Forests for Tomorrow
Policy No. 3

USING A FORESTRY LICENCE TO CUT (FLTC) ISSUED TO THE HOLDER OF A SITE PREPARATION CONTRACT TO REHABILITATE MARGINAL TIMBER STANDS THAT HAVE BEEN KILLED BY MOUNTAIN PINE BEETLE (IBM) OR WILDFIRE

SCOPE

This policy provides direction to the Forests for Tomorrow (FFT) Program on the use of a FLTC, issued to the holder of a competitively awarded FFT site preparation contract to remove timber killed by IBM or wildfire from areas to be reforested by FFT.

PURPOSE

The purpose of this policy is to ensure that FFT:

1. follows established criteria to identify stands with a low percentage of merchantable sawlog for rehabilitation that are not economic to harvest under conventional tenures,
2. avoids rehabilitating areas that licensees (including pulpwood agreement holders) or BCTS would otherwise harvest or that would interfere with existing harvesting operations by causing adjacency issues or problems achieving results or strategies in a forest stewardship plan (FSP),
3. targets rehabilitation areas with a very low percentage of merchantable sawlogs to avoid adversely competing with Non-Replaceable Forest Licences, BCTS and other sources of timber that are available for mills to purchase,
4. follows an orderly process to ensure that an FFT site preparation contract and the associated FLTC, will protect resource values, recognize existing harvesting and other rights and comply with applicable practice requirements under the Forest and Range Practices Act (FRPA).

POLICY

This policy outlines the process that Ministry of Forests and Range (MFR) staff and recipient agreement holders, will follow to rehabilitate immature or dense pine stands that have been killed by the mountain pine beetle (IBM) using a FLTC in accordance with section 4 of the Forestry Licence to Cut Regulation. References in this policy to actions to be performed by FFT should be read as actions that will be completed by FFT recipient agreement holders with the assistance and guidance of MFR staff.

FFT will focus on rehabilitating pine stands that have been damaged by IBM and meet the criteria in section 6.2.1 (1)(a) (ii) of the Interior Appraisal Manual (IAM). The IAM provides upset stumpage rates that apply exclusively to a FLTC issued in conjunction with a competitively awarded FFT site preparation contract where 70% of the FLTC volume is pine that has been damaged by IBM and, either

- at the time of death, the age of the damaged timber was not more than 50 years old, or
- a field survey indicates that the average stems per hectare on the cutting authority area is greater than 2000 with a minimum diameter at breast height of 5 centimeters.

Stands that have been damaged by wildfire could also be rehabilitated using an FFT site preparation contract in conjunction with a FLTC provided existing licensees are not willing to harvest these stands and the stands contain a very low percentage of merchantable sawlogs. The upset stumpage rates specified in 6.2.1 (1)(c) of the IAM would not apply to an FFT FLTC to harvest stands that have been killed by wildfire.

The intention is that FFT should not be rehabilitating damaged stands containing significant volumes of merchantable sawlogs that could be harvested under existing tenures. Where FFT wants to rehabilitate a stand that does not meet the criteria in section 6.2.1 (1)(a) (ii) of the IAM, the harvesting should be carried out as a BCTS innovative TSL or Forest Practices Branch should be contacted prior to proceeding.

1. SURVEY PLANNING

FFT will undertake preliminary discussions with First Nations, licensees, BCTS and district staff to identify potential rehabilitation areas that are not desirable for existing licensees to harvest under conventional cutting authorities. FFT should focus rehabilitation on productive sites that should achieve FFT investment criteria. FFT should actively seek rehabilitation areas where, (due to proximity), there is an opportunity to utilize the timber for pulp chips or bioenergy. FFT will conduct silviculture surveys of IBM killed pine stands, (and fire killed stands that are not suitable for lumber production), to ensure the areas warrant rehabilitation based on insufficient stocking of advance regeneration or surviving trees to provide a future merchantable stand. FFT will avoid surveying potential rehabilitation areas within area based tenures unless the licence holder requests FFT to rehabilitate the area in accordance with this policy.

2. REHABILITATION PROJECT PLANNING

Outside BCTS Operating Areas

Once potential rehabilitation areas have been identified, FFT will consult with existing licensees who have harvesting rights in the vicinity to ensure there are no plans to harvest the rehabilitation area in the near future. Once it has been established that the area is not part of a licensee's short term harvesting plan, FFT will work with the licensees and First Nations to identify any material adverse impacts that rehabilitating the area might cause to the licensee's operations, resource values or persons with other rights in the area. If material adverse impacts are identified FFT may choose to forego rehabilitation of the area or may contact the district manager for a decision about proceeding with rehabilitation. For potentially viable rehabilitation areas, FFT will also identify the status of existing roads, including any road permit holders, road use agreements, etc. FFT will ask BCTS if they are interested in harvesting rehabilitation areas outside of their operating areas and will provide BCTS with the first right of refusal to initiate an innovative TSL over any rehabilitation area that BCTS is willing to harvest.

If BCTS is not willing to harvest the area, FFT will be responsible to ensure appropriate road use authorizations are established if the roads are to be used for industrial purposes associated with an FFT rehabilitation project.

Within BCTS Operating Areas

Within BCTS operating areas, FFT will provide BCTS with the first right of refusal to initiate an innovative TSL over each potentially viable rehabilitation area in accordance with the MOU between BCTS and FFT. If BCTS decides to initiate an innovative TSL to harvest the rehabilitation area, BCTS will look after FSP planning, harvesting and associated road authorizations.

3. FRPA CHECKLIST PREPARATION

For FFT rehabilitation areas where BCTS determines that the timber is unlikely to sell as an innovative TSL, FFT will take steps to initiate a site preparation contract that will allow the issuance of a FLTC. Where FFT decides to proceed with a FLTC, FFT will work with the forest district, licensees and First Nations to complete a FRPA checklist for the proposed rehabilitation area. The FRPA checklist is designed to ensure that FRPA values will be adequately protected and FRPA practice requirements will not be compromised by the FFT site preparation contract or the FLTC. The FRPA checklist is necessary since the FLTC will not be a major licence and an FSP will not be prepared. To provide a sound rationale to the district manager who will be issuing the FLTC, the FRPA checklist will summarize any specific design features of the boundaries of the rehabilitation area or special requirements in the FLTC or site preparation contract to ensure compliance with FRPA practice requirements and avoid adverse impacts to licensee operations, other persons with rights in the area or FRPA values.

4. PUBLIC AND STAKEHOLDER INFORMATION SHARING

As part of the preparation of the FRPA Checklist, FFT will follow the 2007/ 2008 Public and Stakeholder Information Sharing and Notification Guidelines to address any potential concerns from the public or stakeholders, about the FFT rehabilitation project. Each project will carefully consider the input received under this process and attempt to address reasonable concerns that are expressed.

5. FIRST NATIONS INFORMATION SHARING AND CONSULTATION

After identifying a potentially viable rehabilitation area where a FLTC may be issued, FFT will request information from First Nations who assert an interest in the rehabilitation area, about cultural heritage resources and concerns or about the potential rehabilitation project. Information provided by First Nations will be addressed during the establishment of boundaries and treatment particulars for the rehabilitation area. MFR First Nations consultation protocols will be followed by MFR staff so that the district manager can determine if the FFT rehabilitation project will or will not infringe on First Nations interests.

Site preparation contracts can be direct awarded to First Nations in accordance with a separate FFT policy dealing with the direct award of FFT opportunities to First Nations. Under the FFT First Nations Opportunities

Policy a FLTC could also be direct awarded to a First Nation under section 47.3(1)(a) of the Forest Act to allow harvesting on a site preparation contract area. The policy below deals exclusively with the competitive award of the FFT site preparation contract.

6. DISTRICT MANAGER REVIEW AND DETERMINATION TO PROCEED

Prior to FFT advertising the site preparation contract for competitive bids, FFT will provide the district manager with the proposed FLTC, the FRPA checklist, a summary of the First Nations consultations and written responses from existing licensees indicating no objection to the rehabilitation project, (or a description of the measures proposed to address any licensee objections). Once the district manager determines the FLTC could be issued to a successful bidder for the FFT site preparation contract, FFT will be advised to advertise the site preparation contract.

7. SITE PREPARATION CONTRACT TENDERING

The tender package for the FFT site preparation contract, will request $/hectare bids for preparing the contract area so it can be easily and safely reforested in a manner designed to achieve the target stocking standard. FFT site preparation contracts (that are not direct awarded to First Nations), must be advertised in accordance with FFT policy and procedures designed to attract as many qualified bidders as possible for potential timber harvesting opportunity. FFT must maintain a record of all bids received for each FFT site preparation contract to document the extent of competition. The tender package will also ask bidders to provide a lump sum bonus offer and a "zero" dollar/hectare site preparation bid, if the contractor feels the value of timber will more than cover the cost of site preparation.

8. SITE PREPARATION CONTRACT REQUIREMENTS AND UTILIZATION OF TIMBER

The FFT site preparation contract will require the contract holder to either harvest the timber on the contract area, in accordance with the FLTC, or pile and possibly burn the timber and any harvesting debris that can't be utilized under the FLTC.

FFT will attempt to select FFT rehabilitation areas that present a reasonable possibility for the timber to be utilized rather than paying to have the timber piled and burnt. There may however be a need to pile and burn timber on remote rehabilitation areas where transportation makes it uneconomic to utilize some or all of the timber or in situations where a market for this fibre disappears while a project is being completed. In some situations, FFT may make arrangements for Wildfire Management Branch or a contractor to burn any piles of timber and associated harvesting debris that can't be utilized.

9. FIXED STUMPAGE FOR THE FORESTRY LICENCE TO CUT

Qualified contractors can bid on the FFT site preparation contract knowing that fixed stumpage rates will apply to all timber harvested from the contract area, for the term of the FLTC. To ensure

that sites are prepared for seedlings that have been ordered, the FLTC should usually have a 1 to 2 year term, and should include clauses requiring primary logging to be completed in a shorter period of time. Since FFT needs to ensure sites are prepared for seedlings that have been ordered, the site preparation contract should indicate that extensions of the term of the contract are unlikely. However, an extension of the term of the FLTC should be possible to allow for any road deactivation on the FLTC area that needs to be carried out after the completion of harvesting (and possibly planting). Extension of the term of the FLTC should also be possible if the timber has been decked at roadside, the contract area (with the exception of the roadside work area), is available for planting and the additional time is needed to remove the decked timber.

10. PRE-WORK CONFERENCE WITH THE SUCCESSFUL CONTRACTOR

FFT will conduct an onsite pre-work conference with the person who enters into the contract and the FLTC to identify key features of the area that are identified in the FRPA Checklist as requiring protection, the applicable FRPA practice requirements, safety requirements, fire preparedness, etc.

11. FOLLOW-UP CONTRACTS FOR REFORESTATION

FFT will reforest the rehabilitation area as soon as possible using additional contracts for tree planting and other silviculture treatments.

Responsibilities

The FFT program manager, Forest Practices Branch is responsible for:

- communicating this policy to FFT staff, licensees, BCTS, the contracting community, First Nations and partners,
- incorporating the policy into relevant standards documents and training materials,
- monitoring implementation of the policy,
- reviewing this policy during its first year and revising the policy as required, and
- reporting on the level of achievement of the policy

FFT Regional staff are responsible for:

- monitoring delivery agents to ensure that the appropriate actions were taken in accordance with this policy, and
- confirming that this policy has been followed prior to approving each project and releasing funds.
- providing information to the program manager on the level of achievement on the policy and suggestions for how the policy may be improved.

FFT recipient agreement holders are responsible for:

- complying with the policy,
- incorporating the policy into relevant contracts, and
- providing information to the program manager on the level of achievement of the policy and suggestions for how the policy may be improved.

District Manager is responsible for:

- Providing information to FFT to help plan potential rehabilitation projects,
- Reviewing the FRPA checklist to ensure that it achieves its stated purpose,
- Ensuring adequate First Nations consultation prior to issuing a FLTC, and
- Issuing and administering each FLTC that is issued to the holder of an FFT site preparation project.

Approved by:

Jim Snetsinger, R.P.F.
Chief Forester

T.P. (Phil) Zacharatos, R.P.F.
A/Assistant Deputy Minister
Operations Division