

Timber Sales Advisory Council (TSAC) Meeting

Minutes

February 15, 2011

9:00AM-3:00PM

Skyview Room – Executive Airport Plaza Hotel
7311 Westminster Highway, Richmond



Participants: Mike Falkiner (BCTS - Chair), Tom Jensen (ADM, Forest Tenures & Timber Pricing), Graham Archdekin (Pricing Branch), Rob Bigalke (Financial Management Services Branch), Shawn Hedges (Pricing Branch), Brian Markin (Coastal Pulp Sector), Russ Cameron (ILRA – Coast), Duncan Chisholm (ITMA), Dave Lewis (TLA), Wayne Lintott (ILA), Brian Frenkel (Forestry Contracting Sector), Shane Garner (CILA), Jim Hackett (ILMA), Les Kiss (CFPA), Bill Aro (COFI – North), Doug Routledge (COFI – South), Mike Kemp (Rotary MFG), and Andrea Dixon (Secretariat)

Guests: Murray Stech (Pricing Branch), Grant Loeb (Pricing Branch), and Geoff Tindale (BCTS)

Regrets: Warren Carter (ILRA – Interior), Dennis Cook (ILA), Keith Eslinger (VIWP), and Ken Houlden (NWL)

	Topic	Time	Lead	Category	Reference Material & Comments
A	Adoption of Agenda and Safety Briefing				
B	Action Items Review	9:05 – 9:15	Mike Falkiner		Agenda
	<p>Action (B53): Graham will report out on the decision whether or not to include roads information in TSL tender packages.</p> <ul style="list-style-type: none"> This issue has been brought forward to both the Woodlands Managers and the Timber Sales Leadership Team (TSLT). TSLT is uncomfortable providing specific rates as the rates are unpredictable. TSLT has agreed to include all contact information for the for road maintainers in the TSL tender package. <p>Action (B54) Shawn will get an update from Brian Quinn regarding the information management framework and bring forward to next meeting.</p> <ul style="list-style-type: none"> ✓ Completed. Five years worth of auction data will be retained on the website, but no harvest data will be kept. Cut to cruise information can be obtained from the Harvest Billing System if required. <p>Action (B55): Duncan will send the link to TSAC members so they can preview the Fibre Connections BC website.</p> <ul style="list-style-type: none"> ✓ Completed. Andrea forwarded the website to TSAC. <p>Action (B56): Graham will arrange a conference call for the PRTT, which will conduct the review.</p> <ul style="list-style-type: none"> ✓ Completed. Graham will be reporting out on this topic later today. 				

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C1	Revenue Branch Waste Bill Waiver Ledger <ul style="list-style-type: none"> • Tom Jensen has been made the statutory decision maker for both the Waste and Fee Waiver/Relief packages. • The policy related to the Waste Relief is in place. • Shawn provided TSAC with an excel spreadsheet summarizing the Fee Waiver/Relief packages that have been processed since 2006. • The information was not split between Coast and Interior. • Don't have access to information from 2005. • It was requested that the information from 2006 going forward be split between Coast and Interior. • Action (B58): Shawn will split the data and distribute it to TSAC. • It has been good to have Tom Jensen take over the decisions regarding Waste and Fee Waiver/Relief as he can bring a fresh perspective the decisions and process. 				
C2	SLA Update – Grant <ul style="list-style-type: none"> • SLA signed in 2006. • Formal arbitration was entered into on January 18, 2011. • Canada must respond by February 17, 2011. • Both parties must select a panellist to represent them. The panellists will select a third person to Chair. • We are currently in the discovery process of the proceedings. • These proceedings can take many years to resolve. • If the current SLA expires before resolution, a new agreement or extension can be negotiated and signed. 				
C3	BCTS Quarterly Update <ul style="list-style-type: none"> • Rob Bigalke gave a presentation regarding the BCTS third quarter performance report. • A copy of the presentation can be found on the BCTS website. http://www.for.gov.bc.ca/bcts/about/serviceplan.htm 				
	Break 10:15 – 10:30				
C4	Policy Review Task Team – Progress Report/Request for Endorsement - Shawn/Graham <ul style="list-style-type: none"> • Shawn reported out on the progress and recommendations of the Policy Review Task Team (PRTT). • Three proposed changes were identified and discussed. <ul style="list-style-type: none"> • Security deposit top-up; • Bidder ineligibility rule; and • Risk-based security deposit scheme. • An implementation plan for the proposed changes was outlined. • Changes to section 130/131 will be addressed in future discussions. 				

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	<ul style="list-style-type: none"> Action (B59): PRTT will continue to work to address 130/131 issues. 				
	Working Lunch (Provided)	12:00 – 12:30			
C5	ADM Introduction & Update – Tom <ul style="list-style-type: none"> Tom Jensen, Assistant Deputy Minister, Forest Tenures and Timber Pricing was introduced to the group. Tom came from the Ministry of Community and Rural Development which had a mandate to work with communities. Is finding that fulfilling the BCTS mandate requires a constant balancing act. There was discussion around what BCTS' role will be in the future and to position ourselves to get there. TSAC representatives like to see BCTS succeed as BCTS actions impact industry. Suggested areas for improvement are as follows: <ul style="list-style-type: none"> A desire to have BCTS policy be similar to that of Industry policy. This can sometimes be difficult as BCTS has other mandates it needs to meet; BCTS work to encourage relationships between good contractors and BCTS; BCTS become more businesslike in our relationship with Industry and not work with poor performers. This is a good suggestion, but it would be difficult to implement as it could interfere with openness and accessibility to the program. See market pricing system data kept segregated and as clean as possible; When partnering with First Nations, try to find a way in which to get the volume out quickly and use as pricing data; Work to address the loss of BCTS landbase; and More communication between Timber Sales Offices to find out where the market is and follow up on no bid sales. 				
C6	Road Maintenance <ul style="list-style-type: none"> Shane brought forward issues around fees related to road usage. There have been situations where road users are being asked to pay both for road maintenance and road use fees as well. They are basically paying the same fee twice. Importance of knowing the road maintenance fees upfront when bidding on a Timber Sale Licences (TSLs) were stressed. It was suggested by BCTS staff that bidders should contact the road maintainer to find out what the fees are as they are variable and controlled by the road owner/licensee. It seems that hidden, additional or increased costs are being produced after TSLs are entered into. Is it possible to guarantee and enforce road usage costs? The only way to enforce road usage costs are through legal action as these costs are set out in a contract between road user and owner. Can this issue be addressed through the Road User Committees (RUC)? 				

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	<ul style="list-style-type: none"> BCTS could engage the RUC and relay feedbacks about situations. Action (B60): Bill Aro and Doug Routledge will report back to TSAC either by email or at the next meeting. Shawn will communicate to the BCTS representatives on RUC. 				
C7	<p>Second Growth Hemlock on the Coast</p> <ul style="list-style-type: none"> It was discussed that right now there is a high demand for second growth timber, especially Hemlock, on the Coast right now. TSAC members were wondering if BCTS is prepared to meet the demand. Geoff Tindale will be meeting with BCTS staff on the Coast and this will be a good forum for discussion of the issue. There is inventory there, and BCTS is working to get it out. 				
	<p>Certification</p> <ul style="list-style-type: none"> Currently BCTS is 95 – 96 percent SFM certified. The goal is to become 100 percent certified. There has been some pressure for BCTS to gain Forest Stewardship Council (FSC) certification from Tembec and First Nations groups in Haida Gwaii. BCTS is reluctant to seek FSC certification as they are not sure what the benefit will be and the standards are different in different places and changing. Any Programme for the Endorsement of Forest Certification (PEFC) certification is good to have as it helps to provide access to the European Market. There was discussion around chain of custody letters and whether or not they were produced on demand or automatically. Action (B61): Rein Kahlke will clarify if chain of custody letters are automatic or on demand. 				
	<p>Timberwolf</p> <ul style="list-style-type: none"> The province is litigating with Timberwolf Log Trading Ltd. If BCTS or Ministry staff is contacted by the media, please refer them to the Public Affairs Bureau for comment. 				
	<p>Protected pool – Category 2</p> <ul style="list-style-type: none"> TSAC discussed the usefulness of maintaining the Category 2 volume versus the non contribution to the Market Pricing System (MPS) data. 3.1 million m³ of timber has historically been reserved for Category 2 bidders, but over the past five years there has not been much bidding activity from secondary manufactures. It would be good to have the volume to contribute to MPS data or alternatively it may be used for other smaller area base tenures Is it possible to find a way for this data to be used in the MPS world? We don't want to lose the volume, but we need to find a way to use it for MPS as originally intended. 				

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	<ul style="list-style-type: none"> • Realign volume in protective pool with demand. Put the rest in Section 20. • Action (B62): Russ Cameron will get data related to Category 2 from Shawn and canvass the Category 2 bidder for opinions. <p>Symmetry Arguments</p> <ul style="list-style-type: none"> • There was further discussion about the lack of symmetry of policy between BCTS and Major Licensees. • The difficulty in addressing this issue is the BCTS mandate regarding MPS. • It was suggested that we not focus our discussions on symmetry as a whole, but look at individual issues like accuracy of cruise data instead. • Action (B63): Andrea will add accuracy of cruise data as a topic to the next agenda. 				
	<u>2011 Meeting Dates:</u>				
	February 15, 2011 Confirmed	May 10, 2011 Confirmed	September 8, 2011 Confirmed	November 22, 2011 Confirmed	