CHANGES FOR CATEGORY 2 BC TIMBER SALES REGISTRANTS

VICTORIA – BC Timber Sales today announced changes that will increase fairness for individuals and corporations registered in Category 2.

On April 13, the Minister of Forests approved changes to how Category 2 registrants are handled under BCTS. As stipulated in the BC Timber Sales Regulation, Category 2 registrants are those who own or lease a timber processing facility and otherwise meet the requirements for registration in that category. The changes will be announced by a letter from the Assistant Deputy Minister, BC Timber Sales to current Category 2 registrants. Information regarding the changes will also be posted on the BCTS web site and be further communicated via a tender package insert for upcoming Category 2 timber sales.

The changes are three-fold:

- Re-introducing a manufacturing clause as an obligation of newly awarded interior timber sales licences (TSLs) in which eligibility to compete is restricted to Category 2 registrants.
  - For the next 2 years, interior BCTS business areas will, as soon as is practicable, begin incorporating a minimum 50 per cent mandatory processing requirement in all newly auctioned TSLs in which eligibility to compete is restricted to Category 2 registrants. This approach is consistent with historic practices. Depending on an assessment of local factors, including historic log trade ratios, some business areas may choose to increase the processing requirement above the 50 per cent threshold. This temporary measure will complement government’s ongoing commitment to ensure that active participants registered in this category that have historically accessed volume through bid proposal TSLs sold under the defunct Small Business Forest Enterprise Program, can continue to do so under BC Timber Sales until all elements of the Forestry Revitalization Plan are fully implemented.

- Slightly increasing the amount of volume made available to Category 2 registrants by directing a small portion of additional BCTS volume attributable to beetle uplifts.

- BC Timber Sales will continue to auction approximately 2 900 000 m³/year on a restricted eligibility basis to Category 2 registrants. Small amounts of additional volume may also be directed to this group (a total of 80 000 to 150 000 m³/year) in all those interior BCTS business areas affected by the mountain pine beetle.

- Asking the Timber Sales Advisory Council (TSAC) for advice on whether or not to allow new registrants into Category 2.

- Given the complexity of the issue, TSAC will be asked to investigate and make recommendations to BC Timber Sales as to whether or not to lift the current freeze on new registrations in Category 2.

Since market-based pricing has yet to be introduced in the Interior and the timber reallocation process is not yet complete, smaller firms do not yet have access to timber volume that was
originally envisioned when the Forestry Revitalization Plan was introduced in March 2003. Market-based pricing was introduced on the Coast in February 2004; but introduction in the Interior has been delayed because of the softwood lumber dispute.

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