October 6, 2009

BC Timber Sales Registrants

Dear BC Timber Sales Registrant:

Through this letter, I wish to inform you of the progress that BC Timber Sales (BCTS) has been making in the use of lump sum Timber Sale Licences (TSLs).

You may recall that, as per the attached September 2008 news release, BCTS has been piloting the use of lump sum TSLs (i.e., cruise-based TSLs that rely on a lump sum bonus offer instead of a per cubic metre bonus bid) throughout the province with the aim of:

- Exploring more effective and innovative ways of marketing timber; and,
- Complementing efforts by industry and other divisions of the Ministry of Forest and Range to address the Mountain Pine Beetle crisis by capturing residual fibre values, reducing urban fire interface impacts and returning affected areas to a productive growing forest.

Since the pilot began more than a year ago BCTS has advertised more than 50 lump sum TSLs many of which were sold and on which harvesting has commenced. Given the success of the initiative, I now expect that BCTS will employ lump sum TSLs in various forms more frequently throughout BCTS. As such, and in an effort to enhance your understanding of some of the key features of these types of TSLs, I have attached a Question and Answer document for your information.
BC Timber Sales Registrants

Should you have further questions regarding the lump sum TSLs, please contact your local timber sales office in one of the 12 locations around the province.

Yours truly,

[Signature]

Peter Jacobsen  
Director, Business Operations  
BC Timber Sales Headquarters

Enclosures:

2. September 30, 2009 Cruise-based/Lump Sum TSL Questions & Answers

cc: Dave Peterson, Assistant Deputy Minister, BC Timber Sales  
Mike Falkiner, Director Operations, BC Timber Sales  
Murray Stech, Director, Revenue Branch  
Dianne Medves, Director, Forest Practices Branch  
All Regional Executive Directors  
All District Managers  
All Timber Sales Managers  
BCTS Headquarters Policy Department