



## Interfor Corporation Proposed Tenure Disposition in the Arrowsmith Timber Supply Area

### Purpose of this Document

This document provides detail on several tenure dispositions proposed by Interfor Corporation (Interfor) in the Arrowsmith timber supply area (TSA). The dispositions include the sub division of a replaceable Forest Licence (RFL) and the transfer of several RFLs to new tenure holders. These tenure dispositions require the approval of decision makers in the Ministry of Forests (the “Ministry”). For details on the legal requirements for these approvals and the process the Ministry will employ to determine if the dispositions should be approved, refer to the document titled “Interfor Corporation Proposed Tenure Disposition in Coast British Columbia”. The document is available on the Forest Tenures Branch website at: <https://www2.gov.bc.ca/gov/content/industry/forestry/forest-tenures/forest-tenure-administration/timber-tenure-transfer-disposition>.

For further information on the proposed transaction please contact Emma Neill, Senior Timber Tenures Forester at 778-974-2439 or Matthew Feagan, Timber Tenures Specialist at 250-739-8324 or by email at [InterforDisposition2023@gov.bc.ca](mailto:InterforDisposition2023@gov.bc.ca)

### Details of the Disposition Requests

The Ministry of Forests has received applications from Interfor to complete the following tenure changes in the Arrowsmith TSA:

1. The subdivision of RFL A19235 with an allowable annual cut (AAC) of 49,486 m<sup>3</sup> into an amended A19235 with an AAC of 29,486 m<sup>3</sup>, and a new RFL A98667 with an AAC of 20,000 m<sup>3</sup>.
2. The subsequent transfer of the amended A19235 to San Industries Ltd.
3. The subsequent transfer of the new A98667 to the Matchlee General Partnership (GP) on behalf of the Mowachaht Muchalaht First Nation.
4. The transfer of RFL A86838 with an AAC of 49,485 m<sup>3</sup> to the Cisia Forestry Limited Liability Partnership (LLP) on behalf of the Tseshaht First Nation.

### What is a Replaceable Forest Licence and what rights are being provided?

RFL’s are a form of forest tenure that provides harvesting rights in a TSA. RFLs are replaced every 10 years with a new term of 15 years. Details of the RFLs being subdivided and/or transferred follow:

RFL	Current Term	Replacement Date
A19235	2017-10-19 to 2032-10-18	2027-10-19
A86838	2018-01-01 to 2032-12-31	2027-12-31

The new A98667 will have a term where the replacement and expiry is on the same date as the original A19235.



## Are there other Tenures or Permits that will be transferred?

Interfor has indicated that some road permits (RP) and cutting permits (CP) will be transferred in whole or in part to the new tenure holders. In addition, some Special Use Permits (SUP) and Licences of Occupation will be assigned to the new tenure holders or surrendered and the new tenure holder may apply for new SUPs or a Licence of Occupation under the *Land Act*.

Details on the permits and licences that will be transferred or assigned in whole or part to the tenure holders follow:

### Road Permits

ASSOCIATED TENURE	PERMIT #	PROPOSED LICENSEE	OPERATING AREA
A19235	RP 07676	Matchlee GP	Mooyah Bay, Muchulaht Inlet
A86838	RP 09259	Cisaa Forestry LLP	Handy Creek, Alberni Inlet
A86838	RP 13069	Cisaa Forestry LLP	Effingham and Vernon Bay, Alberni Inlet
A19235	RP 18251	San Industries Ltd.	Stewardson Inlet, Clayoquot Sound

### Special Use Permits

Permit #	Issued	Expiry	Use	New Holder	Location
SUP 15473	1987-01-01	2023-07-31	Waste disposal	Matchlee General Partnership on behalf of the Mowachaht Muchalaht First Nation	Mooyah Sort
SUP 25995	2016-03-14	2024-03-14	Log Dump	Cisaa Forestry Limited Liability Partnership (LLP)	Nahmint

### Licences

File #	Expiry	Use	New Holder	Location
1413737	2026-03-20	Drop zone, camp tie up	Cisaa Forestry LLP	Vernon Bay
1413732	2026-03-29	Heli drop zones	Cisaa Forestry LLP	Effingham
1413736	2026-03-21	Log dump	Cisaa Forestry LLP	Effingham
0335632	2023-12-27	Log handling and float camp	Matchlee GP	Mooyah Bay

Further details on these permits and licences are available on request and maps (shapefiles) are available on the FTP site located at

<https://www.for.gov.bc.ca/ftp/HTH/external/!publish/Interfor%20Transfer/>.

## Where will the RFLs be allowed to operate?

The RFLs will provide the holder with the right to apply for CPs and RPs within the Arrowsmith TSA. The approval of the CPs and RPs will require consultation with First Nations and the approval of the District Manager to ensure they meet all legal requirements.



It is a common practice for tenure holders in a TSA to enter into an operating area (commonly referred to as chart area) agreement to restrict their operations to a certain area of the TSA. This arrangement avoids tenure holders from overlapping operations and helps to ensure orderly planning and operations in the TSA. These operating area arrangements are business to business arrangements by tenure holders and are not mandated by the Ministry.

Interfor has advised that the Handy Creek, Effingham, and Vernon Bay operating areas will be shared between Cisa Forestry Limited Liability Partnership (LLP) and San Industries Ltd., the Stewardson operating area will be used by San Industries Ltd., and that the Mooyah Bay operating area will be used by the Matchlee General Partnership. It is expected that any future operating area changes will be done through discussion with other tenure holders in the Arrowsmith TSA (map attached).

### What harvest rights have been provided in the Arrowsmith TSA?

The Chief Forester set an AAC for the Arrowsmith TSA of 320,230 m<sup>3</sup> on August 31, 2021. The Minister allocated or apportioned the TSAs AAC into Forest Licences on June 12, 2020 as follows:

Tenure Type	Coniferous Volume m <sup>3</sup>	Deciduous Volume m <sup>3</sup>	Apportionment by Licence
Replaceable Forest Licence	146,196		A19234 – Toquaht Forestry Limited Partnership– 37,031 m <sup>3</sup> A19235 – Interfor Corporation– 49,486 m <sup>3</sup> A74632 – Otter Point Timber Ltd.– 10,194 m <sup>3</sup> A86838 – Interfor Corporation – 49,485 m <sup>3</sup>
Non Replaceable Forest Licence		6,300	A91342 – Timco Trading Ltd. - 6,300 m <sup>3</sup>
Non Replaceable Forest Licence – First Nation	7,715		A96614 – Thuthiqt Resources Limited Partnership – 7,715 m <sup>3</sup>

Information regarding volumes apportioned to other tenure types and BC Timber Sales (107,739 m<sup>3</sup>) can be found here: [Arrowsmith TSA apportionment](#).

### Are manufacturing facilities involved in the transaction?

There are no timber processing requirements with the license.



## **Are there contracting requirements associated with the RFLs?**

There is one replaceable contractor (road-building) with contractor rights on these RFLs. Information on contractor rights as a result of a tenure sub-division and transfer can be found here: <https://www2.gov.bc.ca/gov/content/industry/forestry/forest-tenures/forest-tenure-administration/timber-harvesting-contract-subcontract-mediation-arbitration>.

## **What happens to existing license obligations, such as silviculture?**

The new RFL holders will assume all new obligations associated with the licence including paying stumpage, and future silviculture responsibilities. Interfor has indicated that they will retain existing silviculture obligations on the RFLs. This obligation will be secured by government by means of silviculture deposits.

Obligations associated with road permits will be determined once Interfor and the intended recipient of the permits determine which specific portions of roads will be transferred to each recipient. Some roads may be deactivated by Interfor or transferred to the Ministry.

## **How will harvest operations be conducted?**

Interfor has advised the Ministry that the new tenure holders will be added to Interfor's existing forest stewardship plan #869 (Interfor Arrowsmith Replacement FSP 2021). This will require a major amendment under the *Forest and Range Practices Act*.

# Map of the Arrowsmith TSA

