

## Klassen, Geoffrey W FLNR:EX

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**From:** Klassen, Geoffrey W FLNR:EX  
**Sent:** Wednesday, April 27, 2011 9:32 AM  
**To:** 'laud@timberwest.com'  
**Cc:** Brownie, Kerri FLNR:EX  
**Subject:** FW: T0883 extension letter

Diana,

### Re: your call this morning

Attached is a copy of the extension letter regarding timber licence T0883. The original went to your Campbell River office. Apologies up front for the poor quality Exhibit A map "illustrating" the elimination of blocks 1, 2, 4, 7, 8, 9 and 10 as noted in the letter. I did my best to scan it clearly. If you would like I will highlight the blocks and resend the map.

Please note that FTA has been updated to reflect the eliminated blocks and the revised expiry date. If you require anything further, please drop me a line.

Regards,

*Geoffrey Klassen, RPF*

*Tenures Forester - Coast Area Tenures  
Ministry of Forests, Lands & Natural Resource Operations  
2100 Labieux Road  
Nanaimo, B.C.  
V9T 6E9  
Tel: 250.751.7068 Fax: 250.751.7190  
Website: Coast Area Forest Tenures*

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**From:** [Geoffrey.Klassen@gov.bc.ca](mailto:Geoffrey.Klassen@gov.bc.ca) [<mailto:Geoffrey.Klassen@gov.bc.ca>]  
**Sent:** Wednesday, April 27, 2011 9:18 AM  
**To:** Klassen, Geoffrey W FLNR:EX  
**Subject:**



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Document name: G:\Workgrp\AdminServ\Briefing Note\REGION\BN 2011\128324 - T0883 Extension

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Date typed: 2011/04/14 Date last saved: 2011-04-14 2:09 pm

File: 19580-25/T0883

APR 20 2011

Gary Lawson, RPF  
Operations Planner, North Island Operations  
TimberWest Forest Company  
Box 2800  
Campbell River, British Columbia  
V9W 5C5

Dear Gary Lawson:

Thank you for your application for the extension of Timber Licence (TL) T0883. I have reviewed all of the information provided by yourself, district staff, and consultation with First Nations regarding the application.



In accordance with Section 31 of the *Forest Act*, the term of TL T0883 will be extended 3 years, expiring on May 27, 2013. This letter forms an integral part of the licence document for TL T0883, and should be attached thereto.

An Exhibit A map illustrating the revised licence area for TL T0883 is attached. This map notes the elimination of Blocks 1, 2, 4, 7, 8, 9 and 10 of the licence, and is pursuant to the instructions provided in your supplemental extension request letter, dated February 23, 2011.

If you have any questions or would like further information about this extension, please contact Geoffrey Klassen, Tenures Forester, Coast Area Tenures at (250) 751-7068.

I would like to wish you success in your operations.

Yours truly,

Sharon Hadway  
Regional Manager  
West Coast Region

Page 1 of 2

Gary Lawson, RPF

Attachment(s): Exhibit A TL T0883

pc: Rory Annett, District Manager, Campbell River Natural Resource District  
Kevin Kilpatrick, Tenures Forester, Forest Tenures Branch



**TimberWest Forest Company**  
North Island Operations

Box 2800  
Campbell River, British Columbia  
Canada V9W 5C5

Tel 250.287.9181  
Fax 250.287.3270

March 28, 2012

Ministry of Forests and Range  
2100 Labieux Road  
Nanaimo, B.C.  
V9T 6E9

Attention: Geoffrey Klassen,  
Acting Land Officer, Tenures Coast Area

Reference: Timber License T0883 Extension Request

Dear Geoffrey:

TimberWest Forest Corp. ("TimberWest") hereby makes application to extend a portion of the above mentioned Timber License as set out in section 31 of the Forest Act.

Timber License T0883 is located in the vicinity south of Call Inlet. The license consist of four blocks with an expiry date of 27 May 2013. The blocks are T0883 3, T0883 5, T0883 6 and T0883 11. TimberWest is requesting an extension to 27 May 2016.

The attached harvest history map illustrates by age distribution, the harvest performance on the license over the past few decades. There are proposed blocks illustrated on the map for future harvest areas, with Timber License wood planned to be harvested in conjunction with adjacent Forest License areas.

During the mid eighties and early nineties a former predecessor company of Timber West held a logging contract to harvest about 100000 m3 per year. The approximate volume to achieve economies of scale in this remote area is about 50000 m3. The mid nineties brought legislative change, namely the Forest Practices Code, with maximum cut block size reduced to 40 hectares, visual constraints and adjacency requirements. In order to meet these new constraints, periodic entry was required to enable a harvest of the 50000 m3 target.

Subsequent to the Forest Practices Code, forest rent changed from royalty to stumpage, the CCLRMP process, the Old Growth order, the process of deciding on take back areas for the Revitalization Act and most recently the finalization of the SCCO have collectively created challenges in harvest planning.

The last entry into this TL was in 2007. Planned harvest activity into 2008 included combined volume from the TL and FL (heli and truck road volume). A catastrophic slide event at the head of the inlet (November 2006) and the Provinces decision to deny a heli-drop application precluded TimberWest from achieving harvest activity.

Overall market conditions in 2007 to 2009 and recent market conditions forced further delays in harvest plans on this license.

.../2





Page 2  
Ministry of Forests  
Timber License T0883 Extension Request  
March 28, 2012

This license originally was to expire on 27 May 2010. It was extended on 20 April 2011 to 27 May 2013.

TimberWest (and predecessor companies) held numerous Timber Licenses on the West Coast, Queen Charlotte Islands and Vancouver Island. Generally, with the exception of some marginal licenses held in the King Island / Ocean Falls vicinity, the licenses were actively harvested over the years. Today TimberWest Forest Corp only holds 2 TL's outside a TFL including T0883. T0414 has an expiry date of 27 May 2020. TimberWest will monitor forest management issues on T0414.

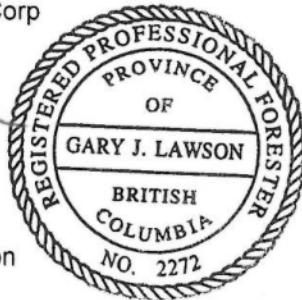
Recent market condition improvements have allowed for economically viable harvesting on this license. Investments in development have begun with ongoing engineering and road construction. Harvesting will begin later this year but harvest of the economically viable cutblocks will not be completed by 27 May 2013.

TimberWest currently holds a Forest Stewardship Plan for the area, an investment in engineering, silvicultural prescriptions, road construction, foreshore license, First Nation information sharing, visual design and a steel bridge, totaling about \$400,000.

Your consideration to this matter is appreciated.

Yours truly,  
TimberWest Forest Corp

Gary Lawson, R.P.F.  
North Island Operation  
Operation Planner



Encl.

GL/tc

**MINISTRY OF FORESTS, LANDS AND NATURAL RESOURCE OPERATIONS  
DECISION NOTE**

Date: May 3, 2013  
File: 19580-25/T0883  
CLIFF/tracking #: 197435

**PREPARED FOR:** Sharon Hadway, Regional Executive Director, West Coast Region

**ISSUE:** Request for a 3-year term extension to Timber Licence T0883.

**BACKGROUND:**

A 3-year term extension request was made by TimberWest Forest Corp. for Timber Licence (TL) T0883 (Campbell River District) in a letter dated March 28, 2012 (attached). The current expiry date for the licence is May 27, 2013.

This briefing note seeks the regional executive director's decision as to whether or not to extend the term of the licence by 3 years.

**DISCUSSION:**

TL T0883 was originally issued May 28, 1981 with a term of 29 years. TLs may be extended in accordance with Section 31 of the *Forest Act* provided that the regional executive director receives the application prior to the TL expiry date.

The TL holder is aware of the December 21, 2007 letter from the then regional manager outlining 11 criteria that *may be considered* in the decision to extend a TL. The rationales provided by the licensee supplemented by additional information from the Crown tenures staff, are detailed in Table 1 with respect to the 11 criteria.

The licensee has pre-signed the Amendment documents but was told that this did not constitute an offer from the ministry as the decision to extend rests with the regional executive director.

**Table 1: TimberWest Timber Licence Extension Criteria (from Regional Manager's Dec 21, 2007 letter) for TLT0883 in Call Inlet**

1. Tenure holder's harvesting performance on the applicable timber licence?	The last harvest in this TL was in 2007 and before this date, the TimberWest Forest Corp. (TimberWest) has exhibited consistent development of the TL and much of the original TL area has been eliminated due to harvest (originally 3,057 ha and the current obligated area is now 799.9 ha).
2. Tenure holder's planned harvesting schedule on the applicable timber licence?	TimberWest reports that recent market improvements have allowed for harvesting to continue and have recently invested in engineering and road construction. The licensee states that they have been actively harvesting in the TL recently but do not expect to complete the harvest of all viable cutblocks within the current term of this license (expires May 27, 2013). They plan to complete harvest this year but would like the 3 years to allow for flexibility and to prevent any delay in production after May 27, 2013.



3. Tenure holder's harvesting performance on other timber licences?	TimberWest and its predecessor companies have held numerous TLs on the West Coast, Haida Gwaii and Vancouver Island in the past and with the exception of marginal TLs on King Island and in the vicinity of Ocean Falls, these TLs have been actively harvested over the years. Currently, TimberWest holds 2 TLs outside of a TFL including TLs T0883 and T0414. In TL T0414, TimberWest has exhibited the same consistent development where there is currently 10% of the original area remaining.
4. Tenure holder's current investment in the operations?	TimberWest's reported investment in this TL includes a Forest Stewardship Plan for the area, engineering, silvicultural prescriptions, road construction, a foreshore licence, First Nation information sharing, visual design and the construction of a steel bridge, totaling approximately \$400,000.
5. Timber licence extension history?	TL T0883 was originally issued May 28, 1981 with a term of 29 years (original expiry May 27, 2010). In 2011 the term was extended by 3-years to May 27, 2013.
6. Delay in harvesting activities has been beyond the control of the tenure holder?	In 2008, TimberWest Forest Corp (TimberWest) had harvest plans that included both helicopter and conventional logging that were to take place both in this TL and an adjacent forest licence. A "catastrophic" landslide at the head of Call Inlet and a subsequent provincial "decision to deny a heli-drop application precluded TimberWest from achieving harvest activity."
7. Delay in harvesting activities has been for forest management?	The licensee explains that in order to "achieve economics of scale in this remote area", about 50,000m <sup>3</sup> is required for each harvest. The licensee indicates that the introduction of the Forest Practices Code with the reduction of maximum block size, visual constraints and adjacency requirements necessitated a "periodic entry" in order to achieve the 50,000m <sup>3</sup> threshold. In addition to development limitations caused by the Forest Practices Code, TimberWest has indicated that forest rent switching from royalties to stumpage, the Central Coast Land and Resource Management Plan process, the Old Growth order, the process of determining Bill 28 take back areas and most recently, the finalization of the South Central Coast Order "have collectively created challenges in harvest planning."
8. Delay in harvesting activities has been due to market conditions?	The licensee explains that "overall market conditions in 2007 to 2009 and recent market conditions forced further delays in harvest plans on the licence".



9. First Nation  
consultation and  
accommodation?

Dan Lake, RFT, Authorizations Technologist at the Campbell River District, initiated consultation with each of the First Nations with asserted territory overlapping the TL area. Letters regarding the proposed administrative decision to extend the term of the TL stated that government has done an initial assessment of aboriginal interests and requested any further information regarding potential impacts to aboriginal interests as per the consultation protocol for each First Nation. A consultation record dated February 14, 2013 was prepared (see attached).

s.16

	The consultation summary for the TL concludes that the extension will have a low potential for adverse impact on aboriginal interests. There appears to be no outstanding issues at this time. First Nations have signed agreements to provide an accommodation for forest management and economic activities occurring in their traditional territories. The consultation followed the existing protocol agreements and no additional accommodation is required. Consultation at the cutblock level will occur prior to cutting permit issuance.
10. Forest management issues identified by the applicable district manager?	The district manager has not identified any forest management issues that would result from the extension of this TL.
11. Other relevant considerations?	No other considerations that are relevant to the extension of this TL have been provided by TimberWest.

**Option 1: Approve a term extension of TL T0883 to May 27, 2016.**

**Implications:**

- Will provide TimberWest the opportunity to capitalise on their investment.
- Recognizes that TimberWest is making reasonable efforts to complete operations on these TLs.
- Will provide opportunity for social and economic benefits to the surrounding area and the province as a whole.

**Option 2: Do not approve a term extension of TL T0883.**

**Implications:**

- Licensee request will not be met and they may not be able to complete their current harvest operations on this TL.
- The short-term flow of social and economic benefits may be less certain.
- These areas will revert to the TSA and may become available for other uses.

**RECOMMENDATION:**

**Option 1: Approve a term extension of TL T0883 to May 27, 2016.**

If Option 1 is approved, please sign (with witness) the attached Amendment No. 2 to TL T0883 (2 copies) and associated conveyance letter (2 copies).

*Option 1 / Sharon Hadway*  
**DECISION & SIGNATURE**

Sharon Hadway  
Regional Executive Director  
West Coast Region

*May 6, 2013*  
**DATE SIGNED**

**Attachments:** 2012-03-28 TL T0883 TimberWest extension request  
2013-02-14 DCR TL T0883 TimberWest Extension FN Consultation RPT  
TL T0883 Conveyance letter - West Coast (2 copies)  
TL T0883 FS3 Amendment No 2 (2 copies)  
TL T0883 Map

**Contact:**

*Denis Collins  
Director of Pricing, Tenures,  
and Mines  
Phone: (250) 751-7121*

**Alternate Contact:**

*Greg Gage  
Section Head  
Coast Area Forest Tenures  
Phone: (250) 751-7041*

**Prepared by:**

*Darryl Slater/Kylie Harrison  
Tenures Forester  
Coast Area Forest Tenures  
Phone: (250) 751-7183*

Reviewed by	Initials	Date
Director - Denis Collins	DC	May 2/13
Section Head - Greg Gage	GG	April 29/13
District Tenures Officer - Kerri Brownie	KB	April 11/13
Author - Darryl Slater/ Kylie Harrison	KH	April 23/13



10883

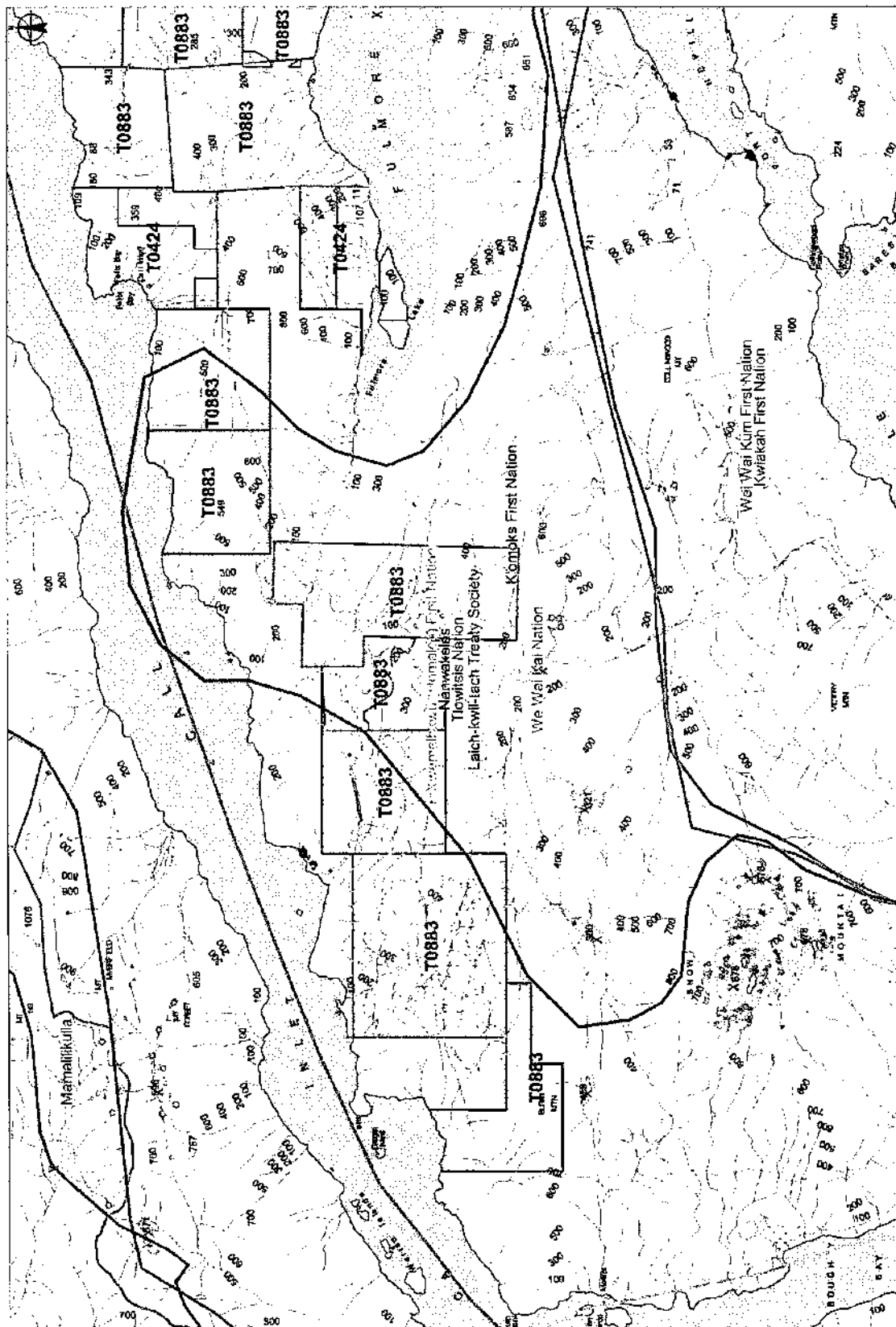
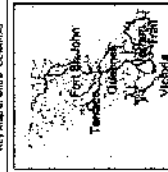
- Legend
- ☐ Intersecting boundaries - No
  - ☐ Contour Interval - 100 ft

Scale: 1:50,000

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Key Map of British Columbia





File: 19580-25/T0883

MAY - 6 2013

Gary Lawson, Operation Planner  
TimberWest Forest Corp  
Box 2800  
Campbell River, British Columbia  
V9W 5C5

Dear Gary Lawson:

Thank you for your March 28, 2012 application requesting an extension to the term of Timber Licence T0883. I have reviewed all of the information provided by you, district staff and consultation responses from the First Nations with asserted traditional territory in the licence area.

Based on all of this information and in accordance with Section 31 of the *Forest Act*, your application for extension is approved and Timber Licence T0883 has been extended to May 27, 2016. The executed amendment to T0883 has been attached for your records.

If you have any questions or would like further information about this extension please contact Kylie Harrison, Tenures Forester, Coast Area at (250) 751-7183.

I would like to wish you success in your operations.

Yours truly,

Sharon Hadway  
Regional Executive Director  
West Coast Region

Attachment: Timber Licence T0883 Amendment No. 2

pc: Romona Blackwell, District Manager, Campbell River District  
Kylie Harrison, Tenures Forester, Coast Area





## Amendment to Timber Licence T0883.

Amendment No. 2

Memorandum of amendment to Timber Licence T0883, executed on the later date written below, between the Regional Executive Director of the West Coast Region and the Licensee of the said Licence.

Whereas it is mutually agreed to amend the terms and conditions of the said Licence and the parties hereto have agreed to amend the same as set forth in this memorandum.

NOW, THEREFORE, in consideration of the premises and other valuable considerations now exchanged between the parties hereto, said parties agree as follows:

In paragraph 1.03, the term of the licence is hereby revised to 35 years, beginning May 28, 1981.

This forms an integral part of the original Licence and should be attached thereto.

Subject to the foregoing, the parties hereto confirm the said Licence.

IN WITNESS WHEREOF the said parties have hereunto set their hands and seals and/or the Licensee has caused its corporate seal to be affixed in the presence of the duly authorized officers in that behalf on the date and year below.



SIGNED by the Licensor  
in the presence of

L. Human  
(Witness Signature)

Sangita Human  
(Witness Name Printed)

THE COMMON SEAL of the Licensee  
was affixed in the presence of, OR  
Signed by the Licensee in the presence of

A. Atherton  
(Witness Signature)

A. ATHERTON  
(Witness Name Printed)

Sharon Hadway  
Sharon Hadway, Regional Executive Director  
West Coast Region

Date of Signature: May 16, 2013

B. Frank  
(Licensee Signature)

BRIAN FRANK, PRESIDENT & CEO  
(Licensee Name Printed)

Date of Signature: April 17, 2013