

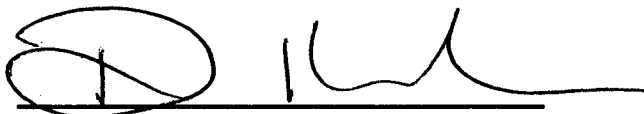
# REVIEW

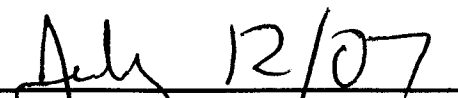
## Small Scale Salvage Three Year Strategic Plan (2004/05 – 2006/07)



May 15, 2007

### Resource Tenures and Engineering Branch and Operations Division

  
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Approved

  
\_\_\_\_\_  
Date July 12/07

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## **EXECUTIVE SUMMARY**

This review provides the Ministry of Forests and Range (MOFR) executive with a report on the ministry's success in meeting the objectives and goals identified in the Three-Year SSS Strategic Plan (the "plan"), the completion of the 2006/07 SSS Action Plan items and recommendations for future direction for SSS in the MOFR.

During the term of the plan, SSS tenures were salvage forestry licences to cut (FLtC), salvage non-replaceable forest licences (SNRFLs) and community salvage licences (CSLs).

SSS FLtC volumes sold in 2004/05 were 0.7 million m<sup>3</sup>, in 2005/06 were 1.9 million m<sup>3</sup> and in 2006/07 were 1.2 million m<sup>3</sup>.

SSS is now one of the core functions of ministry as FTEs and dollars are integrated into Resource Tenure's BA No. 7 with three Internal Performance Measures (IPM) in MAX.

Most objectives and goals of the Three-Year SSS Strategic Plan and the 2006/07 SSS Action Plan items have been met and the rest are being worked on.

### **Recommendations:**

1. MOFR complete all the outstanding 2006/07 SSS Action Plan items as soon as possible. They are: SSS volume targets based on resources, add good forest stewardship to next Three Year Plan, assert worker safety, develop a registration/certification system, improve overall program management, and review options for small size tenure opportunities.
2. RTEB/Operations Division prepare a new "rolling" Three-Year SSS Strategic Plan with emphasis on the 1<sup>st</sup> year of the plan
3. Operations Division set maximum volumes for SSS yearly. 1 000 000 m<sup>3</sup> has been approved provincially for SSS and IS FLtC in 2007/08.
4. Ministry maintain current direction for not issuing any more CSLs.
5. Operations Division manage SNRFLs up to set maximum volume/year (500 000 m<sup>3</sup>).
6. RTEB/Operations Division prepare a review of SNRFL tenures to date.
7. RTEB/Operations Division review apportionment issues for SSS, CSLs and SNRFL volumes.
8. Executive review IS FLtC pilot and decide how to proceed as soon as possible.
9. Operations Division use Business Analysis Initiative (BAI) process for requests for SSS FTEs and resources (new or reprioritised).

10. RTEB/Operations Division works with Aboriginal Affairs Branch on SSS First Nation consultation and direct tenure award issues.
11. Assistant Deputy Minister Operations to send memo to ministry operation's staff for clarification of SSS future attaching final copy of this review.
12. RTEB/Operations Division to look for synergies between other program initiatives and SSS tenures, (e.g. Protection).
13. The Provincial BA 7 Team review and update the SSS IPMs to reflect the current direction of SSS FLtCs that the tenure is now another function in the Tenure's Business Area.

### **Conclusions:**

The ministry staff have worked hard to accomplish the objectives and goals in the Three-Year SSS Strategic Plan. The majority of 2006/07 SSS Action Plan items have been met or are being worked on. SSS is now a regular function in the Resource Tenures Business Area No. 7.

# **REVIEW OF SSS THREE YEAR STRATEGIC PLAN**

## **PURPOSE**

This review provides the Ministry of Forests and Range (MOFR) executive with a report on:

- the ministry's success in meeting the objectives and goals in the Three-Year SSS Strategic Plan (the "plan");
- the completion of the 2006/07 SSS Action Plan items; and
- recommendations for the future direction for SSS tenures in the MOFR.

The report can also act as a source document for any reporting on SSS required by Treasury Board.

## **INTRODUCTION**

The plan (Appendix 1) was approved in July 2004 by the ADM, Operations Division, and was "...intended to present ministry staff and small-salvage clients the goals and strategies to achieve the stated objectives." SSS tenures are: salvage Forestry Licences to Cut (FLtC), Salvage Non-Replaceable Forest Licences (SNRFL) and Community Salvage Licences (CSL).

In February 2006, an independent consultant prepared an evaluation of the MOFR SSS Program (Appendix 2) that included 26 recommendations.

The deputy provided interim direction to Operations Division for SSS in his memo of May 12, 2006 (Appendix 3). The ministry then prepared a 2006/07 Action Plan (Appendix 4) for SSS based on his directions in order to meet the plan's objectives.

This report will present the status of the plan's objectives and goals, list the status of the 2006/07 Action Plan items, plus provide recommendations for the future of SSS in the MOFR.

## STATUS OF OBJECTIVES AND GOALS FROM MOFR THREE-YEAR SSS STRATEGIC PLAN

### Objectives:

- Harvest and utilize small volumes of timber that are dead and/or in danger of being significantly reduced in value, lost or destroyed and would otherwise not be harvested.

*Status: Objective met. SSS FLtC volumes sold in 2004/05 was 0.7 million m<sup>3</sup>, in 2005/06 was 1.9 million m<sup>3</sup> and in 2006/07 was 1.2 million m<sup>3</sup>.*

- Reduce the spread of insects and disease and contribute to forest management.

*Status: Objective partially met. In leading edge MPB attacked areas, and other insect and disease affected areas, significant volumes of damaged timber have been harvested. SSS FLtCs are no longer used in the management of the MPB epidemic.*

- Provide employment and business opportunities for small independent operators and communities.

*Status: Objective met. Approximately 800 SSS FLtC sold in 2006/07.*

- Ensure a cost-effective program that contributes to government revenues.

*Status: No readily available measurement in CAS or MAX for specific vote dollars expended in SSS operations. May 12, 2006 memo from Deputy directed that resources must be used effectively. Also, SSS Professional Applications (PA) are encouraged as there are very cost effective. SSS stumpage revenues for 2006/07 are approximately \$15 million and 2005/06 were similar, however, tracking specific SSS \$ in HBS is difficult.*

- Recognize and meet government's objectives with respect to coarse woody debris.

*Status: Benchmarks still in place. CWD guidelines have not been approved to date.*

- Reduce forest fire hazard by reducing the dead and down fuel load.

*Status: No objective measurement system found to date? District SSS Strategic Plans target this material. Other MOFR programs such as Community Interface Protection Program, Right of Way harvesting, Hydro transmission corridor logging, etc. target wildfire hazards.*

## **Goals:**

1. Increase the volume of timber that is issued under licences and that is available for salvage operators from the level experienced in 2003/04. The volume issued under small-scale salvage licences during 2003/04 is estimated at 500 000 m<sup>3</sup>.

*Status: Goal met. 1.9 million m<sup>3</sup> of SSS FLtCs sold in 2005/06.*

2. Significantly increase the number of licences issued under professional applications for FLtC and decrease the number of licences issued under conventional applications.

*Status: Goal met. MAX reports 85 percent of SSS FLtC are PAs in 2006/07.*

3. Improve the monitoring and reporting of small-scale salvage accomplishments.

*Status: Goal met. Three IPMS in MAX, ¼ 'ly reporting to OLT, FTA, etc.*

4. Resolve outstanding issues and policy questions regarding small scale salvage.

*Status: Ongoing. Consultant's report, Deputy's May 12, 2006 memo to ADM and REDs, CF/ADM Silv levy memo to DMs, SSS TA in Operations Division, OLT presentations, provincial and regional SSS meetings, CCalls, etc.*

## STATUS OF 2006/07 SSS ACTION PLAN ITEMS

1. Provide executive direction that confirms the continuation of the Small-Scale Salvage Program, but that it should be used judiciously in MPB epidemic areas.

*Status: Action completed. Direction in Deputy's May 12, 2006 memo sent to ADM, Operations and REDs.*

2. Targets for 2006/07 should be based on the resources allocated to the program and additional resources should not be borrowed from other priorities to meet client demand.

*Status: Direction in Deputy's May 12, 2006 memo sent to ADM, Operations and REDs.*

3. Confirm the continued use of the professional application process.

*Status: Action completed. MAX reporting 85 percent SSS PAs as of March 31, 2007.*

4. Amend the Three-Year Strategic Plan to include an objective of good forest stewardship.

*Status: Not amended. Deputy's memo sent to ADM Operations and REDs advising as such. Will add to next Three Year SSS Strategic plan.*

5. Assert worker safety as a key objective of the program.

*Status: Ongoing. RTEB and Operations Division staff reviewing safety issues with MAG.*

6. Develop a registration/certification system to ensure safe and qualified companies and high quality forest management.

*Status: Ongoing. May be affected by IS decision?*

7. Review the policy that all openings under 1 hectare are not tracked or managed.

*Status: Completed. Bf note to CF/ADM, Operations Division and resultant memo providing direction on Silviculture levy for < 1 hectare openings and use of RESULTS tracking sent to DMs effective April 1, 2007.*

8. Discontinue inviting applications for CSLs.

*Status: Completed. Deputy's May 12, 2006 memo sent to ADM, Operations Division and REDs advising no more CSLs.*

9. Implement a number of initiatives to improve overall program management (i.e. review performance measures; identify and monitor all benefits/costs).

*Status: Partly completed. SSS volumes sold/billed FTA report, MAX report, CAS report, HBS report are available but it is difficult to confirm specific SSS numbers?*

10. Promote synergies between small-scale salvage and other ministry priority areas of business such as right-of-way hazard reduction (hydro lines: forest roads) and community interface hazard reduction operations.

*Status: Completed. RTEB and Operations Division working with BC Hydro, CIPP approved, R/Way MPB hazard issues worked on, etc.*

11. Review options for providing small sized tenure opportunities (not small-scale salvage).

*Status: Partly completed. ISWG piloting IS FLstC. BCTS selling smaller TSLs some of which may be salvage, CIPP tenure, etc.*

12. Develop a consistent approach for district level strategic plans.

*Status: Completed. Deputy's May 12, 2006 memo directed all districts to have SSS Strategic Plans available for review by SSS operators by June 15, 2006.*

## **SUMMARY OF CURRENT SSS SITUATION IN MOFR**

SSS volumes sold have now returned to more manageable historical levels from a high in 2005/06 of approximately 1.9 million m<sup>3</sup>.

SSS is now part of the core function of the ministry as FTEs and dollars are integrated into Resource Tenure's BA No. 7 with three IPMs in MAX.

Most objectives and goals of the Three-Year SSS Strategic Plan have been met. Most 2006/07 Action Plan items have been met and the rest are being worked on. Branch, region and district SSS staff are committed to managing this initiative.

SSS client interest has decreased as poor lumber markets have temporarily affected purchase log pricing. Demand will probably increase when lumber markets improve?

CSLs have not worked out as planned and client demand is low.

SNRFLs have worked well and client demand is high.

IS FLtCs are being piloted in select interior districts but uptake has been variable. A decision on how to proceed with this tenure is expected in Summer 2007.

Other salvage tenures initiatives are BCTS small TSLs, CIPP FLtCs, BC Hydro R/Ways, Forest Service Road R/Ways, Fencelines, etc.

There is no formal apportionment for SSS, SNRFLs, CSLs, and IS in almost all TSAs as yet. RTEB is working on this issue in conjunction with an overall review of apportionment policies and procedures.

## RECOMMENDATIONS

1. MOFR complete all the outstanding 2006/07 SSS Action Plan items as soon as possible. They are: SSS volume targets based on resources, add good forest stewardship to next Three Year Plan, assert worker safety, develop a registration/certification system, improve overall program management, and review options for small size tenure opportunities.
2. RTEB/Operations Division prepare a new “rolling” Three-Year SSS Strategic Plan with emphasis on the 1<sup>st</sup> year of the plan
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13. The Provincial BA 7 Team review and update the SSS IPMs to reflect the current direction of SSS FLtCs that the tenure is now another function in the Tenure’s Business Area.

## CONCLUSIONS

Ministry staff has worked hard to accomplish the objectives and goals in the 2004/05-2006/07 Three-Year SSS Strategic Plan.

The majority of 2006/07 SSS Action Plan items have been met or are being worked on.

SSS is now a regular function in the Resource Tenures Business Area No. 7.

# APPENDICES

1. Small-Scale Salvage Three-Year Strategic Plan (2004/05 – 2006-07)
2. SSS Evaluation Report (February 2006)
3. Deputy Minister SSS memo to Operations Division staff (May 12, 2006)
4. 2006/07 SSS Action Plan (June 8, 2006)
5. Estimated SSS FLtC and SNRFLs volumes sold and \$ billed by region (2004/05-2006/07)