

Office of the Mayor

May 10, 2022

Premier John Horgan
Office of the Premier
PO Box 9041 Stn Prov Govt
Victoria, BC V8W 9E2

AND

Minister Katrine Conroy
Minister of Forests
PO Box 9049 Stn Prov Govt
Victoria BC V8W 9E2

Dear Premier and Minister Conroy:

Re: Pricing Policy for Community Forests

Council of the District of Hope, at their May 9, 2022 Regular Council Meeting, passed a resolution in support of the City of Powell River's attached resolution for government to maintain the tabular rate structure for community forest agreements.

There are 60 operating community forest agreements in BC, involving over 100 Indigenous and rural communities. Community forests generate direct benefits to the communities that they serve and are critical to developing and maintaining local support for forest management activities. These community forests also bring other benefits, including local jobs, enhanced forest stewardship, and wildfire risk reduction. Our local community forest has worked hard to improve their operation and this has resulted in a better return for the District and our partners. Many projects in the District have been made possible through this funding including Skagit River cleanups, Dragon's Back trail maintenance, and new siding on the Hope Curling Rink.

The recognition of the unique responsibilities, mandate, and policies given to community forest agreement holders is paramount to the continued success of the community forest program. These policies include the necessity of a pricing system that acknowledges the unique role of community forests and the full costs of operating them. Therefore, on behalf of my organization, I ask you to support the BC Community Forest Association by maintaining the tabular rate structure for community forest agreements in its current form.

Sincerely,



Mayor Peter Robb

cc: Union of BC Municipalities
Jennifer Gunter, BC Community Forest Association
Cascade Lower Canyon Community Forest



City of Powell River

City Hall – MacGregor Building
6910 Duncan Street, Powell River, BC V8A 1V4
Telephone 604.485.6291 • Fax 604.485.8644
www.powellriver.ca • info@powellriver.ca

April 26, 2022

File No. 0230-20-0005

VIA-EMAIL: jjustason@ubcm.ca

Jamee Justason
Information & Resolutions Coordinator
Union of British Columbia Municipalities

Dear Ms Justason:

**Re: Resolution - 2022 UBCM Convention
Pricing Policy for Community Forests**

At the April 21, 2022 regular Council meeting, Powell River City Council adopted the attached resolution regarding *Pricing Policy for Community Forests* for consideration at the 2022 UBCM convention.

Also attached is background information in support of this initiative.

Please let me know if you require anything further.

Yours truly,
CITY OF POWELL RIVER

Malonie Shaffer
Deputy Corporate Officer

MS/
Attachments



SHORT TITLE: Pricing Policy for Community Forests

Sponsor's Name: City of Powell River

WHEREAS the tabular stumpage rate system that currently applies to community forest agreements provides the means through which community forests innovate, operate in contentious areas, invest in long-term forest stewardship and provide jobs and other benefits to their communities; and

WHEREAS the ability of community forests to innovate and invest in community priorities including climate change adaptation, wildfire risk reduction, ecosystem restoration, old growth management, recreational infrastructure development, and community economic development relies upon the current stumpage rates; and

WHEREAS any change in the current tabular stumpage policy that results in increased stumpage rates and additional administrative burden for community forest tenures will greatly reduce and undermine the capacity of community forests to provide key socio-economic benefits to the communities that they support. The tabular stumpage policy enables community forest agreement holders to implement modernized forest policies and to meet the full range of community objectives while operating viable businesses;

THEREFORE, BE IT RESOLVED that the Province of British Columbia maintain the tabular rate structure for community forest agreements.

Pricing Policy for Community Forests

BACKGROUND

- There are 60 operating community forest agreements in BC.
- Community forests in BC reflect the ecological and cultural diversity of our province. They exist in many types of forests and terrain. They range in size from 361 to 184,682 hectares, with an annual harvest from 860 m³ to 194,226 m³. The average annual harvest is 36,931 m³/year.
- Collectively, over 100 Indigenous and rural communities are involved in community forestry in BC. Half of the operating community forests are held by First Nations or a partnership between an Indigenous and non-Indigenous community.
- The ability of community forests to generate direct benefits to the Indigenous and rural communities that they serve is critical to developing and maintaining local support for forest management activities. These benefits include financial contributions to local communities, as well as local jobs, enhanced forest stewardship, and wildfire risk reduction.
- Community forests work under the same rules as the rest of the forest industry in BC. They are governed by the *Forest Act* and the *Forest and Range Practices Act*, and all other applicable statutes and regulations. They pay stumpage (fees paid for harvesting timber from Crown land in BC) based on a tabular rate system that recognizes the eight Community Forest Program goals established by the Province and the unique conditions under which they operate. Community forests sell their harvested timber on the open market and are dependent on the mills providing a fair price for their timber.
- Community forest agreements on the Coast pay stumpage rates based on Table 7.2 of the Coast Appraisal Manual. In the Interior, they pay stumpage rates according to table 6.2 of the Interior Appraisal Manual. These tabular rates account for the added costs and objectives involved in the management of community forests and provide simplified administration and flexibility that enables innovative forest management that is responsive to community needs and priorities.
- Through the tabular rate stumpage system established for community forests in 2006, they are able to undertake the type of innovative forest management and environmental stewardship that the public is asking for and that the Province has articulated for the future of BC, while also creating good local jobs and supplying logs to a diversity of manufacturers.

In June 2021, the BC government released *Modernizing Forest Policy in British Columbia: Setting the Intention and Leading the Forest Sector Transition (Intentions Paper)*. A new policy direction captured in the Intentions Paper has brought concern to operating community forests, namely the intention to revise area-based tenure specific pricing policy to harmonize the rate structures of CFAs, Woodlot Licences and First Nations Woodlands licences.

The Intentions Paper states:

“Revising area-based tenure-specific pricing policy:

Currently there is a disparity between stumpage rates applied to Woodlot Licences (WLs), Community Forest Agreements (CFAs), and First Nation Woodland Licences (FNWLs) 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.”

The British Columbia Community Forest Association (BCCFA) has been working on pricing policy since 2004 with the provincial government. We were successful in 2006 to secure the tabular rate structure that we work under today. Paramount to the continued success of the community forest program is the recognition of the unique responsibilities and mandate given to community forest agreement holders by government, and the policies that are needed to support them. These policies include the necessity of a pricing system that acknowledges the unique role of community forests and reflects the full costs of operating them. The tabular stumpage rates have achieved this for community forests.

We are fully aware that the current pricing policy of revenue sharing applied to First Nations woodlands licences is inadequate and provides little to no incentive for First Nations to participate in the program. They have long asked for the same pricing arrangement as community forests and woodlot licences, but the Ministry has not supported this change. We recommend the province develop a solution for First Nations Woodlands licences that does not negatively impact community forests.

Community forests across BC are asking local governments through the UBCM resolution process to endorse the maintenance of the tabular stumpage rates for community forests with the provincial government.