year period consistent with the *Forest Act*). Staff issue tenures using this apportioned volume over the next ten-year period. If volumes are still not issued after seven years (volume allocated to Years 1 through 7) these should be consulted upon. Consultations may have no impact on the final disposition of the volume, but should be included as part of the discussions.

Volume allocated to the final three years (Years 8 through 10) of the apportionment period should be considered active, operational volume that may be carried forward into the next AAC determination period if still remaining uncommitted or unharvested.

Example:

- Apportioned AAC = $10,000 \text{ m}^3/\text{year}$.
- Total AAC apportioned for 10 year AAC determination period = 100,000 m³.
- End of Year 7 = 7 years * 10,000 m³ = 70,000 m³ that could have been disposed of.
- Total volume actually tenured by end of Year $7 = 50,000 \text{ m}^3$.
- Consult on the difference $70,000 \text{ m}^3 50,000 \text{ m}^3 = 20,000 \text{ m}^3$.
- Remaining 30,000 m³ (Year 8 through Year 10 of the apportionment period) will be considered active, operational volume that may be used to issue new tenures.

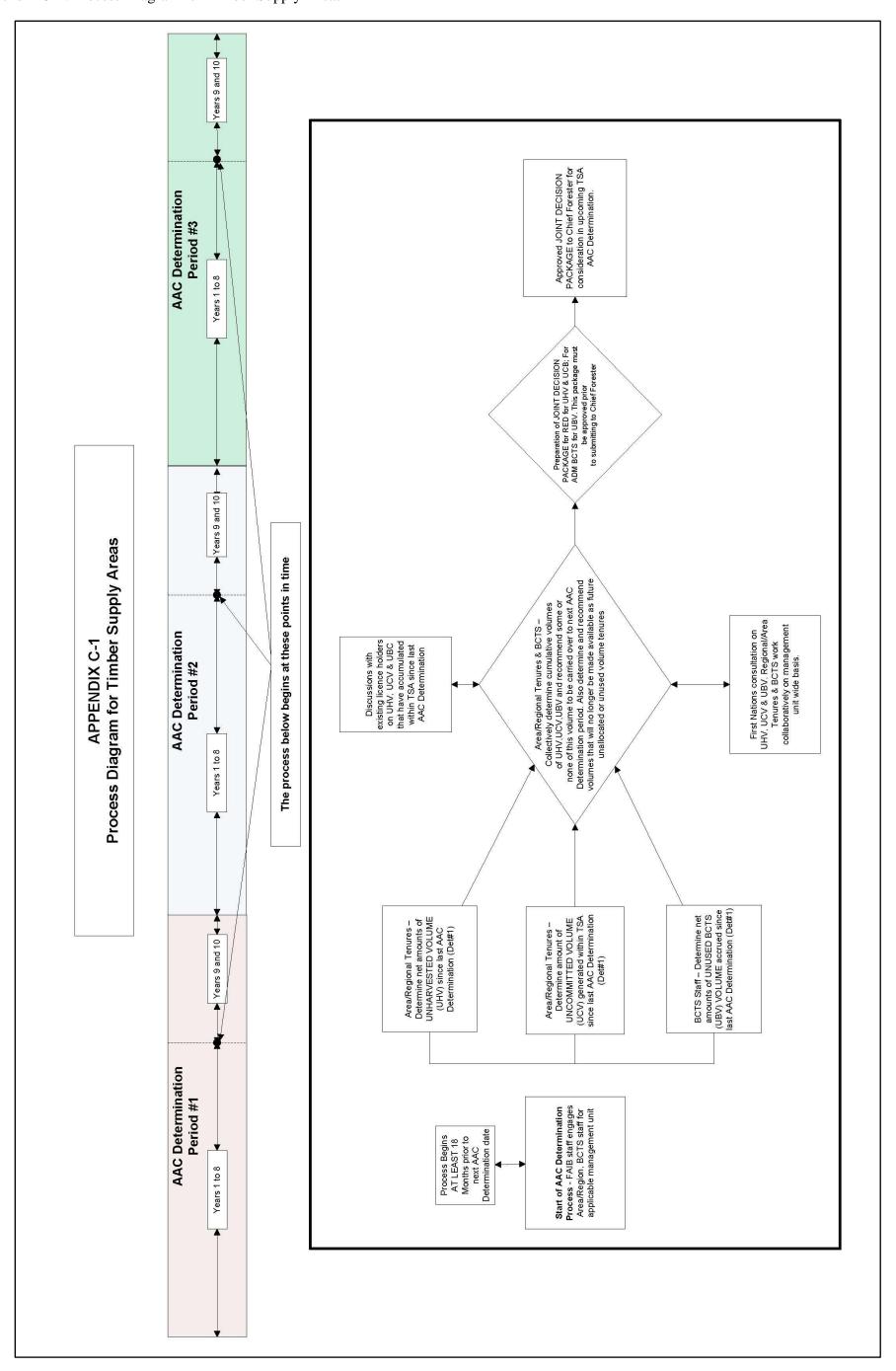
3. <u>Unused BCTS volume</u> – is volume apportioned to BCTS that has not been committed in a BCTS agreement (i.e. TSL or FLtC).

Unused BCTS volume does not include volume scheduled for disposition within an active/current five-year BCTS business cycle overlapping the Chief Forester's AAC determination date (similar to major licensee cut control periods – see "Unharvested Volume" section above). If tenures have not been issued using these volume at the end of the next AAC determination period then these volume will be consulted on at the time of the next Chief Forester's AAC determination.

APPENDIX B: AAC DECISION MAKER MATRIX

Form of Agreement	Decision Maker or Delegated Decision Maker
Timber Supply Area	Chief Forester (Note: Exceptions – Haida Gwaii,
	Northern GBR TSA, Southern GBR TSA)
Tree Farm Licence	Chief Forester
Woodlot Licence	District Manager
First Nations Woodland Licence	Regional Executive Director
Community Forest Agreement	Regional Executive Director

Appendix C-1: Process Diagram for Timber Supply Areas



Appendix C-2: Process Diagram for Tree Farm Licences and Woodlot Licences

