



**Report of the
Small-Scale Salvage Review Committee**

December 2003

Index

Members of the Committee	3
Message from the Chair	4
Message from the Vice-Chair	5
Background	6
Timeline	6
Terms of Reference	6
Executive Summary	7
Challenges	8
Recommendations	11
Community Submissions - Appendix 1	18



Small-Scale Salvage Review Committee Members

Pat Bell (Prince George North) - Chair
Tom Christensen (Okanagan-Vernon) - Vice Chair
Bill Belsey (North Coast)
Bill Bennett (East Kootenay)
Walt Cobb (Cariboo South)
Kevin Krueger (Kamloops-North Thompson)
Harold Long (Powell River-Sunshine Coast)
Dennis MacKay (Bulkley Valley-Stikine)
John Wilson (Cariboo North)

Contributing Advisors

David Chutter (Yale-Lillooet)
Roger Harris (Skeena)
Randy Hawes (Maple Ridge-Mission)
Gillian Trumper (Alberni-Qualicum)
Rod Visser (North Island)
Blair Lekstrom (Peace River South)



As Chair of this committee, I congratulate the efforts of the committee members. Each of these MLAs believes in developing a strong and sustainable small-scale salvage program. Our committee sees tremendous opportunities for salvage operations in the Heartlands of British Columbia. Our objective is to minimize the waste in our forests and maximize the economic opportunities for British Columbians in accordance with sustainable forest science.

There are many different types of salvage throughout our province, ranging from, but not limited to, the Mountain Pine Beetle epidemic, marine salvage, blow-down and fire damage. All of these different components create opportunities for people and we must capitalize on these economic opportunities.

Over the past five months, members of this committee have visited over 40 different communities in BC, meeting with salvagers, licensees and ministry staff to talk about their ideas for the development of a successful program. It is the goal of the committee to provide practical recommendations based on thorough public consultation.

I would like to personally thank those individuals who contributed to those discussions and look forward to their continued feedback as these recommendations move forward.

Pat Bell, MLA
Chair, Small Scale Salvage Review Committee



I would like to open by expressing my thanks to the many British Columbians from communities across the province that took time to meet with members of the Small-Scale Salvage Review Committee. All Committee members were impressed with the input they received.

In meeting with people directly involved in salvage logging, it was clear that small-scale salvage logging opportunities provide a foundation for many local economies in the Heartlands of our province. Small-scale salvage is one of the few remaining opportunities for individuals to be involved in logging as independent business people.

Most of the contractors working in the small-scale salvage industry are locally based with well-established roots in the community in which they operate. They buy their equipment and supplies locally, they hire locally and they spend their profits locally. The Small Scale Salvage Review Committee recognizes the value small-scale salvage contractors bring to rural British Columbia in the form of local job creation and economic stimulus.

It has been a privilege to discuss the challenges of small-scale salvage logging with British Columbians and to work with members of the Small-Scale Salvage Review Committee in preparing this report. I am optimistic that the recommendations in this report will assist government in establishing a small-scale salvage program that will effectively address forest health issues and promote economic opportunities in communities throughout British Columbia.

Tom Christensen, MLA
Vice-Chair, Small-Scale Salvage Review Committee



On April 22, 2003, Forests Minister Michael de Jong announced the creation of an MLA committee to help restructure the small-scale salvage program in British Columbia.

As part of the *Forestry Revitalization Plan*, a modernized and sustainable small-scale salvage program will be created to address un-recovered losses, contribute to forest health management and generate valuable rural employment and revenue opportunities.

Recognizing that the existing program for small-scale timber salvage resulted in high administrative costs and inefficiencies, the program will be changing after the 2003/04 fiscal year.

The Small-Scale Salvage Review Committee will help to shift to a more efficient salvage system by monitoring the implementation of the salvage program, consulting with industry stakeholders and reporting back on how to maximize timber revenue and local employment benefits. The recommendations contained herein are a result of that process.

Timeline

- Public consultation: May and June 2003
- Discussion and development of salvage plan: July and August 2003
- Presentation to Minister of Forests: September 2003

Terms of Reference

- Review existing program to maximize opportunity until a permanent program is in place
- Accept input from the public on program delivery
- Make recommendations to the Minister of Forests on policy and structure



Executive Summary

December 2003

Under the direction of the Ministry of Forests, the Small-Scale Salvage Review Committee has reviewed the existing small-scale salvage model and, following considerable public consultation and study, recommends the following policy changes be undertaken immediately:

- The Province of British Columbia needs to establish a common policy for small-scale salvage
- The definition of small-scale salvage should be changed to better reflect the various applications and types of salvage operations
- The permitted timber harvest for small-scale operations should be raised from 500m³ to 2000m³
- All areas of publicly owned land within the *Working Forest*, with the exception of area-based tenure, should be made available for salvage
- Salvage opportunities should be opened up to waste logs that have been left behind on completed logging sites
- Timber removed pursuant to a salvage licence should not be charged against the Annual Allowable Cut (AAC) of the major licensee, subject to the completion of a waste assessment
- Continuation of *The Community Salvage Licence (CSL)* and *Salvage Non-Renewable Forest Licence (SNRFL)*
- All species of timber should be included for salvage opportunities
- The pricing formula (stumpage) should reflect the appropriate value of wood supply and market demand
- The permit process should be streamlined and timelines established to provide an expedient response
- A salvager should be given the option to employ a professional forester to develop the appropriate documentation for cutting permits.
- The administrative responsibilities for the small-scale salvage program should remain under the authority of the Ministry of Forests
- The Ministry of Forests should work with the Ministry of Water, Land and Air protection to develop waste regulations and stumpage regulations that grant salvagers the option of milling salvaged timber on landings
- A communication strategy should be developed to clearly outline the revised program to current and prospective salvage operators as soon a new policy is approved and prior to implementation
- Road deactivation activities should be kept to a bare minimum and only performed for environmental and safety reasons.
- The "Association of BC Professional Foresters" should hold members accountable for the accuracy of reports, plans and other documents that they would prepare specifically for Small Scale Salvage in BC.
- Small Scale Salvage participants must register, pay an annual registration fee and sign a personal guarantee in order to participate in the Small Scale Salvage program.

Challenges

Meetings were held across the province to establish the key challenges associated with the development of an effective and sustainable small-scale salvage program. The following items were consistently cited as major obstacles:

- Program inconsistency across the province
- Inefficient approval process
- Securing timber supply
- Tenure conflict and liability
- Pricing system

Program inconsistency across the province:

To date, the small-scale salvage program in British Columbia has been inconsistent in application and further hampered by inefficient administrative requirements. A common set of goals and parameters needs to be developed for the provincial salvage program. However, these goals should be guiding principles or parameters and not impede regional salvage needs. Each district should have the discretion to adopt the type of program that best adheres to the common goals but tailors the program to the unique salvage characteristics of any particular forest region.

The small-scale salvage program in our area has virtually stopped - Cariboo

Small-scale salvage operations would provide strong local jobs and tremendous benefit to communities across the province – North Coast

Inefficient approval process:

In most parts of the province, the turnaround time on the permitting process was identified as being much too long. The inefficiency of the application process has become a barrier to small-scale salvage operations as salvageable timber loses value or disease spreads while applicants wait for approval.

Application turn-around time is critical to the success of the industry... Often by the time the permit is granted to proceed with the salvage operation, market conditions have changed. – Prince George area

There's lots of wood out there that could put lots of people to work and access to that work is bogged down in waiting for applications. – Okanagan

Most salvage operators are not concerned with who is responsible for the permitting process, so long as it is improved.

It has become apparent that, in some regions, there is a strong linkage between salvage opportunities and export restrictions. In particular, there is a proximate market in the United States for salvage wood that is not valued by BC processors. – Kootenay

Securing timber source:

In order for a salvage operation to be viable, a salvager must have timely access to fibre. Salvage operators would be better equipped to plan annual operations if allowed to access a secure source of fibre.

Small operators need regular cash flow, they can't wait out long periods of inactivity. – Skeena

A maximum volume of 500m³ is an impractical and artificial standard, which can limit the ability of industry to access salvageable timber. A flexibility of volume would better reflect regional forest characteristics and address gaps left under the Timber Sales Program.

The 500m³ limit is unreasonable in some circumstances - there needs to be greater flexibility to set volume based on professional opinion regarding forest health. – Cascades

Where there are no silviculture concerns, sales should be larger than the 500m³. – Kootenay

The maximum permitted volume seems arbitrary. There should be no limits on salvage – Skeena

Tenure conflict and liability:

Multi-layer tenure licences create conflict between small-scale salvagers and other groups. Salvage operators have identified an inability to access timber left on site by major licensees. Damage to silviculture work and liability issues have been cited by major licensees as issues that need to be resolved prior to the integration of a small-scale salvage program within licensee tenured areas.

Licensees get concerned about damage to completed silviculture work. Ministry of Forests should delay silviculture activities of licensee to allow salvage to be taken out. – Kootenay

Major licensees are reluctant to allow salvage operations if they are held liable for the actions of a salvager – MacKenzie

Primary licensees are discouraged from accommodating small-scale salvage programs because of the policy that impacts the annual allowable cut (AAC) of the primary licensee for any timber removed by a salvage operation – even if this wood was otherwise inaccessible or of no value to the licensee.

Licensees are unwilling to have the responsibility/accountability for salvage loggers' performance; [Licensees] do not want administrative responsibilities, management burden, nor liability. –Thompson

Develop an incentive program to encourage maximizing the removal of usable wood, don't take the salvage off of the allowable cut of the contractor – Lower Mainland

The rights of major licensees should be respected but not to the exclusion of salvage operations. Salvage operators need to access tenured land to remove salvage wood.

Forestry road deactivation must be addressed. This practice limits the access of salvagers to previously harvested areas. - Cariboo


Major Licensees also get concerned about [salvagers] using their roads. Salvagers should pay for any damage to their roads. - Kootenay

Pricing system:

Salvage operators have indicated a willingness to pay fair market value for wood. The province needs to develop a system to encourage a pricing system that ensures that the highest value for each log can be realized.

There are a variety of timber species, such as cedar, that command a high market price. Salvagers would pay more to gain access to those species – Lower Mainland

The right logs need to get to the right user. Perhaps there could be some sort of 'virtual' sort yard –Thompson



Recommendations

December 2003

There currently exists a substantial volume of un-recovered timber losses in our forests. If effectively managed these losses represents an employment opportunity for British Columbians, an improvement of forest health, an increase in revenue to the Crown and a reduction of waste and fuel load on the forest floor.

The Small-Scale Salvage Review Committee is dedicated to the revitalization of the small-scale salvage program. The task before the committee is to review the existing program and establish new parameters for a provincial salvage program. However, the committee is also aware that a provincial program should work to ensure the successful continuation of the small-scale salvage program in each individual forest district without unduly limiting the discretion of Forest Service staff. The revitalization of the salvage program will provide new employment opportunities for Heartlands communities and provide greater opportunities for smaller, less capital intensive, business entrepreneurs in rural BC to participate in the forest industry. It is with these expectations that the committee has recognized the following operational guidelines:

- Create opportunities for salvage operators to access logs
- Assist with the management of forest health issues
- Increased revenue to the Crown through increased employment and stumpage
- Maximize the utilization of forest resource values by minimizing waste
- Reduce the forest fire hazard by reducing the fuel load

Review Committee Recommendation: The Province of British Columbia needs to establish a common policy for small-scale salvage

As an initial step, this Committee recommends the establishment of a provincial policy to address small-scale salvage based on common policy goals. While small-scale salvage programs may vary to best address the particular and unique needs of each forest region, program parameters need to be established to ensure the provincial program performs as intended. The recommendations contained in this report are designed to provide district managers with the administrative tools necessary to meet the goals of the provincial salvage program.

Review Committee Recommendation: The definition of small-scale salvage should be changed to better reflect the various applications and types of salvage operations

Failure to clearly define the parameters of a province-wide program promotes inherent instabilities and inconsistent application. This committee hopes to provide greater certainty and sustainability by providing recommendations for the following issues:

- Definition
- Timber Allocation
- Pricing
- Program Administration
- Liability
- Communication

Definition

This Committee recommends the definition of small-scale salvage be changed to better reflect the various applications and types of salvage operations The new definition should read as follows:

Small-scale salvage is the harvesting of dead, damaged, diseased, insect infested or wasted timber that would otherwise not be harvested by the holders of other forest tenures. Small-scale salvage also includes the salvage of abandoned or otherwise unsecured wood found floating or aground in a marine environment.

In addition, this Committee recommends that the Ministry of Forests and the Workers' Compensation Board of British Columbia develop a harmonized definition for 'snag'.

Review Committee Recommendation: The permitted timber harvest for small-scale operations should be raised from 500m³ to 2000m³

Timber Allocation:

This committee recommends that the permitted volume be raised from a current maximum of 500m³ to 2000m³. Volumes under 50m³ should be delivered on a cash sale basis.

To avoid timber hoarding, a salvager should be allowed to register and hold a set maximum volume of 6000m³ at one particular time. Direct award sale permits should expire after a single year.

Review Committee Recommendation: All areas of publicly owned land within the *Working Forest*, with the exception of area-based tenure, should be made available for salvage

All areas of publicly owned land within the *Working Forest*, with the exception of area-based tenure, should be made available for salvage. Exceptions may be applied at the discretion of the Deputy Minister.

Review Committee Recommendation: Salvage opportunities should be opened up to waste logs that have been left behind on completed logging sites

Salvage opportunities should be opened up to waste logs that have been left behind on completed logging sites. Opportunities exist for salvage operators to extract dead or downed timber as well as timber that has been placed in a *slash* pile. Upon completion of a waste assessment by the Ministry of Forests, salvagers should have access to residual fibre.

Review Committee Recommendation: Timber removed pursuant to a salvage licence should not be charged against the Annual Allowable Cut (AAC) of the major licensee, subject to the completion of a waste assessment

Timber removed pursuant to a salvage licence should not be charged against the Annual Allowable Cut (AAC) of the major licensee subject to the completion of a waste assessment.

Review Committee Recommendation: Continuation of *The Community Salvage Licence (CSL)* and *Salvage Non-Renewable Forest Licence (SNRFL)*

This Committee supports the continuation of *The Community Salvage Licence (CSL)* and *Salvage Non-Renewable Forest Licence (SNRFL)* as they currently exist in legislation and should be used where appropriate to meet the goals of the small-scale salvage program.

Review Committee Recommendation: All species of timber should be included for salvage opportunities

All species of timber should be included for salvage opportunities.

A reasonable incidental volume of standing green harvest may be necessary to access a salvage site.

Review Committee Recommendation: The pricing formula (stumpage) should reflect the appropriate value of wood supply and market demand

Pricing:

This committee recommends that the pricing formula (stumpage) should reflect the appropriate value of wood supply and market demand. A pricing model needs to be developed to take advantage of that revenue potential. Stumpage can be an integral tool for district managers to establish a sustainable salvage program as well as re-enforcing the province's market pricing strategy.

The committee recommends the Ministry of Forests adhere to the following principles when developing the pricing model:

- Fair and reasonable
- Recognize the value of each log and species
- Be simple and easy to understand
- Reflect costs accepted by salvager
- Reflect access to larger volumes on a sliding scale

In addition to these pricing principles, the Committee supports having the administration of the salvage program operate on a cost recovery basis by district. The success of each district program should be evaluated on an annual basis.

Salvage sites larger than 1 (one) hectare that require reforestation must have silviculture costs included in stumpage paid.

While the pricing formula will be determined by the Ministry of Forests, this Committee recommends that the Ministry of Forests staff report back to the Committee on the development of a pricing model prior to implementation.

Review Committee Recommendation: The permit process should be streamlined and timelines established to provide an expedient response

Program Administration:

This committee recommends that the permit process should be streamlined and timelines established to provide an expedient response. Salvagers need a quick decision to prepare a proper business and salvage plan. The committee recommends the following process:

Stage 1

- Upon receipt of a salvage application, Ministry of Forests staff will confirm that the area is public, not tied to an area-based tenure and

does not have any pre-existing applications or cutting permits. This process does not require a site visit. Ministry of Forests staff will assign rights of harvest to the applicant subject to fulfilling the requirements of the *Forest and Range Practices Act*.

The maximum number of working days between the date an application is submitted and a decision should be reduced to an absolute minimum - The Committee supports a limit not exceeding 10 (ten) working days. To achieve this, the Ministry of Forests should consider moving to an online application mechanism. By providing permitting services online, BC Access Centers would act as de facto forestry offices. This will greatly contribute to the efficiency of the small-scale salvage program as well as salvage operations. District Managers will be accountable for meeting performance benchmarks.

Review Committee Recommendation: A salvager should be given the option to employ a professional forester to develop the appropriate documentation for cutting permits

Stage 2

- After a salvage application is approved, the applicant will then be obligated to complete an application for a cutting permit within 60 (sixty) days or the assignment of harvest will expire. If deemed necessary by the District Manager, the salvager may also be required to submit a site plan in order to receive a cutting permit. To meet this requirement, the salvager should have 2 options:
 - *Option 1*
 - A salvage operator will submit an application to the Ministry of Forests and have it completed by the ministry staff. This does not change how current applications are processed. Ministry of Forests staff will process applications according to assigned responsibilities but will not be subject to the 60 (sixty) day timeframe.
 - *Option 2*
 - If the salvager chooses, they may employ a professional forester, as defined in the Foresters Act 2003, to develop the appropriate documentation for cutting permits. Once both the salvage plan and the salvage permit have been completed and approved by the professional forester, and after submitting the aforementioned documents to the Ministry of Forests, salvage operations may commence.

- Upon completion of harvesting operations, the professional forester will be required to complete a site inspection to confirm compliance and sanction a letter of completion.
- Stumpage may be reduced if Option 2 is selected

Ministry of Forests staff will perform final *Compliance and Enforcement* on randomly selected permits. The auditing process must be consistent with the *Forests and Range Practices Act*. Deposits will be returned within 30 (thirty) days of receipt of completion letter.

Review Committee Recommendation: The administrative responsibilities for the small-scale salvage program should remain under the authority of the Ministry of Forests

Despite the involvement of a professional forester, the Ministry of Forests shall retain authority to approve salvage applications, award cutting permits and perform auditing work following the completion of the salvage operation.

This Committee further recommends that the administrative responsibilities for the small-scale salvage program remain the authority of the Ministry of Forests.

Liability:

This committee recommends that if a small-scale salvager is permitted to begin salvage operations on Crown lands, that salvage operator must accept an appropriate level of liability. Any other holders of tenure should not be held liable for damages that arise as a result of salvage operations.

Review Committee Recommendation: The Ministry of Forests should work with the Ministry of Water, Land and Air protection to develop waste regulations and stumpage regulations that grant salvagers the option of milling salvaged timber on landings

The Ministry of Forests should work with the Ministry of Water, Land and Air protection to develop waste regulations and stumpage regulations that grant salvagers the option of milling salvaged timber on landings.

Review Committee Recommendation: A communication strategy should be developed to clearly outline the revised program to current and prospective salvage operators as soon a new policy is approved and prior to implementation

Communication:

This committee recommends that a communication strategy be developed to clearly outline the revised program to current and prospective salvage operators as soon a new policy is approved and prior to implementation.

Review Committee Recommendation: Road deactivation activities should be kept to a bare minimum and only performed for environmental and safety reasons.

Roads established in the Working Forest are an asset of the Province and should be left in a state that will allow for use by the salvage community. Deactivation activities should be kept to a bare minimum and only performed for environmental and safety reasons.

Review Committee Recommendation: The "Association of BC Professional Foresters" should hold members accountable for the accuracy of reports, plans and other documents that they would prepare specifically for Small Scale Salvage in BC.

The Ministry of Forests should request a revue and recommendation by the "Association of BC Professional Foresters" detailing how they will hold members accountable for the accuracy of reports, plans and other documents that they would prepare specifically for Small Scale Salvage in BC.

Review Committee Recommendation: Small Scale Salvage participants must register, pay an annual registration fee and sign a personal guarantee in order to participate in the Small Scale Salvage program.

Small Scale Salvage participants must register, pay an annual registration fee of \$200 and sign a personal guarantee in order to participate in the Small Scale Salvage program. Deposits will not be required for Salvagers who consistently meet or exceed the objectives of the "Forest and Range Practices Act".

Community Submissions - Appendix 1

Community	MLA
Mackenzie Vanderhoof Fort St. James Prince George	Pat Bell, MLA Prince George North Pat Bell, MLA Prince George North Pat Bell, MLA Prince George North Pat Bell, MLA Prince George North/Shirley Bond, MLA Prince George-Mount Robson
McBride / Valemont	Shirley Bond, MLA Prince George-Mount Robson
Merritt Lillooet	Dave Chutter, MLA Yale-Lillooet Dave Chutter, MLA Yale-Lillooet
Salmon Arm	George Abbott, MLA Shuswap
Penticton	Bill Barisoff, MLA Penticton-Okanagan Valley
Vernon	Tom Christensen, MLA Okanagan-Vernon
Clearwater	Kevin Krueger, MLA Kamloops-North Thompson
Kamloops	Kevin Krueger, MLA Kamloops-North Thompson/Claude Richmond, MLA Kamloops
Sunshine Coast Forest District (Location)	Harold Long, MLA Powell River-Sunshine Coast
Powell River	Harold Long, MLA Powell River-Sunshine Coast
Sechelt	Harold Long, MLA Powell River-Sunshine Coast
Port McNeill Campbell River	Rod Visser, MLA North Island Rod Visser, MLA North Island
Sandspit Queen Charlotte City Port Clements Masset Prince Rupert Stewart Bella Coola	Bill Belsey, MLA North Coast Bill Belsey, MLA North Coast Bill Belsey, MLA North Coast Bill Belsey, MLA North Coast Bill Belsey, MLA North Coast Bill Belsey, MLA North Coast Bill Belsey, MLA North Coast

Terrace	Roger Harris, MLA Skeena
Squamish	Ted Nebbeling, MLA West Vancouver-Garibaldi
Chilliwack	John Les, MLA Chilliwack-Sumas/ Barry Penner, MLA Chilliwack-Kent
Port Alberni	Gillian Trumper, MLA Port Alberni-Qualicum
Nanaimo	Mike Hunter, MLA Nanimo/Judith Reid, MLA Nanimo-Parksville
Burns Lake Smithers	Dennis MacKay, MLA Bulkey Valley-Stikine Dennis MacKay, MLA Bulkey Valley-Stikine
100 Mile House Anahim Lake Williams Lake	Walt Cobb, MLA Cariboo South Walt Cobb, MLA Cariboo South Walt Cobb, MLA Cariboo South
Midway	Sandy Santori, MLA West Kootenay-Boundary
Cranbrook	Bill Bennett, MLA East Kootenay
Nelson	Blair Suffredine, MLA Nelson-Creston
Revelstoke	Wendy McMahon, MLA Columbia River-Revelstoke
Golden	Wendy McMahon, MLA Columbia River-Revelstoke
Quesnel Williams Lake	Dr. John Wilson, MLA Cariboo North Dr. John Wilson, MLA Cariboo North