

A Quick Reference: British Columbia's Timber Tenure System

Timber tenure agreements prescribe how and to whom rights to timber will be awarded, and for what compensation and responsibilities.

Almost two-thirds of British Columbia—some 60 million hectares—is forested land.

About 95% of this area is public land, where the Crown retains full title to the productive capacity of the land, occupant wildlife, and water associated with the forest.

The Crown transfers specific rights to use Crown forest land and its resources through various tenure agreements. The form, extent, and duration of these rights and attendant management responsibilities varies with each tenure agreement.

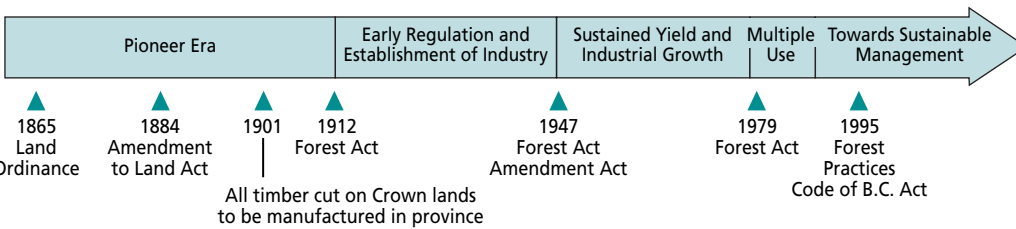
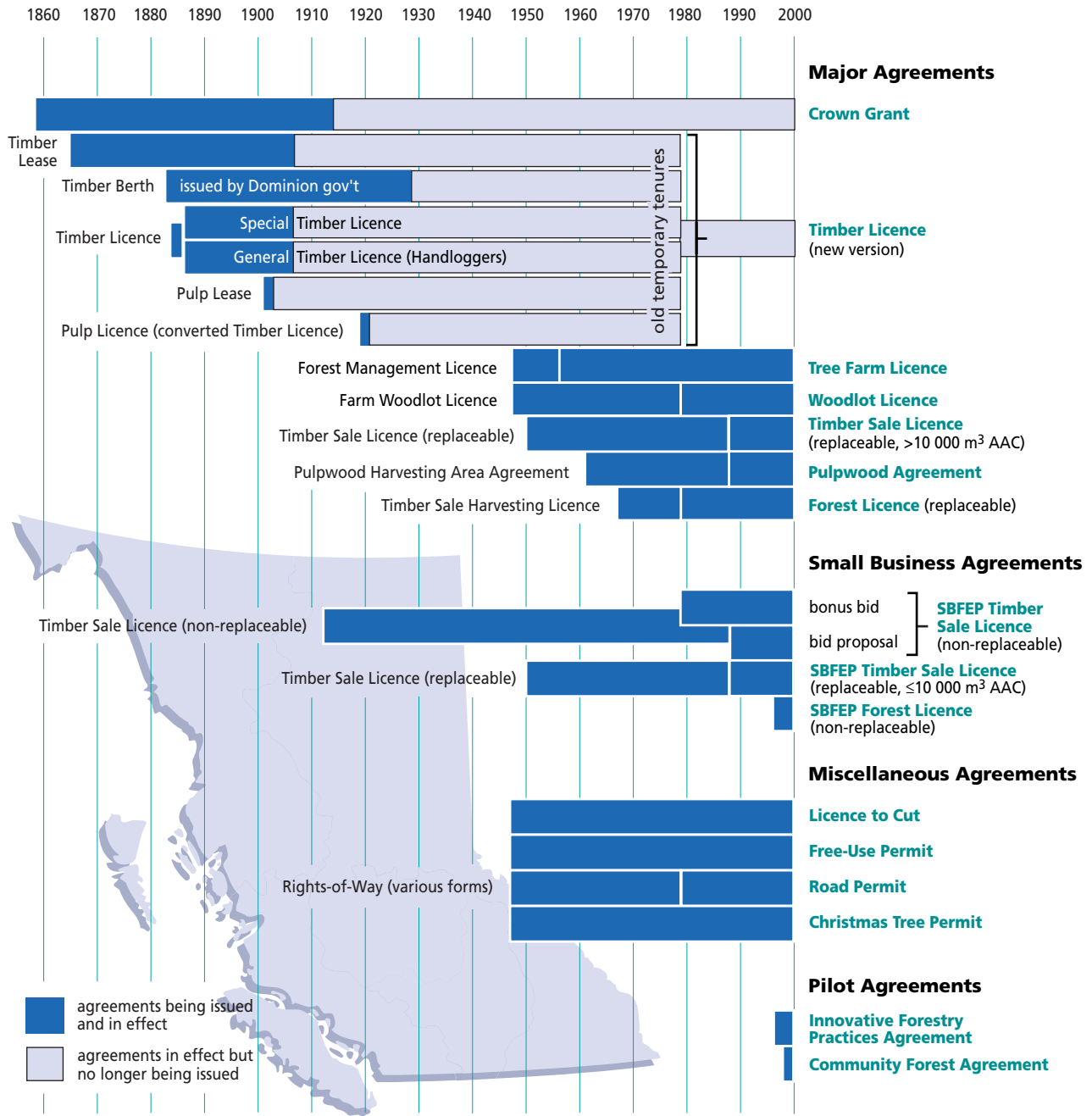
Timber tenure agreements prescribe how and to whom rights to timber will be awarded, and for what compensation and responsibilities. A variety of other tenures, permits, and licences for activities such as hunting, guiding, grazing, water use, and energy and mineral exploration and development overlap timber agreements.

British Columbia's timber tenure system has evolved over a period of about 130 years, largely shaped by government's early goal to establish a world-competitive timber processing industry as a major engine of provincial economic growth. Tenure agreements introduced in recent years have targeted new clients, such as small business and communities, and new objectives including biodiversity and ecosystem management.

This document charts the evolution of early agreements into existing ones, and describes the intent and attributes of the 16 timber agreements in effect today.



Chronology of Timber Agreements in British Columbia



Agreement Forms

Major Agreements

Crown Grant

From the early 1800s to 1865, Crown Grants were the major means of allocating Crown timber. A Crown Grant is the legal instrument by which ownership of Crown land is transferred to private ownership.

Timber Licence (TL)

TLs were implemented in 1979 under the *Forest Act* to replace an array of "old temporary tenures." TLs convey exclusive rights to harvest merchantable timber ("trees that were 75 years old on Jan. 1, 1975") from a specified area of Crown land. TLs that are part of a tree farm licence (TFL) are managed in accordance with the approved TFL management plan. For TLs not in a TFL, the licensee is responsible for protection, operational planning, road building, and reforestation. When a TL expires (after harvest and reforestation), the TL area either remains within the TFL or is added to a timber supply area (TSA).

Tree Farm Licence (TFL)

TFLs convey the nearly exclusive right to manage forests and to harvest an allowable annual cut (AAC) of Crown timber from the licence area, which may be comprised of private and Crown lands. TFLs carry the greatest management responsibilities, including protection, maintaining resource inventories, strategic and operational planning, road building, and reforestation. Most TFLs require the licensee to maintain a manufacturing facility. Licensees must use logging contractors for part of the volume harvested during a calendar year. TFLs have a term not exceeding 25 years and are replaceable every 5 years.

Woodlot Licence (WL)

WLs are similar to TFLs in composition (private and Crown land), exclusive rights (to manage forests and to harvest an AAC), and responsibilities (protection, management plan, reforestation). In view of their smaller size—400 ha Crown land on the coast, 600 ha in the interior—WLs have streamlined planning, cut control, and operational requirements. WLs are issued to individuals, native bands, and small corporations. WLs have a term not exceeding 20 years and are replaceable every 10 years.

Timber Sale Licence (TSL)

The "major licence" form of the TSL, with an AAC >10 000 m³, conveys the right to annually harvest timber within a TSA, under cutting permits. The licensee is responsible for protection, planning, and reforestation activities. Major TSLs have a term not exceeding 10 years and most are replaceable on expiry.

Pulpwood Agreement (PA)

A PA grants a conditional right to harvest "pulp-quality timber" if the holder is unable to obtain sufficient suitable, reasonably priced furnish for its mill. The PA holder is required to construct and maintain a manufacturing facility (e.g., pulp mill, oriented strand board mill).

The PA holder must obtain a non-replaceable TSL to harvest timber from Crown land in the pulpwood area. The TSL specifies a maximum annual volume of timber. Under the TSL, the PA holder is responsible for protection, planning, and reforestation activities. PAs have a term not exceeding 25 years. All existing PAs are non-replaceable.

Forest Licence (FL)

FLs convey the right to harvest an annual volume of timber within a TSA, under cutting permits. The licence has substantial management responsibilities including protection, operational planning, road building, and reforestation. Most FLs require the licensee to maintain a timber processing facility. Licensees may be required to use logging contractors for part of the volume harvested during a calendar year. Most FLs have a term of 15 years and are replaceable every 5 years.

Small Business Agreements

The Small Business Forest Enterprise Program (SBFEP) provides small business loggers and owners of small sawmills and independent manufacturing facilities access to Crown timber through TSLs and non-replaceable FLs. New SBFEP TSLs are awarded competitively through bonus bids (highest bid above an upset price of \$/m³ of timber) or bid proposals (evaluated against criteria such as employment, increment of value added, revenue generated). Applicants for FLs must submit a proposal.

SBFEP non-replaceable TSLs vary greatly in volume and term. They may convey rights to all timber within the licence area, or specify the maximum volume that may be cut.

Replaceable TSLs convey rights to AACs of ≤10 000 m³, have a maximum term of 10 years, and are replaceable within one year before expiry. The ministry is not currently offering new replaceable TSLs. On most SBFEP TSLs, the ministry does the planning, development (including main access construction), and reforestation. The licensee is normally responsible for protection, harvesting, and minor road construction.

SBFEP non-replaceable FLs generally have a term of 10 years. They may require the licensee to construct or maintain a remanufacturing facility, and to create or maintain jobs. The licensee is responsible for most of the protection, planning, access development, and silviculture.

Miscellaneous Agreements

A **Licence to Cut** is issued where a person has the legal right to occupy Crown land, but not to harvest timber (e.g., roads for geophysical exploration, development of well sites or pipelines).

A **Free Use Permit** conveys the right to remove minor volumes of Crown timber for purposes including personal use (e.g., firewood, Christmas tree, traditional or cultural activity), developing land for agriculture, and using timber to develop a mining claim.

A **Road Permit** authorizes the construction or modification of a forest road (which may include harvesting of Crown timber) to facilitate access to Crown timber.

A **Christmas Tree Permit** authorizes an individual to grow and harvest Christmas trees on a specified area of Crown land for commercial purposes.

Pilot Agreements

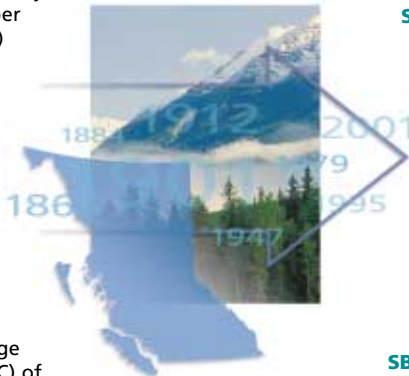
Innovative Forestry Practices Agreement (IFPA)

The IFPA was introduced in 1996 to encourage and test new forest practices that improve forest productivity. An IFPA is superimposed on designated existing major replaceable volume-based licences. It offers holders an opportunity to increase their allocated harvest levels. By September 2001, seven IFPAs had been issued, including six pilots and one non-pilot agreement. IFPAs have a term not exceeding 15 years, and are primarily directed towards holders of FLs.

Community Forest Agreement (CFA)

The CFA was introduced in 1998 to provide new opportunities for community management of Crown forest land. By September 2001, ten CFA pilots had been issued. The CFA conveys exclusive rights to harvest timber, through cutting permits, from the Crown land portion of the community forest. It may convey rights to harvest, manage, and charge fees for botanical forest products or other prescribed products in the community forest. The CFA requires public consultation, a management plan, audits, and performance reports on community forest activities.

The CFA has a probationary period of 5 years before the assessment to award a long-term CFA with a term of 25–99 years. The long-term CFA is replaceable every 10 years.



Agreement Attributes

Agreement	Resource Rights	Duration	Transferability	Area or Volume	Revenue to Government	Major Responsibilities	Processing Requirement
Timber Licence	exclusive ^e right to harvest merch. timber in specified area of Crown land	variable; not replaceable once timber is removed	ministerial consent (5% of standing timber value payable)	area	stumpage, annual rent	protection, operational planning, road building, reforestation	rarely
Tree Farm Licence^a	exclusive ^e right to harvest timber and manage forests in a specified area	25 yr; replaceable every 5 yr	ministerial consent (5% of AAC reverts to Crown)	area	stumpage, annual rent	protection, inventory, 5-yr mgmt. plan, operational planning, road building, maintain facility, reforestation	usually
Woodlot Licence^a	exclusive ^e right to harvest timber and manage forests in a specified area	20 yr; replaceable every 10 yr	ministerial (or designate) consent	area	stumpage, annual rent, bonus offer	protection, inventory, mgmt. plan, operational planning, road building, reforestation	limited production when authorized
Timber Sale Licence^b (replaceable >10 000 m ³ AAC)	AAC in specified timber supply area	≤10 yr; replaceable every 10 yr	ministerial consent (5% of AAC reverts to Crown)	volume	stumpage, annual rent	protection, operational planning, road building, reforestation	rarely
Pulpwood Agreement	harvest pulp-quality timber where other sources are insufficient	25 yr	ministerial consent	volume	stumpage	protection, operational planning, road building, maintain pulp timber processing facility, reforestation	always
Forest Licence (replaceable)	AAC in specified timber supply area	≤20 yr; replaceable every 5 yr	ministerial consent (5% of AAC reverts to Crown)	volume	stumpage, annual rent	protection, operational planning, road building, maintain facility, reforest'n	usually
SBFEP Timber Sale Licence^b (non-replaceable)	exclusive ^e right to harvest an estimated volume from a specified area of Crown land	≤10 yr; most 1–5 yr	ministerial consent	area	stumpage, bonus bid, bonus offer	protection	sometimes
SBFEP Timber Sale Licence (replaceable ≤10 000 m ³ AAC)	AAC in specified timber supply area	≤10 yr; replaceable every 10 yr	ministerial consent (5% of AAC reverts to Crown)	volume	stumpage	protection	rarely
SBFEP Forest Licence (non-replaceable)	AAC in specified timber supply area	≤20 yr; most 10 yr, some 5 yr	ministerial consent	volume	stumpage, bonus offer, annual rent	protection, operational planning, road building, sometimes reforestation	usually
Licence to Cut	harvest Crown timber on land tenures (e.g., mines)	≤3 yr	n/a	area	stumpage	n/a	n/a
Free Use Permit	harvest minor quantities of Crown timber (e.g., firewood)	≤1 yr	n/a	area or volume	none	n/a	n/a
Road Permit	construct or modify a forest road to access Crown timber	n/a	n/a	area	stumpage	n/a	n/a
Christmas Tree Permit	grow and/or harvest Christmas trees (commercial)	≤10 yr	n/a	area	deposits, fees, and rates as prescribed	n/a	n/a
Innovative Forestry Practices Agreement^c	opportunity to increase harvest on specified landbase	≤15 yr	ministerial consent	area	as per licence(s) in IFPA	as per licence(s) in IFPA	as per licence(s) in IFPA
Community Forest Agreement^{a,d}	exclusive ^e right to occupy a specified area, harvest timber, and manage forests; may include rights to harvest, manage, and charge fees for botanical forest products	5-yr probation prior to award; 25–99 yr; replaceable every 10 yr	ministerial consent	area	stumpage, annual rent	protection, public consultation, management plan, performance audits, reforestation	n/a

^a Crown land portion of these licences.

^b SBFEP non-replaceable TSLs take two forms: competitive bids and bid proposals.

^c IFPA applies to existing major replaceable volume-based licences such as FLs.

^d CFA area may include Indian reserve or private land in addition to Crown land.

^e Subject to provisions under the *Forest Act*.