

## BRIEFING NOTE FOR DECISION

**DATE:** November 4, 2022

**PREPARED FOR:** Honourable Katrine Conroy, Minister of Forests

**ISSUE:** Utilize major licensee unharvested volume to support BC Timber Sales Market Pricing System and Category Value-added

### RECOMMENDED OPTION:

**Develop a strategy with Tenures Branch to** s.13; s.17  
s.13

### BACKGROUND:

- Over time, BC Timber Sales (BCTS) s.13  
s.13
- To generate statistically sound cost and price data to support the Market Pricing System (MPS), 20 percent of the total provincial Allowable Annual Cut (AAC) is needed. s.13;  
s.13; s.17
- Furthermore, BCTS is developing the Category Value-added program to meet government's commitment to strengthen the value-added sector. This will replace the existing Category 2 program.
- BCTS currently commits 10 percent of its annual rationalized apportionment<sup>1</sup> to Category 2 which is s.13; s.17  
s.13; s.17 This additional volume should be incremental to the volume supporting MPS.
- The following highlights the shortfall of timber volume experienced by BCTS for MPS and the required Category Value-added volume in the three natural resource areas:

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<sup>1</sup>means the apportionment level against which BCTS sales targets are planned and measured. Rationalized apportionment is approved annually by the BCTS Executive Director

s.13

Natural Resource Area	Total Crown Volume (TCV) (m3/year)
Coast	15,767,493
North	29,684,189
South	22,614,691
<b>Totals</b>	<b>68,066,373</b>

s.13; s.17

- A potential opportunity has been identified to utilize major licensee unharvested volume to augment BCTS volume for MPS and Category Value-added.

## DISCUSSION:

Section 75.8 of the *Forest Act* provides authority for unharvested volume associated with both Replaceable Forest Licences and Non-Replaceable Forest Licences (NRFL) to be disposed of through a timber sale licence, forestry licence to cut, or a NRFL.

Unharvested volume represents an opportunity to potentially augment BCTS' share of Crown volume. This is a short-term, temporary opportunity that does not permanently address current volume shortfalls in both BCTS core MPS volume and the Category Value Added program which will need to be addressed through other means of acquiring volume outlined in the *Forest Act*. Detailed analysis is needed to determine the total unharvested volumes and the circumstances regarding these volumes in the Coast, South and North Natural Resource Areas.

If major licensees did not harvest this volume because it is uneconomical or heavily constrained, then it may also be challenging for BCTS to develop and sell this volume. Furthermore, the pause of BCTS development in old growth technical advisory panel areas where First Nations agreed to these deferrals may create additional challenges for BCTS to access this volume. With further investigation BCTS can confirm the actual volume available for harvest within each TSA.

s.13

Any unharvested volume made available to BCTS would be considered short-term incremental volume (vs. core apportionment) and is not sufficient in the long-term to support MPS and the new Category Value-added program. It may, however, be a solution to augment BCTS' volume in the short-term.

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**OPTION 1: Develop a strategy with Tenures Branch** <sup>s.13; s.17</sup>  
s.13; s.17

s.13; s.16

**OPTION 2: Status quo and continue with current BCTS apportionment.**  
s.13

**RECOMMENDATION:**

- Option 1

☒ Approved / ☐ Not Approved



Signature  
Honourable Katrine Conroy  
Minister of Forests

Nov 16, 2022

Date

Appendix 1: Potential Sources of Unharvested Volume within Management Units in the BCTS  
Kamloops and Kootenay Business Areas.

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**REVIEWED BY:**

	Initials	Date
A/DM	EO	November ,8 2022
ADM	AP (acting ADM)	November 7, 2022
BCTS ED	AP	November 7, 2022
Program Dir/Mgr.	LS	November 4, 2022

**Appendix 1: Potential sources of 'unharvested volume' within management units in the BCTS Kamloops and Kootenay Business Areas**

Source: BCTS Provincial Operations, Nov. 4, 2022

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Natural Resource Area	Management Unit	Licence No.	AAC	Licensee	Comments (opportunity/potential volume from most recently completed cut control period):	Potential Volume Available
South <i>(BCTS Kamloops and Kootenay Business Areas only)</i>	100 Mile House	s.13	304,055	s.13		273,640
	100 Mile House		402,253		1,105,201	
	100 Mile House		96,474		115,920	
			802,782		1,494,761	
	Arrow TSA		n/a		-	
	Boundary TSA		n/a		-	
	Cascadia TSA		n/a		-	
	Cranbrook TSA		238,826		-	
	Cranbrook TSA		238,826		-	
			477,652		-	
	Kamloops TSA		132,182		-	
	Kamloops TSA		88,000		-	
	Kamloops TSA		144,481		-	
	Kamloops TSA		110,000		-	
	Kamloops TSA		132,000		-	
	Kamloops TSA		167,200		-	
	Kamloops TSA		52,443		-	
	Kamloops TSA		122,429		-	
	Kamloops TSA		313,523		126,265	
			1,262,258		126,265	
	Kootenay Lake TSA		n/a		-	
	Merritt TSA		n/a		-	
	Lillooet TSA		228,534		326,165	
	Lillooet TSA		32,778		66,238	
	Lillooet TSA		40,000		200,000	
	Lillooet TSA		50,000		250,000	
			351,312		842,403	
'South' Total:						2,463,429

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