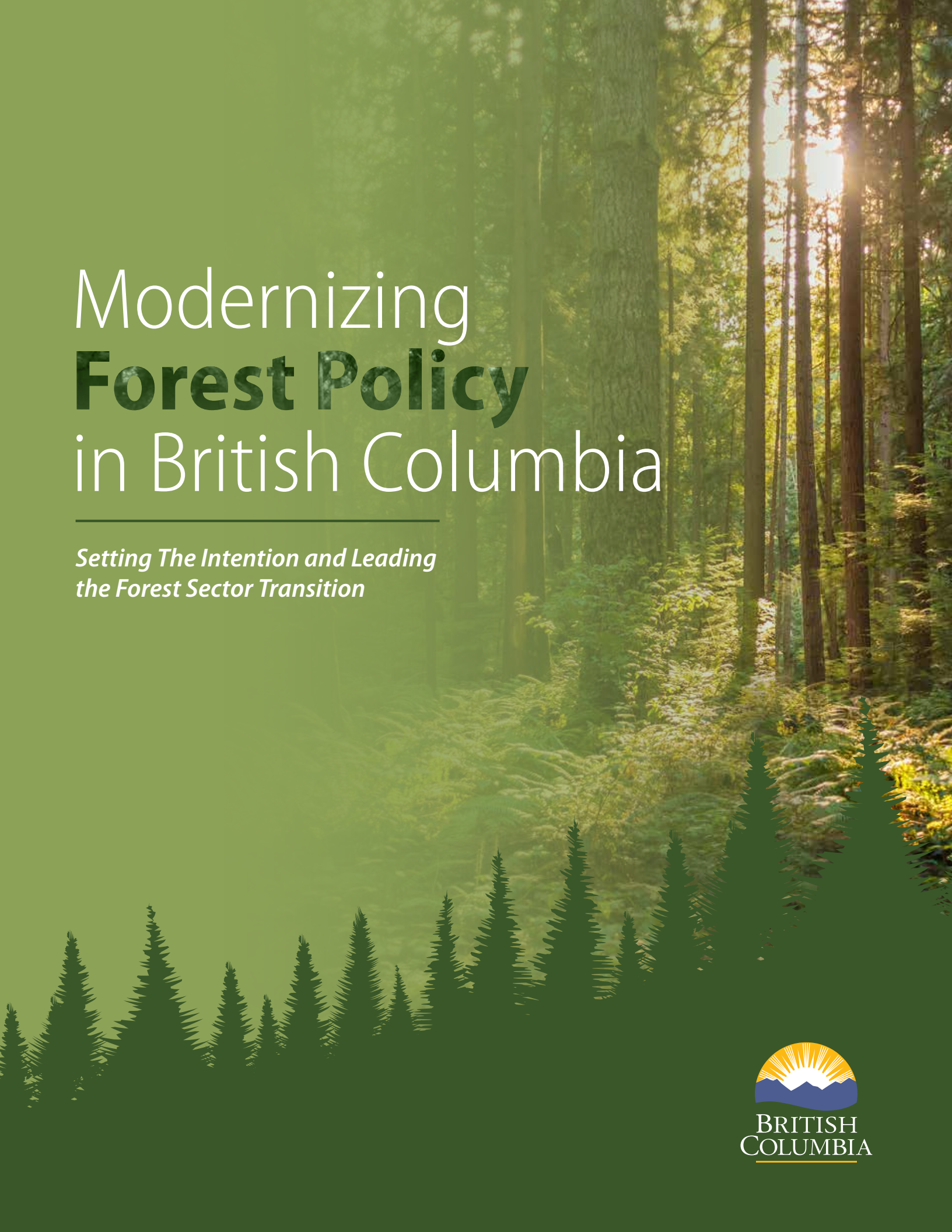


Modernizing **Forest Policy** in British Columbia

Setting The Intention and Leading the Forest Sector Transition

BRITISH COLUMBIA



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Introduction:
The Need to Modernize B.C.'s Forest Policy

FORESTS ARE ESSENTIAL to our identity as British Columbians. We are deeply connected to them. They anchor ecosystems critical to the wellbeing of many species of plants and animals, including ourselves, today and in the future.

To ensure future generations enjoy and benefit from our forests, as we have done, now is the time to make sustainable choices. We must do so collectively and transparently.

More than 50,000 British Columbians work directly in the forest industry. Many more benefit indirectly. B.C. forest products are in demand all over the world. Last year, they made up 29 per cent of B.C.'s total exports, equal to $11.5 billion. In a global marketplace demanding more innovative goods, our forests provide a high-value, renewable resource.

These same forests are also essential to a healthy environment, biodiversity, capturing carbon and filtering drinking water. They are a legacy to be cherished by future generations.

The forestry sector faces monumental challenges. These put the future of our forests at risk, threatening the future of many communities. B.C.'s forestry policy framework, put in place nearly two decades ago, is inadequate to address today's challenges.

The future of forestry affects us all, for generations to come. The current situation demands action. This paper sets out how we intend to address this and they are:

- ***Sustainability.*** Our timber supply is decreasing, and we need new ways to manage our forests. This includes sustainability of our old growth forests and protecting those important stands and ecosystems that support a wide range of plants and animals, and some species at risk. *Appendix A outlines this in more detail. B.C. will continue to be a world leader in providing sustainable forest products. We need forest policies able to adapt to an ever-changing environment.

PAPER SCOPE

This intentions paper looks at who manages forests and how they do so. It seeks to describe how a stable forest sector — creating quality economic growth and good-paying, sustainable jobs — can also conserve forest stands in the public interest. We recognize these goals do not exist in isolation from one another. Our forests sequester carbon, filter drinking water, and nurture biodiversity for which we are recognized around the world. These are critical roles. They will always be fundamental to broader land management decisions.



Climate change is one reason for devastating wildfires and the mountain pine beetle epidemic. Conservation requires further land-use protections. Policy changes are needed to enhance stewardship while addressing ecosystem health and resilience.



- ***Reconciliation.*** We need to increase economic and land management opportunities for Indigenous Peoples. Doing so aligns with the Declaration on the Rights of Indigenous Peoples Act and advances the well-being of Indigenous communities. It also reduces uncertainty and strengthens confidence in the industry.
- ***People and Communities.*** For decades, the forest sector has provided good-paying jobs supporting families in many B.C. communities. As these communities strive to become more resilient, we see an opportunity to work with them to better consider their interests. Local access to fibre can support diversified manufacturing, focused on value rather than volume. Local communities should be engaged in discussions about wildfires, local employment, and sustainable management of the forests that surround us, nurture us, and provide us with bountiful resources.
- ***Competitiveness.*** Forest products are globally traded. They are desired for their lower carbon footprint, are produced sustainably in the province, and are verified by third-party forest certification organizations. We must continue to be competitive on the global stage, keeping in mind those who invest in B.C. and provide good-paying jobs.
- ***Fairness for British Columbians.*** The forests are owned by British Columbians. We need to ensure they receive fair returns on their asset.

Over the past few years, government has asked what should be done, and what should be considered. We have experienced the market for selling lumber at the bottom and the top of the cycle during the last few years. The cycle is responsible for changes in dialogue and perspective. We have solicited regional and provincial perspectives as we sought opinions on a new forest policy. Some discussions generated more robust ideas than others. We have listened carefully and now is the time to act.

This paper sets out our vision for a forest sector that is diverse, competitive, and focused on sustainability. It puts people first. It has been drafted with an understanding of the crucial necessity of working with Indigenous peoples. This is our plan to modernize forest policy in British Columbia. The steps we take in the months ahead, outlined here, are intended to achieve this vision.

Vision for the future
of the forest sector and our forests

B.C.'S FORESTS ARE WOVEN INTO THE FABRIC OF OUR PROVINCE'S CULTURE. They are where we live. They are where we play. They are where we work.

Forestry provides good-paying jobs for British Columbians. Forest companies spend billions on services, transportation and equipment provided by other B.C. companies. Despite a declining timber supply, following years of intense wildfires and mountain pine beetle devastation, as well as changing land-use interests on the coast, forestry remains a major economic sector, integral to people in communities across the province.

The wellbeing of the sector affects everyone in B.C. now and for generations to come. What we do next is important. The decisions taken to modernize forest policy need to reflect the interests of those involved in the sector today, as well as those who will have a role tomorrow.

The vision set out here is the result of listening to many groups. Since 2017, our government has initiated several conversations. We have engaged Indigenous governing bodies, industry, local governments, labour, environmental groups, and the general public, seeking opinions on what forest management and the future of our forest sector should look like. These conversations have included meetings with organizations. We also conducted broader canvasses such as the *Coast Forest Sector Revitalization* and the *Interior Forest Sector Renewal initiatives*, the *Forest and Range Practices Act Improvement Initiative* and the *Old Growth Strategic Review*. Reviews of key issues for workers, such as contractor sustainability, have also informed our plan to support quality jobs into the future.





Vision for the future
of the forest sector and our forests

HOW WE GOT HERE

The government has listened to many. We have talked to:

- Indigenous Peoples whose inherent rights are connected to their respective territories since time immemorial
- Forest companies of all sizes with world-class know-how for harvesting timber
- Contractors of all kinds, from surveyors marking out a site, to road builders and harvesters, to tree planters starting the cycle anew
- Manufacturers making a living turning fibre into useful products
- Workers earning wages to support families
- Rural communities looking to grow, flourish and retain skilled workers, while benefiting from the ecosystem goods and services of the surrounding forests
- Environmental groups who want to ensure proper forest management and the protection of B.C.'s old growth forests
- The general public, who are affected by decisions on forest management, whether they work in the industry or not



All these groups share similar goals, despite their different roles. They see a future with greater opportunity for diverse groups to participate in the industry. A future where larger and smaller tenure holders have more than one economical place to sell their wood, and where fibre flows onto the market with a certainty of supply over time. A future where our forests are stewarded in environmentally sustainable ways. A future where there is clarity in the rules, and clear, predictable expectations on how to stay within them with strengthened compliance and enforcement. A future where Indigenous peoples are more involved than they are today.

Thanks to innovations, the industry can use more of each log in new, environmentally sustainable ways. Numerous lower-carbon footprint products have been created for many uses, from buildings to clothing to personal protective equipment. Companies have developed positive business partnerships directly with Indigenous peoples and with their support have increased their utilization of fibre, helping reduce wildfire risk to communities.

Government policy has also not evolved quickly enough to adapt to the impacts of climate change on our forests. Out-of-control wildfires affect us all, and smoke and ash impact human and ecosystem health. Tragically, homes and lives are lost. Wildfires are a natural part of forest ecosystems, yet decades ago we reduced their occurrence wherever possible with "no broadcast burning" and rapid-wildfire response. Wildfire suppression must now be accompanied by wildfire prevention and mitigation approaches and investments in the use of prescribed fire to help manage forests and reduce the risk of wildfire to communities. Building on our recent investments, such as the Community Resiliency and BC FireSmart programs, we must continue to work in collaboration with Indigenous partners, who have been using fire as a stewardship

tool since time immemorial, to integrate Indigenous knowledge and support the re-establishment of traditional burning practices.

An industry needing to mechanize and automate to remain competitive has resulted in steady job losses in forestry communities. These communities are vital to local and provincial economies and need to see themselves better reflected in forestry opportunities. In many cases, sawmills built at a time of higher fibre availability have closed. Surviving mills compete for scarce logs to avoid curtailment or permanent closure.

Despite the mill closures, hastened in 2019 when markets were weak, there is an overcapacity in B.C.'s traditional manufacturing facilities, such as sawmills and paper mills, relative to supply.

B.C. needs to derive greater value from the timber we harvest and fibre we produce. While prices for many forest products are high today, they will inevitably fluctuate. We need a more diversified sector that goes beyond being more efficient within existing management models. To do so, an evolution is needed from a largely commodity-based sector to a more diversified one. This will involve creating innovative new products, in turn generating new opportunities to take those products to a global market. Each step in this process adds value and generates economic opportunities for British Columbians.

The forest sector must better reflect local and Indigenous values, complement and encourage higher-value products, and creates jobs in local communities.

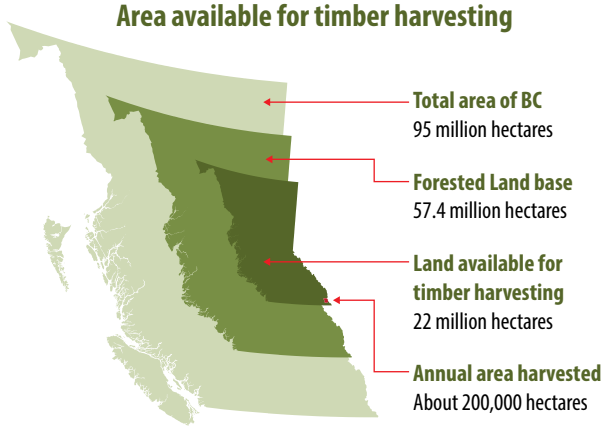




The Need for **Fibre**

BC CONTEXT

Area available for timber harvesting



TENURE IS THE MECHANISM by which companies gain access to Crown land with the intended goal being access to fibre (timber).

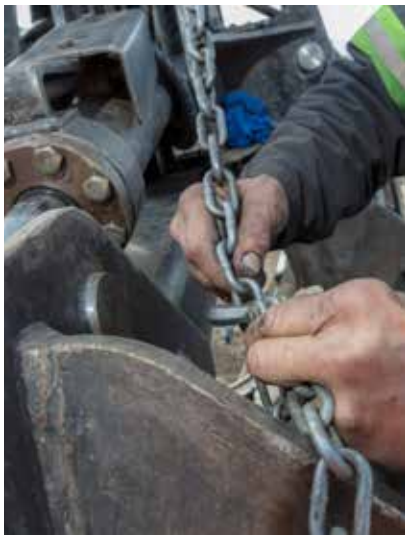
Ensuring clear, predictable access to fibre is key to maintaining investor confidence. Competitively priced fibre is the starting point in a supply chain leading to manufacturing, which can include traditional wood products like dimensional lumber and paper, as well as value-added products like mass timber, remanufactured goods and innovative bioeconomy products. By working with Indigenous peoples to ensure our forest sector incorporates their interests as rights holders, we also encourage investment by reducing uncertainty for the industry.

There is a pressing need to change the way we manage tenure. Of about 57.4 million hectares of forested land in B.C., half is either protected – meaning it cannot be harvested -- or restrictions are in place limiting harvest for numerous reasons. Other forests are uneconomical to manage, due to factors like geography and distance from the nearest mills. Only 36% of B.C.'s forests currently are considered both legal and economical to harvest. Almost all the available forests are already under tenure, which limits government's ability to attract new entrants into the industry.

Our mid- and long-term timber supply is declining due to several factors. The Interior's mid-term timber supply has been severely impacted by the *mountain pine beetle* infestation (1999-2015), as well as large wildfires in 2017 and 2018, which together burned approximately 7% of the provincial timber inventory.

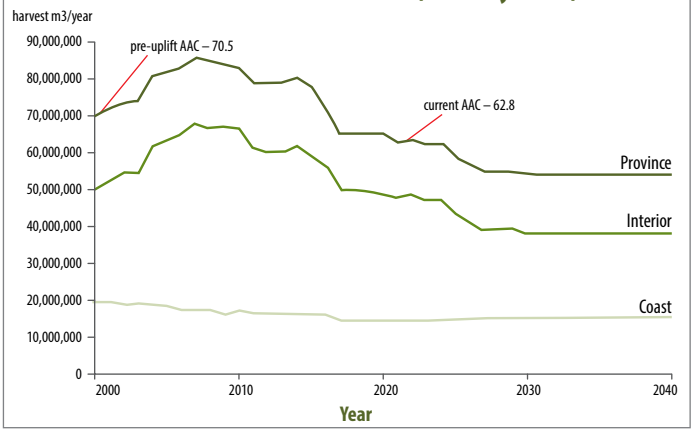






Projected Harvest Forecast

Provincial TSAs and TFLs (January 2021)



The Allowable Annual Cut (AAC) for Timber Supply Areas and Tree Farm Licensees was once as high as 85 million cubic meters (m3) per year at the height of the pine beetle salvage in 2007 but has since declined to 63 million m3 per year. It is anticipated to further decline to 56 million m3 by 2026.

On the coast, timber supply has changed to reflect important environmental priorities.

Non-timber forest values, such as protecting wildlife habitat and managing community watersheds, collaborative land use planning establishing protected areas, and ecosystem-based management in places like the Great Bear Rainforest, have all allowed B.C. to have an active forest sector while managing for biodiversity in a decentralized and distributed fashion across British Columbia.

We are committed to act on the 14 recommendations of A New Future for Old Forests: A Strategic Review of How British Columbia Manages for Old Forests Within its Ancient Ecosystems in collaboration with Indigenous leaders, labour, industry, and environmental groups. A renewed old-growth strategy will balance the need to support and protect workers with the need for additional deferrals of old-growth to protect species at risk, key species habitat and enhancing biodiversity. B.C.'s fibre supply will likely see more reductions as a result.

British Columbians deserve a forest sector founded on today's values, where reconciliation is long lasting and meaningful, where communities can see and experience a stronger link between how their local forests are managed, and where manufacturers can better access fibre for their value-added facilities.



Reconciliation

OUR GOVERNMENT was elected with a clear mandate to make Indigenous reconciliation a priority. The 2019 *Declaration on the Rights of Indigenous People Act* (Declaration Act) created a path forward that respects the human rights of Indigenous peoples while introducing better transparency and predictability in the work we do together.

The purpose of the Declaration Act is to provide a process, over time, to work with Indigenous peoples to implement the United Nations Declaration on the Rights of Indigenous Peoples (UN Declaration). The intentions reflected here represent steps to ensure Indigenous peoples are meaningful partners in B.C.'s forest sector. This is not the end of the work. It is a step forward. We have much more to do in the years to come.

As the province works government-to-government with Indigenous governing bodies, interest in forest tenure and fibre is frequently expressed. Indigenous peoples want to play a greater role in the forest sector and in forest management. The province's ability to support this through existing legislation and policy tools is limited. Enabling the opportunity for shared decision-making agreements to be negotiated and implemented, government-to-government, will be part of this work.





Guiding **Principles**

WE WILL FULFILL OUR VISION for the future of the forest sector and our forests based on three principles we have heard repeatedly from partners, stakeholders and communities. We will also fulfill our commitment to collaborate and cooperate with Indigenous peoples by:

1. **INCREASING FOREST SECTOR PARTICIPATION**
2. **ENHANCING STEWARDSHIP AND SUSTAINABILITY**
3. **STRENGTHENING THE SOCIAL CONTRACT**



1. INCREASING FOREST SECTOR PARTICIPATION

We often hear that access to fibre on public land (via tenure) is a critical component to a successful business. Although some businesses operate successfully without forest tenure, purchasing fibre as they require it, we have heard more organizations want an opportunity to manage forest tenure. However, due to existing tenure commitments, and limited flexibility in the existing forest tenure framework, there is not much flexibility or room for new entrants in the forest sector.

Many Indigenous communities have sought greater access to forest tenure in their traditional territories to create economic opportunities for their communities. They also want a greater say over forest activities occurring in their region, and those with forest tenure are managing complex social concerns from their community. Modernizing forest management will create opportunities for partnerships with Indigenous peoples, as well as providing predictability across the sector.

One of our goals is to increase and diversify forest sector participation, to be accomplished over the next several years, to include:

- ***BC Timber Sales (BCTS) provincial allocation:*** BCTS will continue to ensure competitive market-based pricing for forest tenures. We will further strengthen the AAC assigned to BCTS. We will also look for additional opportunity to strengthen value-added forest manufacturing through their Category 2 registrant program.
- ***Indigenous Nations participation:*** Through government-to-government discussions that consider the inherent rights, range of interests and values expressed by Indigenous peoples, our goal is to increase the amount of replaceable forest tenure held by Indigenous peoples to 20% from the current level of approximately 10%. We are also mindful of separate efforts occurring within the formal treaty process, and through business partnerships and sales of tenure between Indigenous Nations and forest companies.
- ***Increased community participation:*** As rural communities strive to define their economic future, the province will review tenure options to communities with a clear plan to manage local forests for forestry, keeping the fibre moving for manufacturing and keeping jobs within communities.

Guiding **Principles**

This is a multi-year vision and will not be accomplished overnight. It will be implemented over years, allowing for adjustments in the business cycle. In the end, tenure holders will gain increased clarity and predictability on future tenure decisions.

POLICY INTENTIONS:

- ***Creating future tenure opportunities:*** Enhance the legal mechanisms to allow tenure to be redistributed for harvesting purposes, encouraging diversification in the forest sector. Reasons to redistribute tenure, connected to our goals, include:
  - As a component of an Indigenous Nation treaty or negotiated agreement;
  - Maintaining B.C.'s strong market-pricing system, through the BC Timber Sales program; and
  - As part of a community's vision for economic resilience and local employment.
- ***Providing clarity on compensation:*** Establish a clear framework laying out where and under what circumstances compensation for lost harvesting rights will apply. Changes will be designed around the nature of the tenure agreement between government and the licensee to provide for a systematic and equitable approach in compensation calculations.
- ***Creating flexibility when forest licences need to be reduced:*** The province employs a Chief Forester, who sets the sustainable harvest rate, the Annual Allowable Cut (AAC). In some situations, such as when the timber supply is decreasing, the Chief Forester will determine the AAC needs to be reduced to maintain a sustainable harvest rate. This means that the harvest volume allocated through licences in the area must be reduced to maintain a sustainable harvest rate. Current policy uses a proportionate reduction method where all tenure holders (excepting very small ones) experience a similar percentage decrease to their licence. However, this method does not allow for government to consider a number of important elements in our changing environment, such as the unique pressures faced by small operators, or Indigenous or other local community interests. Given this, we plan to introduce a more flexible approach.
- ***Revising tenure disposition considerations:*** Build on the success of 2019's Bill 22 in addressing tenure concentration and public-interest considerations when a tenure transfer or change of control occurs. This could include a review of impacts of the transfer or change of control to the local economy, including the proposed changes to the regional wood manufacturing sector if a mill is indefinitely curtailed resulting from the proposed transaction, and the interests of local Indigenous peoples.

Guiding **Principles**



- ***Enhancing revenue oversight for log exports:*** When logs are exported off provincial lands, a fee-in-lieu of manufacturing domestically is charged. To better ensure the province receives these fees, we plan to add the ability to audit and assess fee-in-lieu of manufacture payments, like our ability to audit and assess stumpage payments.
- ***Evolving BC Timber Sales (BCTS) policy for maximum sales restrictions:*** BCTS sells about 10-12 million m3 of Crown timber annually through competitive auction. This timber is available to businesses registered in the program. Current limitations to participating businesses limit any entity to holding no more than three timber sale licence (regardless of size) at any time. The system functions well with respect to its primary purpose (setting and establishing a competitive and market-based price for timber), but license holders are not all the same. (For example, an entity holding three timber sale licence of 5,000 m3 is treated the same as one holding three of 50,000 m3). The province will consider an alternate approach to allow for more sale opportunities at smaller volumes to smaller or value-added manufacturers.

These steps, taken over several years, will increase the tenure opportunities for Indigenous peoples and improve fibre access on the open market. The focus will be on supporting value-added manufacturers, including those producing remanufactured and engineered wood products, as well as emerging businesses using wood fibre in new, innovative products.

Guiding **Principles**

2. ENHANCING STEWARDSHIP AND SUSTAINABILITY

Over a dozen forms of tenure have been developed over the years to allow access to timber. This diversity in tenures also reflects the needs and interests of tenure holders, whether they are large or small operators, Indigenous peoples, communities, or individuals. Many of the large forest tenures are replaceable (meaning they can be renewed), providing forest companies with a long-term supply of timber.

Regardless of the form of tenure, there is an expectation Crown land be managed sustainably. Many of the instruments that exist for forest managers were not envisioned at a time of declining timber supply and these need improvements to maximize the ability of the province to ensure harvest levels are sustainable on the ground.

It is not enough to rebalance tenure opportunities. We need to find ways to improve the use of fibre in the most sustainable, responsible, and transparent way possible. One way to do this is to fine tune existing tools that help direct harvest more evenly on the landscape.

When the Chief Forester determines an AAC, it is based on the harvest of a forest profile (taking into account, for example, species, minimum volume, distance from mill, slope) and if not harvested to the intent of that profile, can make the AAC unsustainable over time. When a tenure is issued, the public has a reasonable expectation that it will be harvested. In some cases, licensees do not use the full AAC of their tenure. When this happens, it results in reduced economic activity and missed opportunities to benefit from the forest sector.

Tenure holders also need to demonstrate that the profiles expressed in the AAC are reflected in their harvest choices. Sound forest management provides the public confidence that the resource is being harvested and managed responsibly. Having the tools to take firm, decisive action when that social contract is broken is critical to moving industry toward a more sustainable future.



Guiding **Principles**

POLICY INTENTIONS:

- ***Committing to implementing further deferrals of old growth forests:*** Government's vision to modernize forest policy complements the ongoing work implementing recommendations out of the strategic review A New Future for Old Forests. As a first step, in September 2020, we announced the harvesting deferral of 196,000 hectares of old growth in nine separate areas. To give context, this is equivalent to an area of approximately 480 Stanley Parks. In addition, government also enacted the Special Tree Protection Regulation, protecting up to 1,500 exceptionally large, individual trees. This important work will continue, and we are committed to engaging with Indigenous leaders, industry, labour, environmental groups and communities to further identify potential additional deferral areas. *Appendix A provides more information on this important work*.
- ***Continuing to improve the Forest and Range Practices Act:*** Our government initiated a multi-phased improvement initiative with the Forest and Range Practices Act in 2018. We engaged with interested Indigenous peoples to understand where they sought improvements and have been working on changes to our legislative framework since. The Forest and Range Practices Act ensures forest values are considered, managed and conserved; we have heard this is important to British Columbians and we intend to move forward with changes like the proposed tactical planning approach of 'Forest Landscape Plans' to better incorporate those values and ensure Indigenous peoples can be involved at the start of the forest planning process. We also plan to better link forest management with fire management through this work.
- ***Re-integrating prescribed and cultural fire into forest management:*** Forests are a conservation resource and an economic resource, as well as a source of wildfire fuel. Climate change creates the conditions for more frequent and intense wildfires, including mega-wildfires like those triggering widespread evacuations. Wildfires have disrupted local economies and led to an unplanned loss of habitat, including old-growth forests. Fire is a natural process and important for ecosystem health and habitat value. The ministry will work in cooperation, coordination and collaboration with Indigenous partners and stakeholders to re-integrate prescribed and cultural fire as a core part of our forest management toolkit.
- ***Advancing apportionment:*** Apportionment is a discretionary decision on how the minister would like to divide the AAC in a Timber Supply Area (TSA) among the various tenure types. As government proceeds with rebalancing tenure opportunities, we will be looking to improve the apportionment process so that decisions can be made in a timely way which considers harvest sustainability, the interests of local Indigenous peoples and other stakeholders.
- ***Reviewing the cut control process:*** Current cut control requirements do not require a tenure holder to:
  - use all of their AAC;
  - access timber consistent with the intentions of the Chief Forester (including profile instructions for the types of timber harvested or partitions made to determine where harvest occurs); or
  - fulfill a licence's management plan.

As a result, the intention of sustainable harvest within the AAC may not be realised as less-desirable parts of the AAC can be under-utilized in favour of higher value timber. Specifically, in B.C.'s interior, cut control "crediting" has been used for years to encourage the salvage of lower-quality fibre by not attributing for that harvesting to a tenure holder's AAC. This approach was helpful when salvaging timber damaged by the mountain pine beetle but does not address new challenges such as a declining mid-term timber supply. We plan to review how cut control is designed and implemented, so as to make improvements, such as encouraging tenure holders to utilize their AAC in a way that honours the intended harvest profile.

- ***Improving accountability in tenure management:*** Holding a tenure on Crown land puts the holder in a position of public trust. We see an opportunity to strengthen that accountability. Tenure holders employ various tenure management strategies to support their operations at both a cutting authorization level and tenure management level. Examples include licence subdivisions and consolidations, cut control attributions, licence extensions or cut block splitting at a permit level. Although these strategies are often used for legitimate forest management reasons, at times they may not be in the public interest. Our government intends to consider the tools available to decision makers in both monitoring and reporting on tenure agreements to ensure these strategies are employed in the public interest.
- ***Increasing discretion in authorizing activities:*** Currently, when statutory decision makers issue cutting permits or road permits (authorizations to harvest timber or build roads), they have minimal discretion to refuse a permit. There are instances when a permit request submitted is in stark contrast to the public or Indigenous interests, but these decision makers have limited ability to do anything about it. We will explore options to provide discretion in authorization decisions based on important forest values, such as water, wildlife and Indigenous heritage. Decision makers need to be able to reject authorizations, or to approve an authorization with conditions, if there are concerns the permit could irreparably impair other forest values.
- ***Supporting silviculture management and innovative investments:*** One way to maximize limited timber supply is to increase silviculture investments, helping stands grow back faster and healthier. Licensees are required to replant within a few years of harvest and steward these young trees until they reach a state of "free growing." The Province spends over $20 million annually on additional silviculture enhancements beyond the "free growing" obligations of the tenure holders. However, investments are not monitored to ensure the resulting trees are harvested at an optimum time to take advantage of the investment. We will consider limits on timber harvest until provincial silviculture investments have optimized harvest opportunity in consideration of risk and other values. This can include activities like commercial thinning, or any innovative forest practices that may be advanced pursuant to recommendation 12 within the Old Growth Strategic Review report.

Together, these measures will lead to more sustainable harvest practices by establishing clear expectations for licensees, and better alignment with environmental and Indigenous stewardship values.



3. STRENGTHENING THE SOCIAL CONTRACT

Ensuring a vibrant forest sector is not simply a matter of good processes around distribution and extraction. Supporting local communities by ensuring the growth of good jobs and long-term economic opportunities remains a key priority. It will make B.C. stronger in the years to come.

Forest products are a global commodity, though we must not focus solely on those dynamics while ignoring the economics of local communities. B.C.'s forest sector will continue to export billions of dollars of forest products into the global market; our government is committed to doing much more than that.

We need to transition from a high-volume structure to one of high value. This does not mean abandoning our world-class lumber and pulp industry. It means supporting local manufacturing and taking steps to capture value at every step in the production chain. The goal is to ensure local communities, including Indigenous communities, have opportunities to benefit from the resources coming from their own backyards. B.C. will promote greater use of our wood products and encourage diversification in the industry. To do this, we need to maximize B.C.'s benefit in terms of jobs and value from our resources.

The value-added sector has enormous potential, and already has a firm foundation on which to build. Specialty wood products range from custom lumber and millwork, to finishing and siding, to cabinets and furniture, as well as musical instruments, mass timber in building construction, and new emerging bioproducts such as biomaterials, biochemicals, and bioplastics.



Source: Statistics Canada, Table 16-10-0048-01

Guiding **Principles**

Despite these opportunities, B.C. is not realizing the full value and potential for jobs from its forest resources, in part because the existing value-added sector in British Columbia cannot get access to the fibre supply it needs. In other words, innovative, B.C.-based firms cannot get access to all the timber they could use to produce value-added goods.

Strengthening the social contract includes laying the foundations for good-paying jobs in B.C. that meet the needs of working families, while ensuring policy reform supports and protects those jobs through time. Many rural communities have experienced significant social and economic change in recent years. They still want to realize the economic benefit generated by forestry, in ways that recognize the values of local citizens.

POLICY INTENTIONS:

- ***Modernizing tenure replaceability conditions:*** While licensees require certainty to make business decisions, we intend to ensure replaceable tenures demonstrate a clear commitment to sustainability and sound management. So-called evergreen tenures, which must by law be renewed, date back to the 1960s, when considerations around Indigenous partnerships, forest sustainability and climate change were very different. We will revisit the criteria and expectations for tenure replacement, which we expect to include licence performance on a range of public interest considerations as part of the replacement process. In essence, we are looking for holders of replaceable tenures to find creative ways to partner and grow the industry, inclusive of Indigenous interests, while maintaining the long-term stability industry needs to thrive.
- ***Increasing fibre access for value-added domestic manufacturers:*** In support of our vision to diversify manufacturing and increase value, we intend to:
  - Work with value-added sector representatives for traditional remanufacturing products, mass timber, and with new entrants on innovative (including bioeconomy) products to understand what and where the province can act to support competitive value-added businesses.
  - Advance a process to minimize the burning of slash piles created after timber harvesting, so this fibre is available for manufacturing, and that reduced emissions benefit our climate as part of CleanBC.
  - Develop a program for timber sales with a focus on the value-added sector.
- ***Promoting the use of wood and mass timber:*** The Wood First Act requires wood to be used as a primary building material in public sector buildings (with limited exemptions). Having a good sense of what "primary" means in practice has not yet occurred. We will be improving our legislative framework to ensure wood, mass timber and emerging biomass-based materials, such as biomaterials, are more clearly a priority in public buildings. This work will be promoted as part of B.C.'s mass timber action plan and CleanBC.
- ***Revising area-based tenure-specific pricing policy:*** Currently there is a disparity between stumpage rates applied to Woodlot Licences, Community Forest Agreements, and First Nation Woodland Licences issued to Indigenous communities. We will harmonize the rate structures, consistent with our market-based pricing system, while being mindful that smaller tenure ownership is impacted by economies of scale.

Guiding **Principles**

- ***Strengthening compliance and enforcement:*** The public has a right to know which licensees are fulfilling the public's trust, and which are not. When there are violations, penalties need to be sufficient that they act as a deterrent and not merely treated as the "price of doing business." We intend to reinforce our ability to address issues around poor practices and behaviour. This includes public reporting of infractions and reviewing existing fine and penalty amounts to ensure effective enforcement commensurate to the nature of the violation.
- ***Protecting good jobs:*** Forestry is not just about high-level, abstract concepts like tenure and timber harvesting rights. It is fundamentally about the workers and communities the sector supports. Due to the nature of the forest industry, tenure conditions can span many decades, but many of the people they employ are smaller contractors, truckers, and logging companies. Our government intends to complete the Contractor Sustainability Review with amendments to the Timber Harvesting Contract and Subcontract Regulation. These amendments will conclude the work done in collaboration with representatives of the forest contracting and large tenure-holder communities. It is important that hard-fought rights to wages and working conditions endure through time. We will also support the Ministry of Labour in advancing their Industrial Inquiry Commission as previously announced to review contract retendering in the forest sector, within the context of Indigenous interests reflected in this paper.

When combined, these measures will ensure that long range planning supports the aspirations of forest companies, workers, and communities.





Conclusion



WE RECOGNIZE that, taken together, these intentions represent significant change that is appropriate and necessary. While we expect to see immediate tangible improvements quickly, the full vision will not be realized overnight. By their nature, forests are a slow-growing, renewable resource. Forest management likewise takes place over multiple years, reflecting the nature of the resource it is designed to govern. However, just as having the right combination of soil nutrients, precipitation and sun ensures a healthy forest, so too will having the right management tools and vision ensure a diverse, sustainable forest sector for today and for generations to come.



Appendix A – Actions to address old growth recommendations

GOVERNMENT'S VISION to modernize forest policy complements its ongoing work to implement the independent panel's recommendations on old growth forests.

On Sept. 20, 2020, the Province announced it was taking a new, holistic approach to managing old growth, informed by the independent panel report, *A New Future for Old Forests*.

As a first step, B.C., in collaboration with Indigenous Nations, immediately deferred the harvesting of 196,000 hectares of old growth in nine areas. This is equivalent to roughly 480 Stanley Parks. Government also enacted the *Special Tree Protection Regulation* to protect up to 1,500 exceptionally large, individual trees and one hectare surrounding each tree.

The Province also committed to engaging with Indigenous leaders, environmental groups, labour, industry and communities to build a plan to protect B.C.'s ancient forests for future generations and this work is underway. Since Sept. 2020, government has taken the following actions:

- As a first step government engaged with the First Nations Leadership Council to discuss the report and begin work on the approach for recommendation number one "engaging the full involvement of Indigenous Leaders and organizations to review the report and work with the Province on any subsequent policy or strategy development and implementation." Since the report's release, government has met with several Indigenous Nations and organizations to work together on recommendations and we will continue to reach out to more Nations.
- Building on the government's announcement in 2020 to defer 196,000 hectares of old-growth forests from harvesting, work is underway with Indigenous leaders and in consultation with stakeholders to identify potential additional deferral areas, to discuss land stewardship of these forests, and assess the potential economic impacts.
- More detailed information on the status of old growth conditions and trends and compliance with existing targets (recommendations five and seven) are in development through the *Forest and Range Evaluation Program*. More information will be released in the summer and autumn months of 2021. Regular updates and all available old growth information are online at: *www.gov.bc.ca/oldgrowth*
- Given the breadth and scope of the report, the province is recommending a phased approach to addressing the recommendations over the next two years. The diagram below illustrates recommendations numbered 1, 5, 6, and 7 under the heading "Immediate Measures". The center column titled "Elements Required for Change" outlines recommendations numbered 2, 4, 9, 13, 14 which set up a framework of key changes and policy shifts that support change. The third column titled "The New Old Growth Strategy" are recommendations numbered 3, 8, 10, 11, and 12 which are critical to implementing change.

Old Growth Strategic Review –The Path Forward

MAY 2020 - ONGOING

IMMEDIATE MEASURES

- Commitment to partnership with Indigenous Nations
- Deferral of old growth at risk of irreversible loss
- Better public data
- Compliance with current standards

2021 – ONGOING

ELEMENTS REQUIRED TO SUPPORT CHANGE

- Prioritize ecosystem health
- More inclusive governance
- Framework for setting and managing targets
- Transition plans: local and provincial
- Transition support for communities

2023 – ONGOING

THE NEW OLD GROWTH STRATEGY

- Three zone management
- Funds for monitoring and evaluation
- Updated biodiversity targets and guidance
- Better inventory and classification
- More innovative practices

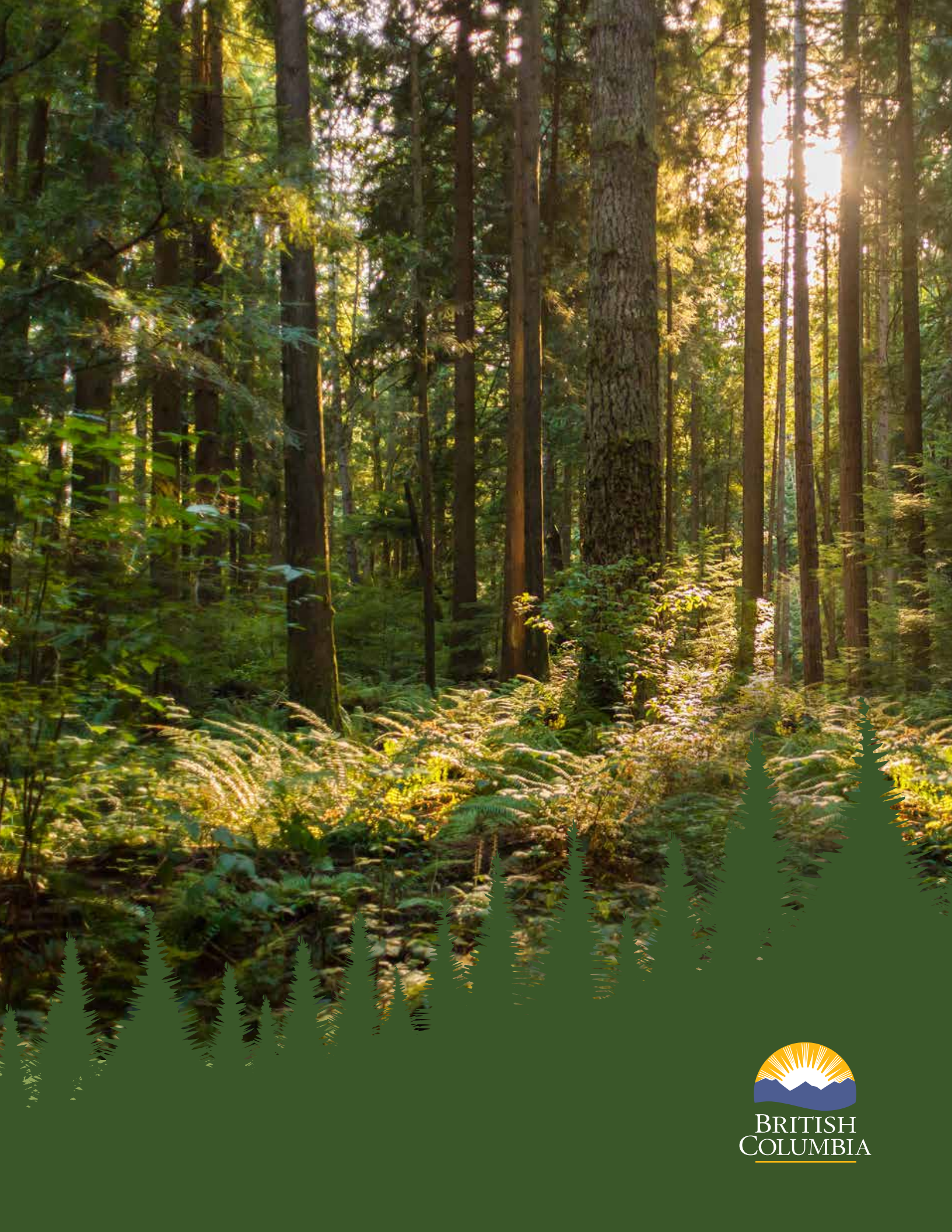
Government's timeline and path to implementing all 14 recommendations in collaboration with Indigenous Nations, communities, and stakeholders (as seen above) can be found at: *https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/forestry/stewardship/old-growth-forests/old_growth_path_forward.pdf*



FACTS ABOUT OLD GROWTH IN B.C.:

- While the vast majority of old growth in B.C. – 10 million hectares – is protected or not economical to harvest, government is taking action to change current forest management practices in response to the Old Growth Strategic Review. These changes will better support the effective implementation or achievement of the stated and legislated public objectives for old forests.
- There are 13.7 million hectares of old growth in the province. This is equivalent to an area more than four times the size of Vancouver Island.
- Old growth makes up about 23% of B.C.'s forests
- Currently, only 27% of the old growth in BC is legal and economical to harvest.
- Characteristics of old growth can include tree species, tree age, tree size, surrounding forest structure, ecological function, and historical disturbance. While characteristics vary, old-growth forests tend to have more diverse plant and animal life than younger forests.
- Old-growth ecosystems support a wide range of plants and animals, from mosses and liverworts to large mammals and some species at risk. These forests also provide habitat for many birds, mammals, and amphibians.
- Many species at risk are found within old growth stands and much of this is already protected including:
  - Over 1 million hectares of old growth protected to support Northern Goshawk recovery
  - Over 400,000 hectares of old growth protected to support Marbled Murrelet recovery
  - Over 450,000 hectares of protected Spotted Owl habitat which includes over 147,000 hectares of old growth
  - Over 1 million hectares protected to support Fisher recovery
  - And over 6.5 million hectares of caribou habitat protected which includes 1.5 million hectares of old growth.





BRITISH
COLUMBIA