



File: 19400-01/DFAM

April 15, 2003

Mail List (Replaceable licensees in TSAs)

Defined Forest Area Management Initiative (DFAM)

Dear Licensees:

Over the past year the Ministry of Forests (MOF) has been engaged in the development of a policy framework and enabling legislation that will establish obligations and new opportunities for collaborative forest management within timber supply areas. This framework is commonly referred to as the "Defined Forest Area Management", or "DFAM" initiative.

Last summer, MOF entered into a consultation process with the forest industry on this initiative through the Ad Hoc Forest Stewardship Working Group (DFAM Issues Team). As a result of that process, issues of concern and options to address those concerns were identified in a report to the government. Further to that report, industry representatives were provided an opportunity to provide input into drafting instructions for proposed legislation.



Concerns respecting matters such as cost recovery mechanisms, establishment of standards, timing of implementation, and lack of incentives, were raised in the industry report. A transition period was proposed as a means to address the identified concerns, as well as to provide more time to examine and develop options with respect to incentives or benefits related to collaborative enhanced stewardship activities, beyond the new obligations.

This letter is to advise you that MOF intends to proceed with the introduction of "DFAM" framework legislation this spring, but delay bringing the legislation into force until after a one-year transition period beginning April 2003. During the transition period, replaceable forest licensees and BC Timber Sales (BCTS) operations will have the opportunity to voluntarily participate in designated DFAM activities that will become legal obligations once the legislation is brought into force in 2004.

An overview of the policy framework as well as details regarding forest health and timber supply activities will be posted on the MOF website shortly (<http://www.gov.bc.ca/for/>).

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Funding of Activities during DFAM Transition through Forest Investment Account

During the transition period, Forest Investment Account (FIA) funding will be made available to TSA DFAM groups for specified activities. Details regarding designated activities and FIA allocations available for each TSA will be posted on the FIA/PWC website <http://www.for.gov.bc.ca/cpp/fia/index.htm>.

To facilitate the FIA allocation process, replaceable forest licensees in each TSA are requested to decide amongst themselves which licensees are interested in pursuing designated DFAM activities as part of a DFAM collaborative. **Each DFAM group is asked to notify the MOF as to which licensees are interested and identify a lead licensee who will act as a representative of the group. Notification should be sent via email to Rick Brand, Strategic Policy and Planning Branch, Ministry of Forests (Rick.Brand@gems2.gov.bc.ca) by May 1, 2003.**

During the transition period, FIA funding provided to the TSA for DFAM activities will also be available to BCTS for use in carrying out their “share” of the workload. However, BCTS is not eligible under the existing FIA structure to act as a lead licensee.

FIA funding will be allocated through the existing recipient agreement that the lead licensee has with PriceWaterhouseCoopers. The delivery model, where it deviates from the existing processes and standards under the Land Base Investment Program, will be based on a letter of understanding between the lead licensee and the MOF.

Next Steps

Once DFAM groups have confirmed their interest in participating, the DFAM group will be contacted, through the lead licensee by MOF staff to discuss further details and procedures for pursuing specific timber supply analysis and forest health activities in that TSA. In the event that no licensees are interested in pursuing DFAM transition activities, FIA funding will be redirected to the MOF for use in carrying out this work.

Timber Supply Analysis -- Prior to starting timber supply review activities, the DFAM groups in TSAs that are scheduled for timber supply analysis requirements during 2003/04 will receive a letter from the Chief Forester (Attachment 1). The letter will contain more detail regarding timber supply review activities and contacts for timelines and standards.

Forest Health -- All TSAs will receive a FIA funding allocation to enable the preparation of a Forest Health Strategy. In addition, Attachment 2 indicates those TSAs that will have an additional FIA funding allocation for the development of specified detection and control activities to suppress bark beetle populations.

There will be ongoing opportunities over the next year for industry input into the development of regulations, standards and procedures related to implementation of the legislation that will come into force next year. In addition, the DFAM Issues Team will be commencing discussions on potential benefits or incentives for participation in “enhanced” DFAM activities.

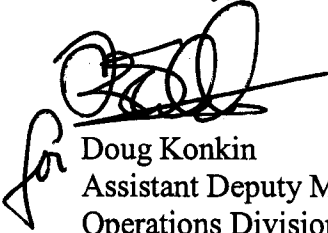
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I want to thank the many licensees who have expressed their support for pursuit of DFAM activities. Special recognition is due to those licensees who participated in the DFAM Issues Team and gave their own time to ensure that DFAM can be implemented in a manner that ensures efficient, effective and “seamless” delivery of these important stewardship activities.

If you have further questions regarding the DFAM initiative, please contact:

- Gail Brewer, Strategic Policy and Planning Branch (Gail.Brewer@gems6.gov.bc.ca)
- Craig Sutherland, Southern Interior Region (Craig.Sutherland@gems4.gov.bc.ca)
- Maury Drage, Northern Interior Region (Maury.Drage@gems7.gov.bc.ca)
- Val Ciapponi, Coastal Region (Val.Ciapponi@gems8.gov.bc.ca).

Yours truly,



Doug Konkin
Assistant Deputy Minister
Operations Division and BC Timber Sales

pc: Regional Managers
District Managers
Timber Sales Managers
Doug Routledge, Vice President - North, Council of Forest Industries
Peter Affleck, General Manager, Forestry, Council of Forest Industries, Southern Operations
Les Kiss, General Manager, Forestry, Coast Forest and Lumber Association
Jim Girvan, Executive Director, Truck Loggers Association
Randy Chan, General Manager, Environment and Forestry, Tolko Industries Ltd.
Alex Ferguson, Chief Forester, Slocan Forest Products Ltd.

Attachment 1

TSA's with Timber Supply Analysis Requirements Beginning 2003

Forest Region	TSA	Timber Supply Analysis
Northern Interior	Kalum	<ul style="list-style-type: none"> data collection, data package, analysis report, public and First Nation reviews, however subject to <i>a potential postponement</i>
	Fort Nelson	<ul style="list-style-type: none"> data collection, data package, analysis report, public and First Nation reviews
	Mackenzie	<ul style="list-style-type: none"> data collection, data package, public and First Nation reviews, however subject to <i>a potential postponement</i>
Southern Interior	Arrow	<ul style="list-style-type: none"> data collection, data package, analysis report public and First Nation reviews
	Robson Valley	<ul style="list-style-type: none"> data collection, data package, analysis report, public and First Nation reviews
	Cranbrook	<ul style="list-style-type: none"> data collection, data package, analysis report, public and First Nation reviews, however subject to <i>a potential postponement</i>
	Merritt	<ul style="list-style-type: none"> data collection, data package, public and First Nation reviews, however subject to <i>a potential postponement</i>
	Lillooet	<ul style="list-style-type: none"> data collection, data package, public and First Nation reviews
	Quesnel	<ul style="list-style-type: none"> data collection, data package, public and First Nation reviews (may be completed by MoF)
	Okanagan	<ul style="list-style-type: none"> data collection, data package, public and First Nation reviews, however subject to <i>a potential postponement</i>
Coastal	Invermere	<ul style="list-style-type: none"> data collection, data package, public and First Nation reviews
	Mid Coast	<ul style="list-style-type: none"> MOF will be reviewing TSR requirements
	Soo	<ul style="list-style-type: none"> data collection, data package, analysis report, public and First Nation reviews, however subject to <i>a potential postponement</i>
	North Coast	<ul style="list-style-type: none"> data collection, data package, analysis report, public and First Nation reviews
	Sunshine Coast	<ul style="list-style-type: none"> data collection, data package, public and First Nation reviews

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Attachment 2 – TSAs with DFAM Forest Health Requirements in 2003/04

Region	TSA	Forest Health Strategy Allocations	Bark Beetle strategy required	Projected Bark Beetle Suppression Funding Levels	
Northern Interior	Bulkley	\$15,000	Yes	Medium	
	Lakes	\$15,000	Yes	Medium	
	Morice	\$15,000	Yes	High	
	MacKenzie	\$15,000	Yes	High	
	Prince George	\$15,000	Yes	High	
	Kalum	\$10,000	Yes	Not funded by FIA under current priority ranking	
	All other TSAs (Kispiox, Ft. Nelson, Ft. St. John, Dawson Ck.)	\$5,000 each	No	Bark Beetle not present or not a priority	
Southern Interior	Williams Lake	\$15,000	Yes	High	
	100 Mile	\$15,000	Yes	High	
	Quesnel	\$15,000	Yes	Low	
	Okanagan	\$15,000	Yes	Medium-High	
	Merritt	\$15,000	Yes	Medium-High	
	Lillooet	\$15,000	Yes	Medium	
	Kamloops	\$15,000	Yes	High	
	Robson Valley	\$15,000	Yes	Medium	
	Cranbrook	\$15,000	Yes	Medium	
	Invermere	\$15,000	Yes	Medium	
	Kootenay Lake	\$10,000	Yes	Not funded by FIA under current priority ranking	
	Golden	\$10,000	Yes	Not funded by FIA under current priority ranking	
	Arrow	\$10,000	Yes	Not funded by FIA under current priority ranking	
	Boundary	\$5,000	Yes	Not funded by FIA under current priority ranking	
	Revelstoke	\$5,000	Yes	Not funded by FIA under current priority ranking	
	Coastal	Soo	\$6,000	Yes	Not funded by FIA under current priority ranking
		All other TSAs (Kingcome, Fraser, Arrowsmith, Strathcona, Sunshine Coast, Mid-Coast, North Coast, QCI)	\$3,000 each	No	Bark Beetle not present or not a priority

Forest Health Strategy -- Each TSA will be allocated funds for preparation of a forest health strategy. Allocation level varies depending on projected workload associated with preparation of bark beetle strategy for the TSA. Those TSAs with bark beetle presence have been allocated additional funds for the preparation of a bark beetle strategy component of the forest health strategy. The level of funding allocated for this purpose varies with the projected level of workload involved in preparing the bark beetle strategy component.

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Funding Level Projections for bark beetle suppression are determined on the basis of provincial priority rankings for suppression activities for mountain pine beetle, spruce beetle and Douglas-fir beetle management. (Low = up to \$100,000; Medium = \$100,000 to \$500,000; and High = >\$500,000.) Final funding levels will be established on the basis of approved detection and treatment requirements.

For further information on funding allocation, contact Tim Ebata, Forest Health Specialist, Forest Practices Branch (Tim.Ebata@gems8.gov.bc.ca) or call 250-387-8739.