

## Cutting Permit Allocation Policy

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<b>Policy No.:</b>	FS-1-2018
<b>Effective Date:</b>	March 21, 2018
<b>Expiry Date:</b>	Permanent
<b>Responsibility:</b>	Regional Services Division
<b>Policy Cross Reference:</b>	Replaced FEM-1-2013
<b>Legislative Reference:</b>	<i>Forestry Act</i> 1990 Cutting of Timber Regulations

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### PURPOSE:

To provide for a consistent approach in the allocation of timber for the issuance of commercial and domestic cutting permits.

### DEFINITIONS:

**“Cutting Permit”** means a permit issued under the authority of the Minister to cut or uproot and remove timber from Crown lands or public lands.

**“Domestic Cutting Permit”** means a permit issued under the Cutting of Timber Regulations to cut up to 36 cubic meters stacked of timber for personal use and not for sale, barter or gift.

**“Commercial Cutting Permit”** means a permit issued under the Cutting of Timber Regulations to cut timber for sale or barter.

### LEGISLATIVE CONSIDERATIONS:

Section 14(1) of the *Forestry Act* states that Crown timber shall not be cut or removed from Crown land or public lands except under a cutting permit, a timber sale agreement or a timber license.

Subsection 27(1) of the *Forestry Act* provides authority for the Minister or a forestry official to issue a permit to cut timber on or remove timber from Crown lands or public lands.

The renewal of commercial and domestic cutting permits may be withheld in accordance with provisions of the *Forestry Act*, Section 27 and/or the Cutting of Timber Regulations, Sections 32, 33 and 34.

The issuance of a forestry permit under of the *Forestry Act*, Section 27 and/or Cutting of Timber Regulations, Sections 32, 33 and 34 does not create the right or expectation for the renewal of a cutting permit, and should a person who has been issued a cutting permit claim there is a right of renewal, there is no cause for compensation.

All forest operations shall be conducted in accordance with the *Forestry Act*, associated regulations and all other provincial, federal and municipal laws and regulations.

#### **POLICY:**

Crown domestic and commercial cutting permits shall be issued in a fair and consistent manner across the Province.

All domestic and commercial operators within the boundaries of a forest management district shall apply for permits with the respective Forest Management District Office.

All operations must comply with the requirements of the Department of Fisheries and Land Resources' Environmental Management System (EMS). For information on the EMS requirements please contact the local forest management district office.

EMS training is required for all forestry operations, excluding non-renewable temporary permits (e.g. cutting permit to clear agriculture land, right-of-way buffers, quarries, etc.)

#### **Commercial Cutting Permits**

1. A new entrant applying for a Commercial Cutting Permit or an existing permit holder seeking an increase in allocation must demonstrate, in their permit application, the viability of the proposed venture and provide detailed information including:
  - i. evidence that the permit holder has the means to harvest or process the timber that the permit would authorize to be cut;
  - ii. marketing information outlining the products to be produced, target markets, anticipated prices and promotional plans;
  - iii. an outline of how the proposed venture will be managed and the level of experience and expertise which would influence the likelihood of its success;
  - iv. employment information including the local availability of labour, the number of persons who will be employed, operating periods, wages, and salaries;
  - v. financing information which demonstrates the ability to obtain the appropriate financing for the proposed venture; and
  - vi. a copy of the Articles of Incorporation and confirmation of good standing with the Registry of Companies.
  - vii. All new permits require the written approval from the Regional Services Director and in consultation with the Chief Forester, Fisheries and Land Resources.

2. Prior to renewing a Commercial Cutting Permit to an existing permit holder, past harvesting performance will be considered.
  - i. If the permit holder has historically harvested 75 per cent or more of their permit volume allocation over the last two consecutive calendar years, the issuance of a new permit will be considered at a volume equal to the previous permit volume allocation.
  - ii. If the permit holders harvesting activity is below 75 per cent of their permit volume allocation over the previous two consecutive calendar years, the issuance of a new permit will be considered at a volume equal to the highest actual harvest volume achieved under the permits issued previously in the last two consecutive calendar years.
  - iii. If the permit holder has failed to harvest any volume in the previous two consecutive calendar years, they will be considered a new entrant and will be required to follow the same application process as a new entrant.
  - iv. In situations where the permit holder is unable to harvest 75 per cent or more of their permit volume allocation, due to exceptional circumstances beyond their control, the permit holder must submit rationale in writing to the Chief Forester, Fisheries and Land Resources. Exceptional circumstances (e.g. fire, flood) will be considered. Authorization to harvest previous permit volume allocations will be subject to the approval of the Chief Forester, Fisheries and Land Resources.
  - v. The District Ecosystem Manager, with the written approval from the Regional Services Director and in consultation with the Chief Forester, Fisheries and Land Resources, may increase existing permits by a maximum of 50 per cent of permit volume or 5,000 cubic metres, whichever is less.
  - vi. Increases greater than 50 per cent of permit volume or 5,000 cubic metres require the written approval of the Chief Forester, Fisheries and Land Resources.
3. While not exclusive, decisions on new or increased permits will be reviewed and allocation decisions made via the following decreasing order of priority:
  - a. value added manufacturing facility (i.e. value of the products minus the cost for producing them) with personal harvesting capacity;
  - b. value added manufacturing facility; and
  - c. personal harvesting capacity
  - i. The above does not apply to the issuance of one time permits (e.g. right of way clearing).
4. Five-year Commercial Cutting Permits can be applied for by existing permit holders with volume allocations of 5,000 cubic metres to 50,000 cubic metres.
  - i. Five-year Commercial Cutting Permits are only available to existing commercial cutting permit holders who have demonstrated a history of harvesting their annual commercial cutting permit volume allocation.
  - ii. Five-year Commercial Cutting Permits will be allocated in forest management districts that have adequate resource access constructed.
  - iii. Five-year Commercial Cutting Permits must be within the Annual Allowable Cut (AAC) set for each forest management district.
  - iv. The District Ecosystem Manager, with the written approval from the Regional Services Director and in consultation with the Chief Forester, Fisheries and Land Resources, has the authority to issue a Five-year Commercial Cutting Permit.

- v. Five-year Commercial Cutting Permit holders must harvest at least 25 per cent of their volume allocation by the halfway point of their Commercial Cutting Permit. If the permit holder has failed to harvest this amount, they will lose their remaining commercial cutting permit volume allocation.
  - vi. If the permit holder has harvested 25 per cent to 40 per cent of their volume allocation by the halfway point of their Five-year Commercial Cutting Permit, then the remaining permit volume will be scaled back to the actual annually harvested amount.
  - vii. If the permit holder has harvested 40 per cent or more of their volume allocation by the halfway point of their Five-year Commercial Cutting Permit, then the permit holder retains the remaining volume allocation for harvesting.
  - viii. If the permit holder has harvested the total amount of their volume allocation by the halfway point of their Five-year Commercial Cutting Permit, they are encouraged to apply for additional volumes, subject to timber availability and completion of a Commercial Cutting Permit Application.
  - ix. Five-year Commercial Cutting Permits spanning beyond the end of a Five-year Operating Plan, will be renewed upon renewal of the plan and release from Environmental Assessment.
  - x. Any circumstance beyond the control of a permit holder that prevents attaining the production threshold criteria must be addressed in writing to the District Ecosystem Manager.
5. Twenty-year Forest Management Agreements will be offered to existing commercial cutting permit holders with allocations in excess of 50,000 cubic metres per year.

### **Domestic Cutting Permits**

1. Domestic harvesting areas and domestic harvest volume allocation shall be in accordance with the approved Sustainable Forest Management Plan for the District under consideration.
2. Domestic Cutting Permits shall be dispensed, in an equitable manner, to applicants at the forest management district or satellite office by available forestry staff or via mail.
3. A Domestic Cutting Permit may be renewed online or requested via email, phone or in person at the local Forest Management District Office. Provisions must be made for continuity, security and record keeping of the permits issued and fees collected.