

INFORMATION BULLETIN

ISSUE: Excess Harvest Penalties on Short-Term Licences

The purpose of this bulletin is to provide guidance to regional managers and district managers regarding suggested tenure administration strategies that could be employed to reduce occurrences of excess harvest penalties on Forestry Licence To Cut.

The *Forest Act* requires that when the volume of timber harvested exceeds the volume specified in the licence, the licensee must pay a penalty. The Cut Control Regulation establishes the penalty rate to be applied.

The rationale for providing some relief to the penalty for small harvesters includes recognition that when dealing with small volumes it is much easier to exceed the maximum harvestable volume in the licence, and there are a number of factors that are beyond the licensees' control that can lead to an excess harvesting situation. Among others these include the ocular estimates of the sale volume, variation with stratum, and weight scale conversion factors.

SOLUTION:

A review of this policy culminated in a recommendation to decrease the penalty rate for short-term licences. As per the current grouping in the Cut Control Regulation, this includes Forestry Licence To Cut and Non-Replaceable Forest Licences with terms of 5 years or less. If approved, this change will require an amendment to the Cut Control Regulation

In addition, there is a number of existing tenure administration strategies that can be used immediately to minimize the number of cases where the specified sale volume is exceeded. These strategies would only apply to the Forestry Licence To Cut and include:

1. Issuing licences where the maximum volumes specified in the licence is more than the original estimated volume submitted in the professional application;
2. Amending the licence to increase the specified sale volume if it is clear that the original volume will be exceeded; and
3. Issuing a new licence in order to complete the harvest of the original licence area.

District Managers are encouraged to consider using these strategies in order to minimize incidents of excess harvest penalties where the salvage of the timber is driven by good forest management reasons. Care must be taken to maintain compliance with the maximum volumes specified in the legislation as well as collection of the silviculture levy. Staff is also encouraged to continue having good communications with small scale salvage clients regarding the rules and implications of excess harvesting.

The notion of an area-based Forestry Licence To Cut which does not specify a volume in the licence has also been suggested as a tool to use. However additional review of the implications of this option is necessary. In the meantime, Forestry Licence To Cut should continue to specify a maximum volume.

CONTACTS:

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