

File: 19720-02/District Procedures

January 20, 2006

To All Woodlot Licensees:

In our letter of October 5, 2004, we outlined the Central Cariboo Forest District's new procedures for dealing with all future overcutting on woodlot licences due to timber at risk because of wind, fire, insect or disease. Since then, several Ministry policies have changed, including when the low volume cost estimate (LVCE) applies to an appraisal.

Adjustments to our above noted procedures were required. We encourage you to review the revisions at: <http://www.for.gov.bc.ca/ftp/DCC/external!/publish/Woodlots/Procedures/>. If you do not have web access, please call to have a copy mailed to you.

As part of the old overcut procedures, we had indicated the possibility of applying for an uplift to a woodlot licence's annual allowable cut (AAC) after the major damage event had been cleaned up.

The new procedures encourage a licensee to apply for an uplift sooner. Unlike the overcut request, **the uplift request** goes directly to the district manager and **must be based on accurate information – not estimates.**



The enclosed application form was created for your use and, if filled in correctly, **should enable faster approvals.** A second form with instructions is also enclosed. Both are on the web at: <http://www.for.gov.bc.ca/ftp/DCC/external!/publish/Woodlots/Forms/>. However, **licensees need to understand the following information before applying for an uplift:**

- 1. If a temporary uplift results in a total new AAC greater than 3000 m³/year, it will affect the LVCE for any new cutting permit issued during that same year.**

For example, a temporary uplift granted in April 2006 results in a new AAC of 5000 m³ for the 2006 cut control year. If you apply for a new cutting permit (CP) in June 2006, the LVCE will not apply to that CP for its full 4 year term. However, if you instead wait and apply for a new cutting permit the following year, say May 2007, the LVCE may apply so long as your "normal" AAC is less than 3000 m³/year (note: most are around 1000 m³/year).

- 2. If a CP is issued prior to a temporary uplift being requested, then the LVCE option is not affected. However, all new CPs have terms of 4 years maximum. If the volume under the CP is not completely harvested by the expiry of the CP, waste/residue may be charged as stumpage and against your cut control volume.**

For example, you apply for a new CP in April 2006 and your current AAC is 1000 m³/year, the LVCE would be applied to your appraisal. Then in June 2006, you apply for a temporary uplift as your current cut control statement indicates that you are at 180% of your AAC (4000 m³ overcut). Since you had an overcut exemption granted before reaching 120%, you are within the new set limit of 200%, and you haven't yet cut on your green permit, the district manager should provide you with an uplift resulting in a new AAC of 5000 m³ for the 2006 cut control year. Because the new CP was issued prior to your uplift application, the appraisal remains as it was originally submitted. However, if you apply for a second CP in July 2006, then the LVCE would not apply to this second CP (see example under #1 above).

- 3. The actual date and year of the AAC uplift determination is the year to which the uplift applies. Before an uplift can be granted, a First Nations consultation period of at least 30 days must be completed.**

For example, an application for a temporary uplift of 5627 m³ is received on December 2, 2006. First Nations consultation is complete on January 2, 2007. The AAC uplift determination is made on January 3, 2007, and therefore applies to the 2007 cut control year, not the 2006 cut control year when it was originally submitted. If you apply for a new CP anytime during 2007, the LVCE will not apply to that CP for its full 4 year term.

- 4. An uplift is very different from an overcut exemption. An uplift is a change to your AAC and requires payment of annual rent.**

For example, an application for an overcut exemption is based on an estimate (8000 m³), goes to the regional manager, and does not affect your AAC. An application for an uplift is based on actual volumes harvested (5627 m³), goes to the district manager, and does affect your AAC (uplift 5627 m³ + "normal 1 yr AAC" 1000 m³ = 6627 m³ new 1 yr AAC). An overcut exemption simply allows you to harvest damaged timber without being monetarily penalized for overcutting during the current 5 yr cut control period; however, the total volume harvested above 100% of your AAC (5627 m³) is carried forward into the next cut control period. An uplift "erases" the volume associated with overcutting of the damaged timber (5627 m³); however, annual rent of \$0.60/m³ (\$3376.20) must be paid the same year the uplift is granted.

- 5. If the overcut volume to be carried forward from your current cut control period will be greater than your total AAC in your next five year cut control period, then an uplift request should be made; otherwise, a penalty will be assessed.**

For example, your current five year cut control period ends in 2006 and your "normal" AAC is 1000 m³/year or 5000 m³ total. In June 2004, you received an overcut exemption from the regional manager to harvest up to 12000 m³ of damaged timber before you reached the 120% limit. The actual volume harvested to the end of 2005 was 10627 m³ of damaged timber.

To All Woodlot Licensees

Scenario #1

You have about another 2000 m³ of damaged timber to harvest and it can be harvested under your salvage permit. You do not plan to apply for a new CP in 2006, so you apply for a temporary uplift of 5627 m³ (total volume harvested 10627 m³ – “normal AAC” 5000 m³). The district manager approves the uplift and your new AAC for the 2006 cut control year becomes 6627 m³ for a total of 10627 m³ for the 2002-2006 cut control period. When the cut control statements arrive, the actual volume harvested for 2006 is an additional 1352 m³ for a total of 11979 m³. Since 100% of the new AAC is 10627 m³, the additional 1352 m³ will be carried forward into the 2007-2011 cut control period. Fortunately, the 1352 m³ is less than the “normal” AAC of 5000 m³ and so no penalty will be assessed. It is up to the licensee whether or not they wish to apply for an uplift for the carried forward volume of 1352 m³.

Scenario #2

You have about another 2000 m³ of damaged timber to harvest but it cannot be harvested under your salvage permit. You have to apply for a new CP in 2006, so you choose not to apply for a temporary uplift of 5627 m³ (total volume harvested 10627 m³ – “normal AAC” 5000 m³). When the cut control statements arrive, the actual volume harvested for 2006 is an additional 1352 m³ for a total of 11979 m³. Since 100% of the “normal” AAC is 5000 m³, the additional 6979 m³ will be carried forward into the 2007-2011 cut control period. Unfortunately, the 6979 m³ is more than the “normal” AAC of 5000 m³ and so a penalty will be assessed. It is up to the licensee whether or not they wish to apply for an uplift for the carried forward volume of 6979 m³ for 2007 or be assessed another penalty.

6. An uplift application does not necessarily relieve a licensee from a penalty.

For example, your current five year cut control period ends in 2006 and your “normal” AAC is 1000 m³/year or 5000 m³ total. In June 2004, you received an overcut exemption from the regional manager to harvest up to 7000 m³ (140%) of damaged timber before you reached the 120% limit. The actual volume harvested to the end of 2005 was 6627 m³. You apply for a temporary uplift as your current 2005 cut control statement indicates that you are at 133% of your AAC (1627 m³ overcut). You are within the new set limit of 140%. However, during our review, we discover that in November 2005, you harvested 1000 m³ on your green permit (you tell us later that you had a market for green spruce logs). Since you violated a condition of your overcut exemption – to harvest only damaged timber – the district manager denies your request for an uplift. Furthermore, because you did not follow the regional manager’s direction in his overcut exemption, a penalty will likely be assessed for the 1627 m³ overcut.

The above summary is provided to woodlot licensees in order to help clarify the overcut exemption and uplift options available. It does not replace any of the legal requirements. Licensees are encouraged to read the *Forest Act* and the *Cut Control Regulation*.

For further information, please contact me at 398-4384 or Mike Gatenby at 398-4689.

Yours truly,

Stephanie Mooney
Woodlot Forester
Central Cariboo Forest District

Enclosures – Uplift Application Form and Instructions Form