



File: 19230-20/TSA25

Douglas Daugert, Chair
Misty Isles Economic Development Society
P.O. Box 652
113 Oceanview Drive
Queen Charlotte, British Columbia
V0T 1S0

Dear Douglas Daugert:

RE: Apportionment Process for the Timber Supply Area on Haida Gwaii

Further to the letter of November 27, 2020 to you from Sharon Hadway, Regional Executive Director, West Coast Natural Resource Region, I am reaching out to engage Misty Isles Economic Development Society on the upcoming apportionment process for the timber supply area on Haida Gwaii.

As you know, on October 27, 2020, the Chief Forester determined the allowable annual cut (AAC) for the Timber Supply Area (TSA) on Haida Gwaii to be 398,000 cubic metres per year (m³/year). Following the Chief Forester's AAC determination, there are three (3) significant decisions the Minister of Forests, Lands, Natural Resource Operations and Rural Development (the Ministry) may consider within the TSA:

- (1) an apportionment decision pursuant to section 10(1) of the *Forest Act*;
- (2) a proportionate reduction decision for eligible forest licences pursuant to section 63 of the *Forest Act*; and
- (3) an amendment to the cedar partition order pursuant to section 75.02(8) of the *Forest Act*.

The Ministry is engaging with stakeholders to explain these potential decisions and to collect information to support the decision process. Please refer to the attached document that describes each of these decisions in detail. Also attached is map of the of Haida Gwaii, which illustrates the location of the TSA, TFLs, and protected areas.

Doug Daugert, Chair

As previously mentioned, it is necessary to wait until the Minister has finalized a new apportionment for the TSA on Haida Gwaii prior to addressing concerns raised regarding the proposed community forest on Haida Gwaii. A conference call will be organized early in the new year with Misty Isles Economic Development Society, to discuss the apportionment process and hear from you. I would encourage you and your representatives to participate, as both Coast Area and District staff will be in attendance to speak to the apportionment process and answer any questions or concerns you might have.

Following the conference call, you can provide any additional comments to Matt Feagan, Timber Tenures Specialist, Coast Area, at (250) 739-8324 or by email at Matthew.Feagan@gov.bc.ca . Please ensure all comments or concerns are provided no later than March 1, 2021, as the Minister may make a decision shortly thereafter.

Yours truly,

Leonard Munt
District Manager
Haida Gwaii Natural Resource District

Attachment (2): 1. Supporting Information for the Apportionment Process
2. Map of the TSA on Haida Gwaii

pc: Stacey Gould, Timber Sales Manager, Chinook Business Area
Daryl Sherban, Resource Manager, Haida Gwaii Natural Resource District
Matt Feagan, Timber Tenures Specialist, Coast Area Forest Tenures

Attachment 1
Supporting Information for the Apportionment Process

Apportionment Decision

Section 10 of the *Forest Act* (the Act) states that the minister may “specify that a portion of the allowable annual cut determined for the Crown land in a timber supply area under Section 8(1)(a) is available for granting under a form of agreement”. The apportionment decision is typically done following an allowable annual cut (AAC) determination. It can recognize existing tenure commitments and allow for the issuance of new tenures where there is available timber supply. The apportionment decision has a direct impact on the volume of timber allocated to BCTS to fulfil their pricing mandate and the AAC available for new tenure opportunities in the TSA.

The new AAC of 398,000 cubic metres per year (m³/year) for the TSA on Haida Gwaii is a 22% reduction from the previous AAC of 512,000 m³/year. This apportionment decision will establish how the AAC reduction is apportioned for forest licences, BCTS, and any undelivered tenure commitments, in consideration of government objectives for the area.

Table 1 shows the current apportionment for the TSA approved by the Minister on August 1, 2013.

Table 1: Current Apportionment

Apportionment Category	Current Apportionment (m³/year)
Replaceable Forest Licence	213,632
BC Timber Sales	81,658
First Nations Woodland Licence:	
First Nation Portion:	120,000
BCTS Portion:	14,210
Community Forest Agreement:	
Community Portion:	25,000
BCTS Portion:	55,000
Forest Service Reserve	2,500
TOTAL	512,000

A new apportionment decision by the Minister will take into consideration current commitments as seen in Table 2 below, be they existing or planned.

Table 2: Current Issued and Planned AAC commitments

Commitments	Issued AAC (m³/year)	Planned AAC	
RFL A16869, Husby	192,044		
RFL A16870, A&A Trading	13,632		
RFL A75084, Dawson Harbour	7,956		
Forest Service Reserve		2,500	
First Nations Woodland Licence		134,210	
Community Forest Agreement		80,000	

Proportionate Reduction Decision

Section 63 of the Act states that if the AAC determined for a TSA is reduced for any reason other than a reduction in the area of land in the TSA, the minister, may proportionately reduce the AAC of non-exempt forest licences (FL) in the TSA. Non-exempted FLs are those with an AAC greater than

10,000 m³/year, and include FL A16869, held by Husby Forest Products Ltd., and FL A16870, held by A & A Trading (Haida Gwaii) Ltd. Licences that are exempt from a proportionate reduction include FL A75084, held by Dawson Harbour Logging Co. Ltd. As well, Forestry Licence to Cut (FLTC) A97524 does not have an AAC and therefore is not subject to proportionate reduction under Section 63. As none of the Chief Forester's AAC reduction resulted from land deletions from the TSA, any or all of the AAC reduction of 114,000 m³ is eligible to be applied under Section 63. Note that any reduction in BCTS apportionment would be part of the apportionment decision described above, and not related to a decision under Section 63 of the Act.

Cedar Partition

The Chief Forester's new AAC determination for the TSA included a cedar partition for 145,000 m³/year. The previous Minister established a cedar partition order for the TSA in 2018 for 195,000 m³/year, expiring in 2023. The Minister will need to consider making a decision to amend the existing TSA cedar partition order to align with the Chief Forester's new cedar partition. This decision could also extend the term of the partition order from the current expiry of August 2023. The type of tenures that would be impacted by a partition order are defined in the Act, which for the TSA include Husby's FL A16869 and A&A's FL A16870. An amendment to the existing partition order would be made by the Minister under Section 75.02(8) of the Act.

Attachment 2

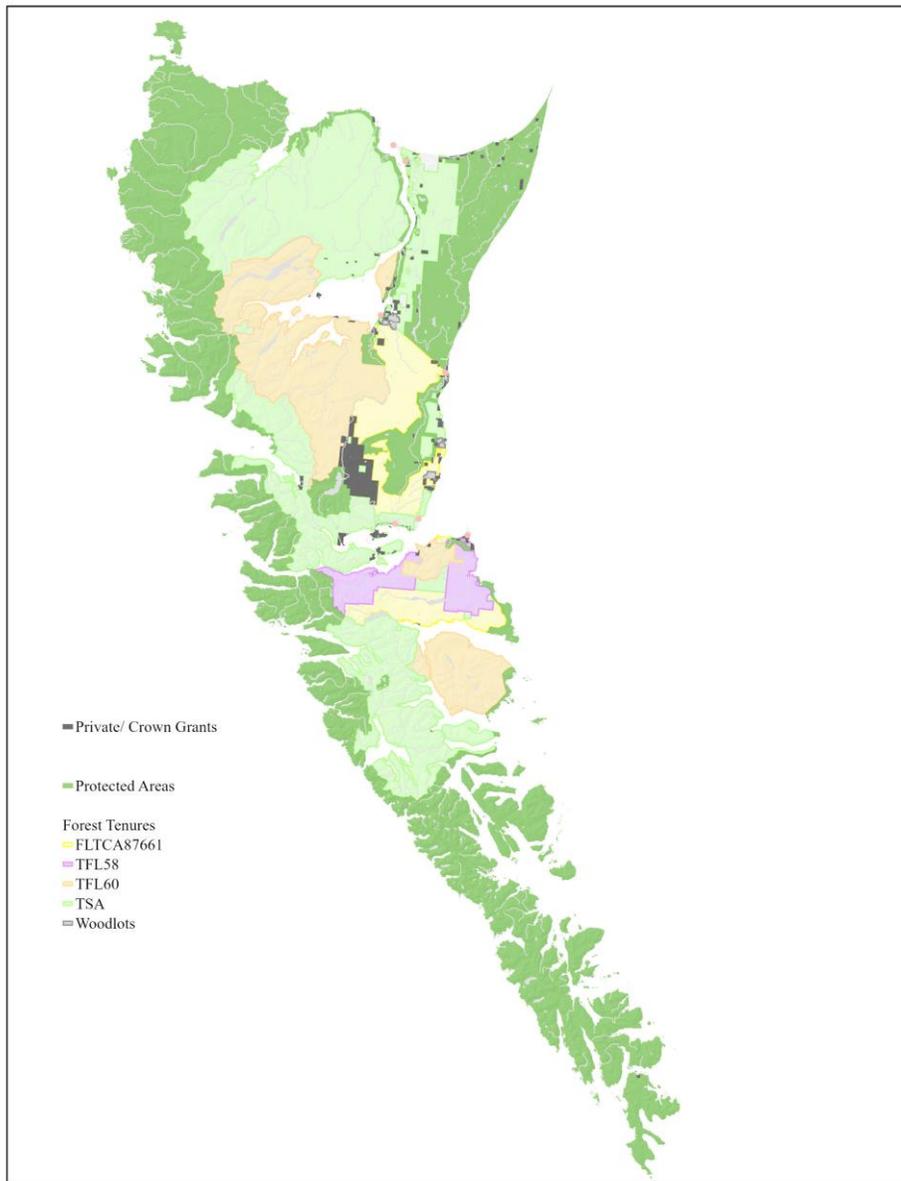


Figure 1: Protected Areas and Forest Management Units on Haida Gwaii