



# **Small Scale Salvage - Three Year Strategic Plan**

## **Addendum #1 - Silviculture Liabilities/Stumpage Levy**

### **1. Background**

The Small Scale Salvage Three Year Strategic Plan includes guidelines that limit operations to those that will not incur a silviculture obligation to the Crown or to the licensee.

These guidelines were based on the assumption that the small openings created under small scale salvage will reforest naturally. Salvage operations exceeding the thresholds and which trigger a free growing obligation were to be harvested under other tenures such as forest licences or under B C Timber Sales.

### **2. Revised Guidelines**

It is recognized that in limited situations, it may be appropriate forest management for small scale salvage operations to occur in areas that result in a clearcut larger than 1 hectare or result in residual stocking of selectively harvested stands being lower than the acceptable standards, therefore incurring a silviculture liability to the Crown or the licensee.

These revised guidelines are intended to address limited situations where there are compelling forest management reasons to do so, and where the areas will not be addressed by other existing major licensees or B.C. Timber Sales. It is not intended to provide a general overall increase in opportunities under the Small Scale Salvage Program.

This policy change is to be applied to small scale salvage under Forestry Licences To Cut (FLTCs); Salvage Non Replaceable Forest Licences (SNRFLs); and Community Salvage Licence (CSLs). However, clearcuts under a CSL remain limited under the *Forest Act* to areas less than 1 hectare.

## **A) Forestry Licences to Cut**

The Forest Planning and Practices Regulation (FPPR) imposes an obligation on the Crown to establish a free growing stand on areas that have been harvested under a FLTC where the harvested area is clearcut and when taken together with adjoining clearcut areas that are not occupied by a free growing stand exceeds 1 hectare in size. In addition, an obligation is imposed if the area is selectively harvested and the residual stocking is lower than the established standards.

Recent changes to the *Forest Stand Management Fund Act* and the Appraisal Manuals provide for a silviculture levy to be imposed on top of the stumpage to be collected and subsequent retrieval of funds from the FSMF to pay for activities required to meet the ministry's reforestation obligation.

The stocking standard may be set by the minister (DM) or default to the specifications for the applicable silvicultural system and biogeoclimatic ecosystem classification in the Ministry of Forests' publication, Reference Guide for Forest Development Plan Stocking Standards.

While the mechanism to provide funding to fulfil an obligation has been established, no additional FTEs have been approved to accomplish the tasks. District must rely on current staffing and contractors to fulfil any silviculture obligations.

### **Silviculture Levy on Forestry Licences to Cut**

Section 6.7 of the Interior Appraisal Manual and Section 7.5.1 of the Coast Appraisal Manual (Jan. 1, 2005), provides for a basic silviculture levy to be added to reserve stumpage rates where Crown expenditures are anticipated to achieve silviculture (free growing) obligations. Therefore, for a FLTC, a silviculture levy may be added to the stumpage rate for those licences that result in a silviculture obligation being imposed on the Crown.

The silviculture levy is to be equal to the district managers cost estimate of basic silviculture liability (achieve free growing) plus any other direct or indirect costs that would be incurred by the Crown. This gives the district manager full discretion as to the size of the levy to impose. For the interior, the Basic Silviculture Costs (\$/m<sup>3</sup>) as detailed in the Comparative Value Pricing (CVP) Quarterly Parameters should be considered. For the Coast the basic silviculture costs detailed in Table 5-7 should be considered.

As per Section 6.4 of the Interior Appraisal Manual, a FLTC that result in a clearcut of greater than 1 hectare is not eligible for the Stumpage Rates for Salvage Timber.

### **Forest Stand Management Fund**

The silviculture levy will be collected as part of the stumpage payments and it will be deposited into the Small Scale Salvage Sub Account of the Forest Stand Management Fund.

Districts and regions must ensure that the silviculture levy is identified in the General Appraisal System in order to track the funding to be deposited into the FSMF. Provincial reports will be generated periodically that identify the levies collected to date. Subsequent transactions (journal vouchers) at the headquarters level will transfer the appropriate funds from general revenue to the FSMF. Deposits to and withdrawals from the FSMF will be managed at the district level through responsibility codes. District will have the ability to manage the fund at the project level through project numbers.

Districts will not be able to spend more than what they have collected under silviculture levies.

## **B) Salvage Non-Replaceable Forest Licence (SNRFL)**

Salvage operations under a SNRFL have been restricted through policy to operations that do not incur a silviculture obligation. In most cases, it will be a licence condition to receive the district manager's approval prior to undertaking operations that result in a silviculture obligation to the licensee.

Under this new directive, SNRFLs should continue to be considered as an appropriate tenure to harvest timber where a silviculture obligation will be incurred (on the licensee) and where there are compelling forest management reasons to do so.

FPPR imposes a silviculture obligation for areas clear cut under a SNRFL unless exempted by the district manager under Section 91(1) of FPPR. It is generally expected that harvesting under a SNRFL will be exempted from a free growing obligation if the operations result in a clearcut less than 1 ha.

Section 44 (3), (4) of FPPR exempts operations under a SNRFL from free growing obligations for selective harvesting obligations if operations conform to the applicable stocking standards.

Like any other NRFL holder, the holder of the SNRFL is eligible to transfer the obligations to the Ministry of Forests along with sufficient funds to complete the silviculture work. This process uses a different sub account of the Forest Stand Management Fund. In addition, the obligations may now be transferred to a third party under Section 29.1 of FRPA.

## **C) Community Salvage Licence (CSL)**

The *Forest Act* restricts operations under a CSL to clearcuts that are less than 1 hectare. Therefore, FPPR does not impose any silviculture obligation onto a CSL with respect to clearcut operations. No change is anticipated to this policy in the near future as it requires an amendment to the *Forest Act*.

Section 46.1 of FPPR imposes a silviculture obligation onto the CSL holder in the cases where the stocking of a selectively harvested stand falls below the established standards.

### 3. Other Considerations

The following sections of FPPR should be considered as part of ongoing small scale salvage operations:

Section 1 of the FPPR defines “net area to be reforested” as the portion of a cutblock that remains after the following have been excluded:

- (a) areas occupied by permanent access structures;
- (b) any of the following that are identifiable on a map of a scale 1:10 000:
  - (i) areas that, in their natural state, are not capable of supporting a stand of trees that could meet the stocking standards that might otherwise apply, such as areas of rock or wetland;
  - (ii) areas of non-commercial forest cover that exist before timber harvesting;
  - (iii) areas reserved from timber harvesting.

Specific attention is drawn to Section 2(b)(i), which states that the net area to be reforested excludes non-productive areas. For small scale salvage operations, an example would include an area that has been subject to a severe fire. There may be some salvageable trees remaining, but the fire has removed the soil to the extent the site has become non-productive. In this scenario, the area would not meet the definition of net area to be reforested and therefore salvage harvesting would not trigger a free growing obligation.

Under Section 91(2) of FPPR, the minister may exempt a person from the requirements of Section 29 (*free growing stands*) 46 and 46.1 of FPPR if the minister is satisfied that it is not practicable, given the circumstances or conditions applicable to a particular area.

There may be situations where the low value and/or volume of a timber involved in a proposed salvage operation would render the licence uneconomical if a silviculture levy was added. However, there may be compelling reasons from a forest management perspective to salvage the timber (e.g. visuals, high risk of blowdown which could lead to environmental impacts, increased forest health risks, hazard abatement, etc.). In these cases, the district manager may choose to use the exemption provision above to enable salvage harvesting of these areas, while not incurring a silviculture liability. Subject to available funding, these areas would be eligible for discretionary silviculture funding.



Approved

04.12.21

Date