

Fort St. John

Pilot Project

Review Report



November 2009

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Executive Summary

In 1999, the Ministry of Forests and Range developed enabling legislation for pilot projects that would encourage innovative approaches to forest management with opportunity for public involvement, while improving administrative efficiencies and reducing costs for both industry and government. The legislation required that the protection of forest resources be at least equivalent to that provided in the *Forest Practices Code of British Columbia Act* (the Code), and management was to be consistent with the Code's preamble. The preamble defined sustainable use of forests and required balancing the many forest values, while meeting the economic, social, and cultural needs of peoples and communities, including First Nations.

From this legislation, the Fort St. John Pilot Project (the "Pilot Project") was established by Regulation (the Fort St. John Pilot Project Regulation) on November 30, 2001. Of the six original Forest Practices Code pilot projects developed to explore different types of forest regulation, only the Fort St. John and Stillwater pilot projects are still active. The Fort St. John Pilot Project area encompasses the 4.7 million hectare Fort St. John Timber Supply Area in northeastern British Columbia. It is located within the boreal forest and consists of a complex mosaic of coniferous, deciduous, and mixedwood stands, with a wide range of age classes.

The Fort St. John Pilot Project review was undertaken as an extensive and collaborative effort involving staff from the Ministry of Forests and Range district, region, and headquarters; Ministry of Environment; and Pilot Project Participants (forest licensees and BC Timber Sales), subject matter experts, and members of the public. This review report consists of five parts.

Section 1 provides the background of the project, the enabling legislation, a description of the pilot project area, and a description of the evaluation process.

Section 2 evaluates the Pilot Project's relative success, and whether it meets the required tests listed in Section 53 (1) of the Fort St. John Pilot Project Regulation (the "Regulation"). This report assessed whether the Pilot Project:

- (a) provides equivalent protection to forest resources and resource features as are provided under the *Forest Practices Code of BC Act* and the regulations;
- (b) is consistent with the preamble to the Act;
- (c) provides for adequate management and conservation of forest resources;
- (d) adequately provides for public review and comment respecting forest practices;
- (e) adequately provides for monitoring of the pilot project;
- (f) provides adequate public access to
 - (i) planning documents and assessments used in the pilot project, and
 - (ii) records that this regulation requires to be prepared; and
- (g) is cost effective for one or more of the following:
 - (i) holders of agreements under the *Forest Act*;
 - (ii) the government for the Small Business Forest Enterprise Program; and
 - (iii) the government for administering forest practices.

The evaluation indicates that the Pilot Project successfully met the tests. It also found numerous examples of innovation, such as the multi-block silvicultural assessment. However, a full assessment of effectiveness may take longer, and the Pilot Project's lifespan from inception to this review may not yet enable a confident verification of all of the Regulation's tests. For example, reforestation performance at a landscape level requires further analysis. The evaluation also found challenges, such as the increased time for district staff to administer two systems for tenures and reporting, and to effectively tackle compliance and enforcement processes. Overall, the Fort St. John Pilot Project has produced some significant successes, but it has also presented some challenges to the ministry in dealing with the administrative and compliance differences.

The cost-effectiveness evaluation, which included logging cost survey information, found that the Participants' costs to carry out forest practices decreased 24 percent between 2001 and 2007. The

overall economic contribution of the Regulation to the Participants' cost structure is estimated as a reduction of 5 percent from 2001 costs, which equates to \$2.75/m³ of logged volume.

Section 3 compares the Fort St. John Pilot Project Regulation model and that of the *Forest and Range Practices Act* (FRPA) and the *Forest Act*. The six theme areas examined are:

- strategic and operational planning;
- public interest and involvement;
- harvest authorization;
- compliance and enforcement, and monitoring;
- forest practices; and
- costs.

Similarities between the Pilot Project and the FRPA models include:

- requiring compliance with a provision wholly contained in the legislation (e.g., the Fort St. John Pilot Project Regulation for the Pilot Project, and the Forest Planning and Practices Regulation for FRPA);
- requiring performance to a standard specified in the appropriate plan—either the Sustainable Forest Management Plan (SFMP) for the Pilot Project, or the Forest Stewardship Plan (FSP) under FRPA; and
- not requiring that the impacts of other industries be factored into the strategic or operational planning model.

Differences between the Pilot Project and FRPA models include the areas of:

- the role of statutory decision-makers within the MFR and MOE in plan approvals and granting exemptions;
- the higher level of public consultation and involvement in the Pilot Project;
- the legal requirement for third-party compliance audits under the Pilot Project;
- the content of plans and the coordination of the content; and
- the mandatory requirement to show the approximate location of cutblocks and roads under the Pilot Project but not under FRPA.

Section 4 of the report describes some key lessons learned from the Pilot Project. These include identifying both some benefits of the Pilot Project that potentially have broader application in other forest management units in British Columbia, as well as identifying some areas of concern.

Benefits of the Pilot Project

Benefits of the Pilot Project (in addition to those concepts already incorporated into FRPA) that may have the potential for broader application include:

- the broad flexibility of the regulatory model, particularly at providing for innovation to address changing circumstances;
- the use of a single, coordinated, comprehensive sustainable forest management plan (including all higher-level strategic plans) that applies to all licensees and BCTS to achieve significant strategic planning benefits, and social and economic benefits by:
 - establishing one consistent set of performance standards for all licensees and BCTS based on local conditions; and
 - placing priority on setting and achieving landscape or multi-block targets, not individual block targets;
- the use in some areas of a document similar to the Forest Operations Schedule (approval not required) that identifies approximate location of cutblocks and roads that can be used:
 - by the Participants to demonstrate cumulative impact of planned forestry activities on key landscape-level objectives;
 - by the Participants to provide a fair distribution of blocks; and
 - to improve the scope and effectiveness of public consultation.

- modifying the basis on which harvest authorizations and road authorizations are issued by:
 - providing for the issuance if the application: (1) meets basic legal criteria, (2) is consistent with higher-level plans (e.g., SFMPs), and (3) has received a review and comment process by First Nations and stakeholders; and
 - de-linking the harvest authorization and appraisal processes by placing the valuation assessment of a block or group of blocks in an entirely separate process from the harvest authorization process for blocks. Conversely, while this process does present the potential for resulting unbilled scale, it is not likely because the District Manager can require that the Participant not commence harvesting until appraisal data are submitted.
- integrating CSA certification processes with provincial regulatory processes;
- a comprehensive SFMP was developed and contains landscape-level strategies for timber harvesting, road access management, patch size, seral stage distribution and adjacency, riparian management, visual quality management, forest health management, range and forest management and landscape-level reforestation;
- involving a public advisory group (PAG) as well as a scientific advisory committee which was used to provide input and recommendations in the development of the SFMP landscape level strategies and indicators; and
- requiring additional forms of information such as Participant-funded independent audits to enhance the ability of government to assess the risk to the Crown associated with particular forest operations.

Areas of Concern with the Pilot Project

Three types of challenges were identified with the implementation of the Pilot Project.

(1) Issues with the Regulation

- The Regulation was created under the *Forest Practices Code of BC Act* and subsequently moved to FRPA, which has created some legislative linkage issues with other relevant legislation (particularly the *Forest Act*); and
- The Regulation does not reflect some of the recent changes made under the *Forest Act*.

(2) Issues with evaluating performance under the Regulation

These include uncertainties for the Ministry of Forests and Range about how to assess:

- overall achievement of landscape-level strategies to provide adequate assurance to the government about management of Crown forest resources before expanding the use of some of these types of landscape-level strategies in other areas of the province;
- reforestation performance on the Pilot Project area, particularly whether the new multi-block standards have been achieved; and
- compliance with other landscape-level objectives and standards. Participants report out on results in Sustainable Forest Management Plan-CSA and Regulatory annual reports, and the ministry requires additional tools or technology to confirm whether performance requirements have been met.

(3) Issues with the administration of the Regulation

Ministry Staffing and Engagement – The Pilot Project has required additional time and resources from district, region, and headquarters staff. MFR staff believe they do not have sufficient time or resources to address and make modifications to provincial policy and procedures that apply only to one unique area.

Statutory Decision-Making – The statutory decision-making structure under the Regulation requires that decision-making be executed by the Ministry of Forests and Range region and district, as well as by the Ministry of Environment.

Information Systems and Business Processes – The Pilot Project has created additional unique costs to the Ministry of Forests and Range due to the requirement for:

- using alternate business processes to handle authorization and tenure issues;
- making changes to the FTA and RESULTS information systems to accommodate the Pilot Project; and
- reviewing and evaluating the reforestation data compiler.

Compliance and Enforcement – Under the Regulation, some ministry Compliance and Enforcement staff in the Peace District must be familiar with two regulatory models. In addition, the landscape-level performance requirements necessitate the development and use of sophisticated assessment tools. This requires additional staff training and capacity building.

Section 5 of the report presents the Ministry of Forests and Range Executive decision-makers with three options for their consideration respecting whether the Fort St. John Pilot Project should be continued. In addition, the specific option that the Fort St. John Pilot Project Review Working Group is recommending is identified.

These options are:

- | | |
|----------|--|
| Option 1 | Status Quo. Continue the Pilot Project in its current form. |
| Option 2 | Repeal the Fort St. John Pilot Regulation (thereby cancelling the Pilot Project) over a two-year period. |
| Option 3 | Continue implementing the Pilot Project for another six-year SFMP planning cycle with a specific focus on learning from implementation of landscape-level strategies and other identified practices (such as the Forest Operations Schedule). In addition, this option will change the legislative requirements so that the Pilot Project is appropriately linked with the <i>Forest Act</i> and FRPA. |

Preamble

The Fort St. John Pilot Project was established by legislation in 2001 and has involved numerous initiatives and the work of many contributors during that time. Of the six original pilot projects, two resulted in pilot regulations. While the Stillwater Regulation is winding down, the Fort St. John Pilot Project Regulation remains fully operational. The Pilot Project area encompasses the Fort St. John Timber Supply Area (TSA) in northeastern British Columbia within the boreal forest.

In the Fort St. John Pilot Project proposal, the Participants (forest licensees and BC Timber Sales) noted that the Pilot Project's overarching goal was “*to achieve the broad objectives of the Forest Practices Code legislation with a new statutory and management package that was easier to implement, and lower in cost.*” The Participants recognized then that the pending development of the deciduous timber resources within the timber supply area was going to significantly complicate forest management activities, and a more flexible regulatory environment was required.

Both the Fort St. John Pilot Project's enabling legislation and the Sustainable Forest Management Plan approval letter from the Regional Executive Director stipulated that a review be undertaken to assess the effectiveness of the Regulation in improving forest practices. That review forms the foundation for this report, and is supplemented with:

- a comparison and contrast of forest management under the Fort St. John Pilot Project Regulation (the “Regulation”) with forest management under the “legislation of the day,” the Forest Practices Code;
- a comparison of the Pilot Project with the *Forest and Range Practices Act* (FRPA) and the *Forest Act*;
- an outline of three options for consideration and the recommended option for decision by the Ministry of Forests and Range's (MFR) Executive decision-makers; and
- further detailed information used in the report presented in the four appendices.

Throughout this report, the Fort St. John Pilot Project is commonly referred to as **the Pilot Project**, and **the Regulation** refers to the Fort St. John Pilot Project Regulation. The term **Participants** covers licensees (Canfor, Tembec, Louisiana Pacific, Cameron River Logging), BC Timber Sales, and the West Moberly First Nation (the West Moberly First Nation holds a licence as 50–50 joint partnership with Canfor) practising forest management in the Pilot Project area, and more specifically defined under Sections 6 and 7 of the Regulation.

1. Background

1.1 Enabling Legislation

Amendments to the *Forest Practices Code of BC Act* (the Code) in June, 1999, enabled the establishment of pilot projects to examine ways of improving the regulatory model for forest practices. Under the Code's new Part 10.1, the Regulation was enacted in December, 2001.

1.2 Pilot Project Area and Management Factors

The Fort St. John Pilot Project area consists of a complex mosaic of coniferous, deciduous, and mixedwood stands, with a wide range of age classes. The dynamic nature of mature boreal forests includes a mosaic of interconnected stand growth patterns, and harvesting mature forests can potentially result in coniferous, deciduous, or mixedwood stands. A significant part of the land base includes both deciduous and coniferous tenures. Individual licensees generally have an interest in harvesting in only one type of stand within the forest complex (e.g., mature deciduous stands for OSB licences).

Since areas of merchantable mature coniferous and deciduous timber are relatively widely dispersed and surrounded by inoperable areas—such as black spruce stands and bogs—or immature stands, timber

harvesting costs are generally high unless there is coordinated harvesting and access management.

Poor access conditions, remoteness, and significant challenges for regeneration success contribute to very high silviculture costs when stringent coniferous standards are applied block by block. In addition, reforestation true “mixedwoods” with stringent individual block standards adds significantly to silviculture costs.

The mixture of coniferous and deciduous forests leads to less predictable silvicultural outcomes, as a result of:

- deciduous ingress in coniferous plantations, and
- extreme grass and brush competition.

First Nations and local stakeholders had expressed concerns around cumulative forestry impacts and the difficulty in understanding these impacts when presented with separate licensee plans, which frequently overlapped each other. Accordingly, one of the main reasons for moving forward with the Pilot Project was to coordinate the harvesting and road activities of all licensees and BCTS to minimize these cumulative impacts and to provide a single, comprehensive operational plan to First Nations and the public for review and comment.

1.3 Evaluation Process

A working group was established in January 2008. The working group first agreed on the strategy and process for the evaluation report and then produced detailed overviews of the Pilot Project pertaining to tenures and revenue, information systems, benefits, compliance and enforcement, monitoring and stewardship, and applications to the FRPA. The submissions were compiled in this final report for presentation to the MFR Executive with recommendations for the Pilot Project’s future, including attributes of those elements of the Pilot Project warranting further consideration.

1.4 Report Structure

Section 1 provides the background of the project, the enabling legislation, a description of the pilot project area, and a description of the evaluation process.

Section 2 follows evaluation criteria outlined in Section 53 of the legislation and is the first comprehensive review of the Pilot Project.

Section 3 compares and contrasts the Regulation with the *Forest and Range Practices Act* and the *Forest Act*.

Section 4 identifies key lessons learned from the Pilot Project and identifies opportunities for application in other forest management units in British Columbia. This part also identifies areas of concern with the Pilot Project.

Section 5 presents the Ministry of Forests and Range Executive with three options for their consideration respecting whether it should be continued, as well as the specific option that the Fort St. John Pilot Project Review Working Group has chosen to recommend.

The report concludes with four appendices that provide additional information that the working group teams developed and used to prepare this report.

2. Assessment of the Fort St. John Pilot Project with respect to Meeting the Requirements of Section 53 (1) of the Regulation

2.1 Introduction

The assessment of the Pilot Project consisted of a detailed document review of the Pilot Project using the Regulation's Section 53 (1) (a) through (g), and interviews of individuals associated with the Pilot Project using qualitative questions to expand on the document review.

The Regulation, and therefore this review, was established under the former *Forest Practices Code of BC Act*. The relative success of the Pilot Project was assessed for its ability to improve the regulatory model of forest practices and its cost effectiveness. This was based on a comprehensive review of sustainable forest management and cost effectiveness under the Pilot Project, using the best available criteria at the time, by evaluating whether the criteria of Section 53 (1) of the Regulation were achieved. Section 53 (1) states that:

From time to time the minister may assess the relative success of the pilot project at improving the regulatory framework of forest practices by evaluating, in the pilot project area, whether this regulation

- (a) provides equivalent protection to forest resources and resource features as are provided under the *Forest Practices Code of BC Act* and the regulations;
- (b) is consistent with the preamble to the Act;
- (c) provides for adequate management and conservation of forest resources;
- (d) adequately provides for public review and comment respecting forest practices;
- (e) adequately provides for monitoring of the pilot project;
- (f) provides adequate public access to
 - (i) planning documents and assessments used in the pilot project, and
 - (ii) records that this regulation requires to be prepared; and
- (g) is cost effective for one or more of the following:
 - (i) holders of agreements under the *Forest Act*;
 - (ii) the government for the small business forest enterprise program; and
 - (iii) the government for administering forest practices.

2.2 Interviews

A series of questions about the criteria set out in Section 53 (1) (a) through (f) of the Regulation was developed in consultation with Ministry of Forests and Range staff to interview Public Advisory Group (PAG) members, First Nations, Participants, and select personnel from the Ministry of Environment and the MFR district, region, and branch offices. Due to the wide range of perspectives and levels of familiarity with the pertinent documents, the questions posed to interviewees were designed to determine if the Pilot Project documents and processes address the evaluation criteria of Section 53 (1) (a) through (f) in the interviewees' specific areas of interest.

Thirty interviews were conducted. The nature of the evaluation criteria in Section 53 (1) (a) through (f) and the varied backgrounds of interviewees created a variety of responses and perspectives on the Pilot Project. In some instances, different individuals had conflicting views on the same point. In addition, few interviewees were familiar enough with all the topic areas in the evaluation criteria to respond to every question. Opinions were summarized and general comments recorded.

2.3 Assessment Results

2.3.1 Equivalent protection for forest resources and resource features: Section 53 (1) (a)

Under the Pilot Project, the Sustainable Forest Management Plan (SFMP) content and the process to protect forest resources and unidentified resource features were generated through a combination of:

- the Canadian Standards Association (CSA) certification framework;
- the Regulation;
- a Scientific Technical Advisory Committee, comprised of a diverse group of scientists and resource experts who provided input and recommendations on sustainable resource management during the development of the SFMP landscape-level strategies and related indicators; and
- the Public Advisory Group (PAG).

Following approval of the SFMP, operational processes and SFMP content are the responsibility of the licensee. The District Manager has less overall legislative control than under the former Forest Practices Code but can intervene if a Site Level Plan will not “adequately manage and conserve the forest resources,” and not approve a plan until the concerns are addressed.

A significant part of the SFMP is comprised of targets, indicators, and acceptable variances. Many of them are incorporated into the Forest Operations Schedule (FOS), and the status of all indicators is updated in the annual report prepared by the Participants. In addition to legal repercussions, CSA certification depends on achieving and maintaining a high level of performance. To this end, the involvement of the Scientific Technical Advisory Committee and the PAG in the development of indicators ensures that:

- a broad range of resources was addressed;
- public involvement was ongoing; and
- the Participants were accountable to address the public interests regarding the protection of forest resources and resource features.

Without the Pilot Project and its PAG, significantly less involvement in forest management planning and implementation could have resulted.

Professional reliance plays a role because the SFMP is prepared and signed by a registered professional forester. According to the *Foresters Act* and guidance provided by the Association of BC Forest Professionals bylaws and Code of Ethics, registered professional foresters (RPFs) are to “advocate and practice good stewardship of forest land based on sound ecological principles to sustain its ability to provide those values that have been assigned by society.” The FOS is prepared by an RPF, and the Site Level Plan is signed and sealed by an RPF.

2.3.2 Consistency with Forest Practices Code preamble: Section 53 (1) (b)

Under the CSA Z809-02 SFM standard, sustainable forest management is achieved when the six criteria produced by the CCFM are addressed. The SFMP uses a nested hierarchy of values and objectives to identify what is important, and includes established indicators and targets to help practitioners identify when these objectives have been achieved. The SFMP also contains landscape-level strategies for timber harvesting, road access management, patch size, seral stage distribution and adjacency, riparian management, visual quality management, forest health management, range and forage management, and a landscape-level reforestation strategy.

The Scientific Technical Advisory Committee and the PAG helped to develop indicators for the protection of forest resources and resource features, and the public has a significant role in ongoing performance monitoring. Performance standards and management strategies are specified to meet objectives for riparian features, stand-level biodiversity, coarse woody debris, access, soil conservation, site

productivity, reforestation, forest health, species at risk, visual quality, cultural heritage and resource features, as well as specific harvest prescriptions. Of the 61 indicators developed and applied to demonstrate sustainable forest management in the SFMP, 22 were tracked in the FOS and used to demonstrate how well the FOS delivered on the indicators outlined in the SFMP.

While not a duplication of the Forest Practices Code preamble, the Pilot Project is consistent with all aspects of it except restoring damaged ecologies. The document review concluded that the Pilot Project documents are consistent with the preamble to the Forest Practices Code according to how sustainable use is defined and the consistency of the individual components.

The preamble to the Forest Practices Code incorporated a restorative methodology, while the SFMP is based on the Canadian Council of Forest Ministers criterion about the requirement to maintain ecosystem productivity. Using the sustainable forest management framework for CSA certification provides a structured approach to identifying and managing the critical components of sustainable use and sustainable forest management.

2.3.3 Adequate management and conservation of forest resources: Section 53 (1) (c)

The CSA sustainable forest management framework outlines a structure requiring a wide range of measurable targets to be identified for forest practices. Under the Regulation, Participants are required to meet these targets and provide annual performance reports. Allowable variances are stated in the SFMP and only District Manager approval can permit deviation from these allowable variances.

Each indicator was reviewed and assessed in terms of its likelihood to meet or help meet the objective of providing adequate protection of forest resources and resource features. Of the 61 indicators in the SFMP, 50 were judged to meet or help meet the criteria in Section 53 (1) (c), and 23 of the 50 were identified as not being required by the Regulation. Seven of the 61 indicators are tracked in the FOS and used to demonstrate how well the FOS delivers on the indicators outlined in the SFMP, and to help meet the criteria of Section 53 (1) (c).

Since its establishment in 2001, the Pilot Project has undergone six major audits and reviews. The results demonstrate that the majority of the Pilot Project's targets and indicators are being achieved, with the exception of some non-conformances. The reporting processes ensure disclosure, identification, and tracking of follow-up actions. Of the six reports, the report produced under the Forest and Range Evaluation Program identified some concerns regarding reforestation, particularly the reforestation survey and calculation methods used to determine whether reforestation practices are effective. Research Branch has produced a recent analysis on the Fort St. John reforestation compiler and has identified a number of important concerns (see Appendix 2, Section 2.2.6). MFR headquarters staff will follow up with Peace District and licensee staff about these concerns.

To date, the government has taken 16 compliance actions and one enforcement action (as per MFR's Compliance and Enforcement Management System database).

While the Pilot Project documents and approval process are different from those required under the Forest Practices Code, forest resources appear to be adequately managed and conserved based on the Pilot Project review, notwithstanding the reforestation concerns previously noted.

2.3.4 Public review and comment respecting forest resources: Section 53 (1) (d)

The PAG is involved at various levels of planning, and was intimately involved with the development of the SFMP indicators. Its Terms of Reference identify that the PAG will include, in addition to First Nations, representation from a diverse group of interests such as commercial recreation (guide-outfitters), non-commercial recreation (fishing and hunting), non-commercial recreation (non-consumptive), range, trapping, environment/conservation, oil and gas industry, rural communities, urban communities, forest

contractors/workers, and labour. The PAG membership is published annually, and the public is invited to contact PAG members in their area of interest to provide input or obtain information on forestry activities in the area. PAG meetings are also advertised, open to the general public, and have designated times when members of the public may provide presentations.

Additional public review and comment opportunities exist for both the SFMP and FOS reviews, and comments received are forwarded to the government. Review and comment include identification by the Participants as to how they would address any concerns.

The process used in the Pilot Project was found to ensure adequate public review and comment.

The level of First Nations participation has evolved during the term of the Pilot Project, and increased in recent years with the PAG. Several interviewees mentioned that the Pilot Project helped to initiate the Joint Management Action Committee, which has enabled input by First Nations into forest management within the Pilot Project area. First Nations have the opportunity to review and comment on any FOS amendments before the changes are advertised publicly. The level of involvement over the last few years is increasing and has been positive.

2.3.5 Monitoring of the Pilot Project: Section 53 (1) (e)

Many different groups are involved in monitoring, and the public has a significant role in ongoing performance monitoring regarding the protection of forest resources and resource features. The PAG reviews and provides comments on the SFMPs, as well as annual reports, which detail the level of conformance to landscape-level indicator targets. The PAG also reviews annual certification and biennial regulatory compliance audits completed by independent third-party auditors. The Forest Practices Board has also completed an audit of BCTS activities under the Pilot Project. The Participants and government agencies are also involved in various monitoring programs.

The majority of the interviewees stated that the Regulation does adequately provide for monitoring of the Pilot Project. Interviewees noted many examples of project monitoring functions. Some mentioned a need for a monitoring coordinator and a summary of monitoring actions and findings. The lack of coordination of monitoring initiatives makes the wider dissemination of information difficult.

2.3.6 Public access to planning documents, assessments, and records: Section 53 (1) (f)

A transparent planning process created several formal opportunities to access information throughout the planning process, as well as through the PAG meetings.

Most of the interviewees stated that the Pilot Project does adequately provide public access to planning documents and records. No issues were identified when interviewees wanted to obtain information, and the majority felt that they did receive or could receive the information to help them fulfill their role within the interests they represent on the PAG.

2.4 Innovation

Innovation is the cornerstone of any pilot project. Through innovation, new ideas are developed and implemented, and concepts in general discussion within the forest management environment, but not yet adopted, can be rapidly implemented.

Section 42 of the Regulation provides Participants with the opportunity to develop and incorporate innovative management strategies and practices, and upon government approval, results in the SFMP strategies and practices becoming legally binding targets and performance measures. Section 42 also requires that forest operations be consistent with the landscape-level strategies in the SFMP and that targets are met within the specified variances.

The assessment included an evaluation of the SFMP indicators to determine which of the six criteria in the Regulation's Section 53 (1) (a) through (f) they helped meet, and how often Section 42 was used in this capacity. Of the SFMP's 61 indicators, Section 42 was used 22 times to identify targets and the associated variance.

Some of the innovative aspects of the Fort St. John Pilot Project are:

1. An overarching plan, the SFMP, consolidates three higher-level strategic plans: the Graham River Integrated Resource Management Plan, the Fort St. John Land and Resource Management Plan, and the Muskwa–Kechika Management Area Plan. The SFMP contains indicators that directly relate to these three plans. It also includes the CSA sustainable forest management standard and specifics from the Regulation. This legally binding plan provides:
 - a unified document for regulators, licensees, and the public;
 - clear operational direction for the Participants;
 - clear synthesis of management activities and a direct opportunity for the PAG to incorporate and discuss their interests; and
 - one oversight document for regulators.
2. The PAG is unique, based on its:
 - role in the development and ongoing improvement of the SFMP;
 - ability (along with the Joint Management Advisory Committee) to comment on the FOS;
 - oversight function with performance audits and annual reports; and
 - involvement in natural resource planning from a strategic to an operational scale.
3. The PAG provides and receives direct feedback on forest operations, and has the ability to affect planning and operational changes directly rather than through government agencies.
4. Approval of an operational-level plan is not required as long as it is consistent with the SFMP.
5. The development and implementation of mixedwood stocking standards are based on the best available information.
6. The Pilot Project has greater flexibility to manage old growth values through non-spatial Old Growth Management Areas (enabled by an exemption to the Old Growth order).
7. The Pilot Project model provides the ability (relative to the former Forest Practices Code) to rapidly change, alter, and implement practices, and involve the public and government agencies in doing so while ensuring the results are achieved through the power of regulatory enforcement.

2.5 Cost Effectiveness for Participants and Government

Section 53 (1) (g) of the Fort St. John Pilot Project Regulation provides for an assessment of the Pilot Project's cost effectiveness for the holders of agreements under the *Forest Act*, as well as the BC Timber Sales manager and government. These cost comparisons are associated with the cost structure that would be experienced under forest practices required by the 2001 Forest Practices Code.¹ Table 1 lists the proportional change in Participants costs associated with implementing the Pilot Project.

Table 1. Categories of general cost trends, with range and average, in percent

	Impact (%)	
	Range	Average
No change	< 1	NA
Small	1–4.9	3
Moderate	5–9.9	7.5
Large	10–20	15
Very large	> 20	25

¹ Note: Many of the innovations of this pilot have been adopted by and are currently available under FRPA. This section does not compare with FRPA. However, it does provide an indication of some of the commonly experienced and potential savings available under FRPA.

2.5.1 Participants (excluding BC Timber Sales)

Cost reductions have occurred across all phases of management and together combine for a significant reduction in cost. Within six months of the Pilot Project's initiation, Canfor and BC Timber Sales provided government with their current costs for evaluation purposes as per Section 53 (2) of the Regulation. Table 2 summarizes the relative change in Participants' quota costs per cubic metre between the submitted 2001 licensee cost base and the comparable 2007 licensee costs for all licensee quota volume harvested in the TSA.

Table 2. Summary of relative changes in Participants' quota costs from 2001 to 2007, in percent

Type of cost	Change from 2001 to 2007 (%)
Overhead	-32
Logging	-3
Hauling	+ 8
Road maintenance	-100
Road construction	-85
Reforestation	-55
Total	-24

The table shows a 24 percent reduction in overall costs (excluding stumpage) between 2001 and 2007, with cost reductions in all phases except timber hauling.

The relative impact of the overall changes to activity costs that are directly or indirectly attributable to the Pilot Project alone are summarized in Table 3 and are detailed below. Based on this approximation, the overall economic contribution of the Pilot Project to the Participants' cost structure is estimated as a reduction of 5 percent from 2001 costs, which amounts to \$2.75/m³ of logged timber volume.

Table 3. Summary of estimated changes in licensee quota costs from 2001–2007 due only to the Pilot Project, in percent

Type of cost	Change from 2001 to 2007 (%)
Overhead	-8
Logging	-3
Hauling	-3
Road maintenance	-3
Road construction	-8
Reforestation	-8
Total change in costs	-5

2.5.1.1 Overhead costs

The Pilot Project has resulted in a moderate reduction in overhead costs. Cost savings are in the following areas:

- consolidation of CSA certification and regulatory requirements, including a single SFMP, the PAG, the annual report, and complementary regulatory compliance and certification audit requirements;
- coordination of BCTS and licensee strategic planning, consultation with third parties, and reporting;
- stable functioning planning systems and procedures;
- administrative savings on reduced amendments, variance requests, and government submissions;
- reduced field costs for layout, road deactivation, and Site Level Plan development—examples are larger blocks, and less wasted effort on low-value assessments (e.g., pre-harvest visual quality assessments in non-visible or less-visible flat terrain); and
- block certainty from the long-term FOS.

Factors unrelated to the Pilot Project and influencing overhead cost changes are (impact on costs in brackets):

- substantially reduced conifer quota deliveries for Canfor (large increase in costs per cubic metre delivered);
- synergies related to the merger of Canfor and Slocan Forest Products (large reduction);
- less remote cutblocks that have better access, due primarily to the spatial distribution of deciduous stands (small reduction);
- reduced time to cruise and lay out deciduous blocks (small reduction); and
- higher fuel and labour costs (moderate increase).

2.5.1.2 Logging costs

The Pilot Project has resulted in a small reduction in direct logging costs. Cost savings related to it are in the following areas:

- increased flexibility to make changes during harvesting, without approvals, to roads and boundaries to increase harvesting efficiencies;
- increased flexibility to optimize skid distances through the number of roads in blocks; and
- larger blocks and coordination of harvesting activities between Participants to reduce mobilization and demobilization costs and improve efficiencies.

Factors unrelated to the Pilot Project and influencing logging cost changes include:

- less remote cutblocks that have better access, impacting equipment and personnel mobilization and demobilization costs, and camp costs (large reduction);
- synergies related to the merger of Canfor and Slocan Forest Products (moderate reduction);
- increase in the number of contractors and reduction in average volume per contract due to deciduous Memoranda of Understanding (small increase); and
- fuel and equipment costs (moderate increase).

2.5.1.3 Hauling costs

The Pilot Project has resulted in a small cost reduction impact on hauling costs. Flexibility in locating roads within cutblocks provides licensees with the ability to adjust road patterns within blocks to allow one-way traffic, which significantly reduces block travel time and helps reduce loading times.

Factors unrelated to the Pilot Project and influencing hauling cost changes include:

- fuel and equipment cost changes (very large increase);
- reduced volume per load due to the heavier weight of deciduous timber, and cut-to-length hauling configurations (large increase); and
- shorter average hauling distances on average (very large decrease).

2.5.1.4 Road maintenance

The Pilot Project has resulted in a small cost reduction for road maintenance, including deactivation. Cost savings are a result of the following factors:

- changing from prescriptive road deactivation requirements has reduced the work required to effectively deactivate some roads; and
- the relatively long-term FOS shows all Participants' existing and planned activities. This information also assists oil and gas companies in planning their road access, and they can advise forestry companies on which roads they plan to use. As this information provides road owners with a better indication of whether roads are to be reused, it helps the Participants avoid deactivating some roads that will be needed by others in the future.

Factors unrelated to the Pilot Project influencing road maintenance cost changes include:

- road maintenance cost sharing with other industries (very large decrease);
- synergies related to the merger of Canfor and Slocan Forest Products (small reduction); and
- significant increase in harvesting closer to mills, using a higher percentage of public roads (very large decrease).

2.5.1.5 Road construction costs

The Pilot Project has resulted in a moderate reduction in road construction costs in the following areas:

- increased flexibility to move road locations to reduce road construction costs in the field for addressing changed conditions (e.g., new pipelines) or unanticipated ground conditions; and
- increased block sizes and coordination of activities within the FOS of all Participants' activities (e.g., adjacent deciduous and coniferous blocks accessing the same road system), which has resulted in more coordination of harvesting road locations, and increased the volumes delivered per kilometre of road constructed.

Factors unrelated to the Pilot Project influencing road cost changes include:

- cutblocks in less remote parts of the TSA, with better access and more concentrated timber (very large reduction); and
- fuel and equipment costs (moderate increase).

2.5.1.6 Reforestation costs

The Pilot Project has resulted in a moderate reduction in reforestation costs in the following areas:

- **Implementation of the landscape-level coniferous reforestation strategy.** Blocks currently being assessed under this strategy are 15 years old, so most silviculture treatments were completed before the strategy and were authorized under the *Forest Practices Code of British Columbia Act*. As silviculture activity expenditures can occur over 15 years, the full cost savings will not be realized until blocks harvested under the Pilot Project reach the well-growing stage in 15 years.

Increased silviculture investments on more productive sites were intended to offset under-performance on less productive sites. These investments have not been accounted for in the reforestation performance evaluation. It is uncertain whether silviculture investments have become more focused and whether overall forest productivity has been negatively affected.

For example, an analysis of RESULTS on Forest Licence A18154 indicated a calculated savings of \$275,461 for the three-year period of 2005–2007. The savings are predominantly the result of reduced brushing activities on otherwise stocked areas. Savings per cubic metre should increase over time as Participants incorporate the landscape-level assessment concept into silviculture plans at earlier stages.

- **Implementation under the Pilot Project of a landscape-level reforestation ledger to balance coniferous and deciduous reforestation.** This gives Participants the flexibility to move conifer and deciduous reforestation across the landscape to take advantage of cost savings, while maintaining the same proportion of area in coniferous and deciduous plantations. The district still has some outstanding concerns about the moving of silviculture obligations across the landscape and whether appropriate balances of coniferous and deciduous reforestation are occurring.
- **Mixedwood unit definition.** There is also concern about how mixedwood (components) performance versus unmixed performance at the stand and landscape levels is measured.
- **Replacement of block-by-block regeneration delay with an average establishment delay**

allows for operational efficiencies in site preparation and planting program development.

This has also reduced administrative amendments to site-level plans to extend the regeneration delay period for blocks harvested over multiple years.

Based on the approximations noted above, the overall economic contribution of the Pilot Project to the Participants' cost structure is estimated as a reduction of \$2.75/m³.

2.5.2 BC Timber Sales

BC Timber Sales is a Participant that has experienced significant reductions in costs due to the application of the Regulation over the Pilot Project area. The following is a summary of the relative change in costs per cubic metre from the submitted 2001 cost base compared to the 2007/08 fiscal year. The categories in Table 1 are also used below for BC Timber Sales.

2.5.2.1 Overhead

There is a moderate decrease in overhead costs. In 2001, BC Timber Sales (then SBFEP) had eight staff managing an allowable annual cut (AAC) of 327,217 m³ (40,902 m³/FTE). In 2008, BC Timber Sales had 11 staff that managed an AAC of 552,059 m³ (50,187 m³/FTE). This represents a 23 percent increase in efficiency, which is realized as a result of two main factors. First, the AAC increased as a result of the Bill 28 volume reallocation. Second, the Regulation allowed for more effective use of personnel time.

The Forest Operations Schedule (FOS) is created once every six years, compared to the annual renewal of the Forest Development Plan, and done in conjunction with the other Participants. This saves a large amount of time in the plan development, review, and consultation processes.

The Participants believe that additional efficiencies were created through the implementation of the Environmental Management System (ISO 14001 standard) that provided a framework of registrant accountability that could be relied upon. They also indicated that this reduced the frequency of field operations visitation while still maintaining environmental objectives.

2.5.2.2 Road construction and maintenance

There is a "small change" in cost (decrease):

- While there is actually an increase in total cost to BC Timber Sales for road construction and maintenance, this is not as a result of the Regulation. The increase is from the larger role of BCTS, as a result of the Bill 28 volume reallocation, through its creation and associated mandates; and
- Cost savings can be attributed to increased access coordination with other licensees as well as other industries (e.g., oil and gas).

2.5.2.3 Reforestation

There is a "moderate change" in cost (decrease):

- From a BCTS perspective, implementation of the coniferous reforestation strategy has reduced costs. The savings are predominately from reduced fill planting and brushing activities on otherwise stocked areas;
- Implementation under the Pilot Project of a landscape reforestation ledger to balance coniferous and deciduous reforestation has helped reduce costs. This reduces the requirement for artificial regeneration of conifers and reduces the need for brushing on areas occupied by deciduous cover while maintaining predicted volumes of each species;
- The inclusion of deciduous reforestation costs in the analysis is not related to the Regulation, but has led to a very large reduction in total reforestation costs; and
- The recent change in focus to address mountain pine beetle susceptible areas, and the subsequent increase in the reforestation on pine-leading sites has contributed to a small reduction in costs.

MFR District staff believe that further analysis is required to assess the impacts on overall reforestation performance and forest condition.

2.5.3 Ministry of Forests and Range costs

Before the Regulation was enacted, a rough estimate of costs for the administration of one licensee and the SBFEP (now BCTS) was estimated by SBFEP staff to be \$325,244 per year, with a total time spent of 6901 hours. This included Forest Development Plan review and approval, cutting and road permit processing, silviculture prescription review and approval, road layout and design/deactivation prescriptions, amendment processing, and compliance and enforcement activities.

Previously, all silviculture prescriptions were submitted for review and approval. With the Forest St. John Pilot Project, roughly 10 percent have been requested by the district for review, providing a 90 percent reduction in Stewardship and Tenures staff effort. Tenures issued for block and road harvesting still need to be reviewed and processed, however, producing less time-saving in this aspect. District staff are no longer involved in the review and approval of road layout and design and deactivation, providing a 100 percent reduction in efforts by Engineering/Tenures staff. Minor amendments to the plan and to openings are still reviewed and processed, although fewer amendments are necessary, providing a reduction of roughly 50 percent in Tenures staff time. Compliance and Enforcement staff will continue to monitor activities on the land base. However, Compliance and Enforcement staff must administer two different compliance regimes in the same district.

SBFEP staff also estimated the Ministry's time requirements for administering the SFMP to be similar to those for the Forest Development Plan (FDP). The SFMP term is six years as opposed to an FSP, which is approved for up to five years. The time spent reviewing the more comprehensive, consolidated SFMP is considered by district and regional stewardship staff to be roughly equivalent to that spent reviewing the individual licensee's FSP submissions.

From 2001 to 2008, the total cost to government to support the development, implementation, and administration of the Pilot Project was \$6.4 million. A breakdown is as follows:

- 1) The total incremental expenditure to develop and implement the Pilot Project was \$1.3 million, which included:
 - \$300,000 to support the SFMP development and implementation (i.e., defining stewardship practices and requirements, growth and yield modelling, multi-block stocking standards development);
 - \$130,000 to develop the Regulation and subsequent amendments;
 - \$108,000 for field monitoring and evaluation of the new multi-block survey system;
 - \$758,000 for information systems development and information management; and
 - \$34,000 for audits.
- 2) The Peace District has ongoing administration costs on the pilot area of \$640,000 per year to support the annual harvest of about 1.9 million m³ and carry out the key tenure and stewardship functions. The total cost to the MFR for administration over eight years was \$5.1 million.

Calculating incremental administrative costs borne by government under the Pilot Project is challenging, because different staff have been involved in different capacities. In future, when embarking on a pilot project, the MFR (indeed, government) should plan to track and report internal costs associated with pilot project administration to enable comparison of cost information between government and industry. The ability to directly compare costs will otherwise be difficult, and at best will be estimated through assumptions.

2.6 Discussion

The results of the document review and the interviews identify that the Pilot Project meets the criteria in the Regulation, Section 53 (1) (a) through (g). Several themes surfaced that warrant further discussion.

2.6.1 The Pilot Project processes are adaptable and responsive to change

Section 42 of the Regulation provided the ability for innovative practices to be identified, approved, and implemented. When used, this section requires mandatory adherence to the practices or results identified. The opportunity to be innovative was created and the ability of the Crown to enforce commitments was maintained. This flexibility was raised during several interviews in how the Participants and the PAG can respond faster to new ideas, concepts, issues or concerns. The amendment process for the SFMP is clear and streamlined, and has the ability to meet local needs and resource concerns.

2.6.2 There is confidence in the Pilot Project process

The majority of the interviewees expressed the opinion that they had confidence in the overall Pilot Project process, and that their interests were being met. This was achieved through the combination of public involvement, the linked planning processes, and the people involved. Interviewees felt that the process was transparent and that any information they wanted or requested would be provided. Communication between all parties was open and issue-focused, and the PAG's broad composition ensured that the public interest was maintained. Additional confidence was provided through the comprehensive scope of the SFMP. Several comments were made regarding the key role that individuals played, while others stated that they felt that the integrity of the process would be maintained regardless of who was involved.

2.6.3 Innovation has occurred because of the Pilot Project

The statement that "innovation has occurred" is an opinion based on the knowledge of the legislative and policy environment and its evolution over the last 10 years. An interesting observation, corroborated by some individuals involved in the creation of the FRPA, is that many of its components can trace their origin to the Fort St. John Pilot Project.

2.6.4 Costs

Overall, the Pilot Project has produced significant savings for the Participants and government compared to before 2001 through the Forest Practices Code. However, there are unique and ongoing legislative and policy administration costs to government to maintain the separate Regulation and associated policy, procedures, systems and monitoring.

2.6.5 Conclusion

The Participants, the Public Advisory Group, and ministry staff should be commended for successfully working together to achieve the original vision of this pilot, which was to improve the regulatory framework of forest practices.

The assessment of the Pilot Project found that it met the criteria set out in Section 53 (1) (a) through (g). The Pilot Project has also encouraged innovation in many ways, and it verifies much of the model for FRPA, which incorporated many of the Pilot Project's components.

Sections 3, 4, and 5 of this report will compare the pilot to FRPA; review key pilot project "lessons learned"; and discuss options for the future of this pilot.

3. Comparing and Contrasting the Pilot Project Regulation Model with the Models for the *Forest and Range Practices Act* and the *Forest Act*

3.1 Introduction

One of the objectives of this report is to review the Pilot Project Regulation model and compare it with the models that underpin the FRPA and its associated Forest and Range Planning Regulation, as well as the *Forest Act*. These models were compared by first identifying six theme areas and then highlighting the differences between each of the 13 associated elements. These six theme areas are:

- strategic and operational planning;
- public interest and involvement;
- harvest authorization;
- compliance and enforcement, and monitoring;
- forest practices; and
- costs.

The attributes of each of these specific elements (such as Forest Resource Development Planning, and Forest Resource Development Plan Content and Application) that are considered to warrant further discussion and analysis respecting their applicability to the FRPA have been highlighted. Table 4 compares the Pilot Project with the *Forest and Range Practices Act* and the *Forest Act*.

3.2 Comparison and Contrast of the Legislative Models

3.2.1 Similarities

Overarching commonalities in both the Pilot Project and FRPA models include:

- requiring compliance with the specifications set out in the appropriate plan (either the SFMP for the Pilot, or the FSP for FRPA);
- requiring compliance with the legislation or regulation (e.g., the Regulations for the Pilot Project and FRPA); and
- not requiring the impacts of other industries be factored into the applicable strategic or operational planning model.

3.2.2 Differences

The overarching differences between the Pilot Project and FRPA may lead to challenges for the “Regulator” (the MFR and MOE in the case of the Pilot Project, and the MFR for FRPA).

- Under the Pilot Project,
 - both the MFR and the MOE approve the SFMP (and approve any innovations proposed within the plan to vary from the otherwise applicable requirements of the regulations);
 - the MOE considers applications for exemptions from the requirements to comply with any timing windows and measures established to manage and conserve aquatic resources; and
 - the MFR considers applications for all other site-specific variances.
- Under FRPA,
 - the MOE does not approve FSPs but is involved in areas such the establishment of

- specific Government Action Regulation (GAR) designations, objectives, and measures; and
- while the MFR has jurisdiction to grant exemptions with respect to most subject matter, the MOE has jurisdiction for exemptions related to some subject matter.

Examples of the differences include:

- the Pilot Project requires all Participants to adopt a coordinated approach to setting strategic outcomes and indicators for measuring them; and
- FRPA enables each holder of a FSP to design results or strategies in relation to the same objective.
 - These may be similar or diverse (while all being consistent with the objective); and
 - Under those circumstances where different approaches have been taken, it may be difficult for both the government regulator and the public to assess the cumulative impact of operations in relation to the single strategic objective.

A further example of a key area of difference between the two models is the requirement to show the approximate location of proposed cutblocks and roads:

- The Pilot Project requires that a Forest Operations Schedule (FOS), which shows the approximate location of six years of cutblocks and roads, must be made available for public review and comment before an authorization to proceed with operations on a specific cutblock or road shown on the FOS; and
- While holders of FSPs under FRPA may prepare annual operating plans and use them when discussing their proposals with other industries, First Nations, stakeholders, and the public, they are not required to do so under the legislation.

The FOS has proven to be a useful tool for facilitating communications regarding proposed forestry operations.

Under the FRPA model (but outside of the legislation), government has established a mechanism under the Forest and Range Evaluation Program (FREP) for enabling ongoing evaluation and improvement of the model.

Table 4. Comparison and contrast of the Pilot Project model with the models for the FRPA and *Forest Act*

Element	Fort St. John Pilot Project Regulation Feature	FRPA and <i>Forest Act</i>
STRATEGIC AND OPERATIONAL PLANNING		
<p>Forest Resource Development Planning</p>	<p>The SFMP provides a strategic plan for the entire TSA, resulting in clear strategic direction for the Participants.</p> <p>The SFMP addresses all relevant forestry-related objectives from public planning processes (e.g., LRMP), and integrates certification and regulatory requirements into one strategic plan. Regulatory Practice standards and Forest Operations Schedule requirements may be modified through the SFMP. All participating licensees and BCTS adhere to the same SFMP standards.</p> <p>All active holders of forest licences participate in the Fort St. John Pilot Project, although participation is not mandatory. The Pilot Project does not, for example, currently include any woodlot licensees or small-scale salvage licensee operators who remain under FRPA. Specifically, woodlots are regulated under the Woodlot Licence Planning Regulation, and salvage licensees operators are regulated by the Forest Planning and Practices Regulation.</p>	<p>FRPA enables—but does not require—shared Forest Stewardship Plans.</p> <ul style="list-style-type: none"> • If the FSPs are joint, then the net result is coordinated consultations, potentially the same result or strategy for a given objective (although the plan could provide differently for each plan holder), and potential integration of certification requirements. • If the plans are separate, different plans, equally approvable, may take dramatically different approaches to the same subject matter. In extreme cases, the results or strategies in the respective plans may not be compatible, even though they may apply to the same general area of the land base. <p>The forest development units within FSPs vary greatly in number and size. Many approved FSPs cover one or more TSAs.</p> <p>Licensees may fulfill planning requirements in a manner that addresses their unique business requirements and specific site or area circumstances.</p> <p>FRPA does not require that all of the affected licensees coordinate FSP planning within the TSA.</p>

Element	Fort St. John Pilot Project Regulation Feature	FRPA and <i>Forest Act</i>
<p>Forest Resource Development Plan Content and Application</p>	<p>The Regulation specifies that the SFMP must include landscape-level strategies with respect to some subject matter and permits the participants to include landscape-level strategies in respect of additional subject matter.</p> <p>Specifically, Section 35 (2) of the Regulation requires that the SFMP identifies mandatory landscape-level strategies for each of the following:</p> <ul style="list-style-type: none"> • timber harvesting; • road access management; • patch size, seral stage distribution, and adjacency; • riparian management; • visual quality management; • forest health management; and • range and forage management. 	<p>Forest Stewardship Plans, in addition to mapping requirements, consist of:</p> <ul style="list-style-type: none"> • results or strategies (associated with established government objectives); • measures associated with particular circumstances (removal of natural range barriers; invasive plants); and • stocking standards related to reforestation. <p>When determining how many results or strategies are to be included in the FSP, the holder has some flexibility:</p> <ul style="list-style-type: none"> • They may include results or strategies in respect of some specific regulatory performance constraints and are thereby exempt from the default in the Regulation. (They are then required to deliver on the result or strategy under Section 21 of FRPA.) • Conversely, the holder may commit in the FSP to be governed by other specified defaults in the regulation and be relieved of the requirement to specify results or strategies related to applicable established government objectives. <p>FRPA only requires the mandatory content in an FSP.</p>

Element	Fort St. John Pilot Project Regulation Feature	FRPA and <i>Forest Act</i>
Forest Resource Development Plan Content and Application (cont.)	<p>Section 35 (3) identifies a series of discretionary landscape-level strategies for which one or more of the following may be addressed:</p> <ul style="list-style-type: none"> • reforestation • biodiversity management including habitat management • soil management • water quality management • recreation management • forest protection • forest resource inventory • research and operational trials • public review and comment; and • any other forest management attribute approved by the Executive Director (MFR) and the Regional Director (MOE). <p>The practical application of the points noted under the Forest Resource Development Planning and Plan Content Features (noted above) have direct and important applicability.</p> <p>Specifically:</p> <ul style="list-style-type: none"> • If the plan includes discretionary items and goes through public review and is approved, then the deliverables associated with that content override the constraints in the Regulation that would otherwise apply as per Section 42. • The Pilot Project enables the SFMP to include landscape-level strategies in relation to anything listed in Section 35 of the Regulation. There is no requirement for the government to have first established an objective in respect of that subject matter. • The authority for the Executive Director (MFR) and the Regional Director (MOE) to approve any other forest management attribute Section 35 (3) (j) allows for the government to agree on enabling landscape-level strategies to also be included in the SFMP even though they are not specifically itemized in Section 35 (2) or (3). 	<p>The practical application of the points noted under the Forest Resource Development Planning and Plan Content Features (noted above) have direct and important applicability.</p> <p>Specifically:</p> <ul style="list-style-type: none"> ○ The scope of ability to be innovative and to move away from set defaults in the Regulation is limited to those specifically set out in the Regulation. ○ There must be a government-established objective before a result or strategy could be included in a FSP. A holder would not include an innovative result or strategy in respect of that objective unless there was a corresponding hardwired relief from a performance requirement that would otherwise apply.

Element	Fort St. John Pilot Project Regulation Feature	FRPA and the <i>Forest Act</i>
Forest Resource Development Plan Content and Application (cont.)	<ul style="list-style-type: none"> • Authorities provided under Section 35 of the Regulation also enable implementing additional landscape-level strategies that have no specified government objectives but are advantageous because they meet the needs of a specific change in circumstances. This is a very important point because it provides unique benefits to both the Participants and government: <ul style="list-style-type: none"> ○ The Participants benefit because they can customize how to comprehensively address particular subject matter without having to conform to a necessarily more general Regulation requirement. ○ The government benefits because it avoids the entire process of determining an appropriate regulatory amendment to reflect the specific change in circumstances that necessitated approving implementation of the particular landscape-level strategy. • Before the government would implement this type of flexibility, the Executive Director (MFR) and Regional Director (MOE) would have to be satisfied that the tests set out in Section 35 (5) have been met. This includes: <ul style="list-style-type: none"> ○ identifying the effect on Field Performance Requirements (Division 5) of implementing the proposed innovative landscape-level strategy before the proposal would take effect and would override the default scheme set out in the Regulation; and ○ preparing a rationale that identifies how the proposed landscape-level strategy will provide at least equivalent protection for forest resources and resource features included in Field Performance Requirements (Division 5). • Specific examples of implementing the flexibility that Section 35 offers could include: <ul style="list-style-type: none"> ○ addressing changing forest conditions resulting from climate change; and ○ enabling the Participants to incorporate a regime to address the changing forest condition by using Section 35 (3) (a) reforestation. • None of the above-noted flexibility is available in FRPA. • The Pilot Project model creates an incentive for innovation. 	

Element	Fort St. John Pilot Project Regulation Feature	FRPA and the <i>Forest Act</i>
Operating Plans	<p>The Forest Operations Schedule identifies all planned harvesting and roads for BCTS and all licensees for the next six years. The proposed logging is analyzed to project the impact on key SFMP objectives to demonstrate the FOS is consistent with SFMP landscape-level targets. Site-specific consultation on all six years of blocks is carried out with First Nations, stakeholders, and the public. Blocks within the FOS are assigned to BCTS and licensees based on a block analysis of key attributes that ensures all Participants receive timber with similar attributes and costs. Amendments may be made during the six-year term to include new blocks, subject to consultation requirements.</p> <p>The FOS requires that licensees present a transparent identification of planned harvesting and roads for the public and for other licensees. Accordingly, licensees can depend on an organized system that enables them to more readily recognize where their operations are in relation to other licensees. The end result is that each licensee has the opportunity to plan with greater surety.</p> <p>Other operational points related to the Pilot include the following:</p> <ul style="list-style-type: none"> • The FOS (which doesn't require approval) requires six years of blocks but does not require that the specific year of harvesting be shown • Amendments to add additional blocks must be made public (except for minor changes) It is in this way that the Public is always given an opportunity to see where development within the next six years is proposed. • Any request for a cutting authorization must, amongst other things, be consistent with the FOS. 	<p>Under FRPA, presenting transparent identification of planned harvesting and roads for the public and for other licensees is not explicitly required. Licensees are only encouraged to share this information in such a transparent manner.</p> <p>The FSP is the only approved operational plan and it identifies one or more forest development units within which harvesting or road building may take place, the results or strategies, measures related to invasive plants and natural range barriers, and stocking standards. Block and road details are not required.</p> <p>Most licensees have internal planning processes for block and road location, which are often used during public consultation to illustrate where operations may be most active or discuss potential impacts on other operators.</p> <p>During its development, FRPA moved away from the Forest Development Plan (which showed blocks and roads) as well as approval by government of each change to those blocks and roads. The result is that in the FRPA construct, presenting transparent identification of planned harvesting and roads for the public and for other licensees is not required.</p>
Site Level Plans	<p>SLP content must be consistent with the SFMP and FOS. Accordingly, its intent is transparent to the public. No approval is required, but the District Manager may request that specific SLPs be referred to other resource agencies for comment if site-specific issues are identified in the FOS. If the DM determines from the referral that the SLP does not address the site-specific issues identified in the FOS (i.e., does not "adequately manage and conserve" forest resources), he may direct that one or more forest practices may not be carried out under the SLP.</p>	<p>A site plan (SP) is required and it identifies the location of the block or road, stocking standards, and soil disturbance limits and how the results or strategies in the FSP apply to the site. The content must be consistent with the FSP and is made available to the public on request.</p>

Element	Fort St. John Pilot Project Regulation Feature	FRPA and the <i>Forest Act</i>
Approval Process	<p>The SFMP is the only approved plan. Requires MFR (Regional Executive Director) and MOE (Regional Director) approval.</p> <p>Before formal approval, the proposed plan must go to a standing public advisory group as well as be made generally available for public review and comment.</p> <p>Even minor SFMP amendments that do not require general public review are reviewed by the PAG.</p>	<p>The FSP is the only plan approved. Requires only MFR (minister’s delegate) approval. Significant amendments require public review and approval.</p> <p>Some minor amendments do not require public review before approval. In limited circumstances, minor amendments may be made without approval.</p> <p>Under FRPA:</p> <ul style="list-style-type: none"> • nothing prevents the establishment of a PAG; and • many licensees have PAGs as part of their certification requirements.
Synchronized Planning	<p>The Pilot Project requires a single SFMP and FOS. As a result, the processes and operations of individual Participants are necessarily coordinated. Furthermore, the Pilot Project enables individual Participants to develop Site Level Plans. Accordingly, the processes associated with individual SLPs remain the responsibility of the individual Participants.</p> <p>Government Actions Regulation (GAR) orders do not apply to the Pilot Project area. However, the Pilot Project does:</p> <ul style="list-style-type: none"> • require protection associated with GAR-equivalent subject matter; and • use protections if the subject matter is “known.” Known refers to either being identified in a Higher Level Plan or being made available by the decision-maker. For example, in the constraint provisions themselves, reference is made to the Designated Environment Official providing information (e.g., timing windows). 	<p>Strategic and operational planning are linked through the establishment of legal objectives. The establishment of an objective necessitates the requirement, within each applicable FSP, of results or strategies that are consistent with that objective.</p> <p>The objectives have a specific hierarchy starting with the land use objectives established under the <i>Land Act</i>, followed by the objectives described in FRPA regulations (e.g., the FPPR), and finally those established under the <i>Government Action Regulation</i>.</p> <p>There are both legal and policy requirements for consultation with other agencies and the public, and consistency between objectives when new objectives are established.</p> <p>Different agencies have responsibility for establishing objectives that are consistent with their mandate.</p>

Element	Fort St. John Pilot Project Regulation Feature	FRPA and the <i>Forest Act</i>
PUBLIC INTEREST AND INVOLVEMENT		
Public Involvement	<p>The Regulation requires a standing PAG consisting of local stakeholders with government observers. The PAG covers strategic and operational planning, as well as certification requirements. Additional broad public consultation is required for SFMP and FOS plans (including consultation at the cutblock level).</p> <p>Under the Pilot Project, the entire content of the SFMP is up for public review and comment when the term of the current plan is over and the plan is being replaced.</p>	<p>Licenses are not required to provide consultation at the cutblock level.</p> <p>Each FSP requires public review and comment before submission or an amendment.</p> <p>The Forest Planning and Practices Regulation requires public consultation that is commensurate with the nature and extent to which a person may be affected.</p> <p>Implementation of consultation requirements may occur in a various ways that best suits all of the client groups (licensees and stakeholders). The adequacy of the consultation and the response to the comments received by the licensee are part of the approval test of an FSP.</p> <p>Under FRPA, the content of any FSP that is subsequent to the “initial” FSP need not be subject to review and comment unless the government has changed the established objectives (with a few exceptions – e.g., visuals – in which even a change to the objective does not trigger the need for an amendment). This issue has been identified under Bill 8 – 2008.</p>

Element	Fort St. John Pilot Project Regulation Feature	FRPA and the <i>Forest Act</i>
Accountability	<p>The PAG has a regulatory role in the development of the SFMPs strategies, indicators, and targets, as well as in monitoring results presented in the annual reports.</p> <p>The PAG also has the ability to influence landscape-level strategies and on-the-ground practices to reflect local conditions, supported by the power of Regulation.</p> <p>Specifically, the Regulation enables:</p> <ul style="list-style-type: none"> • a process of review and comment by the general public respecting <ul style="list-style-type: none"> ○ SFMP development (90-day review and comment period), ○ the FOS (identifies the locations of cutblocks and roads) (60-day review and comment period); • PAG active involvement in plans, the FOS, proposed changes to the Regulation, and annual reports; • preparation of comprehensive annual reports; • preparation of periodic independent compliance audits • response to Forest Practices Board audits; • accountability to the public via MFR compliance inspections; and • reviews by the minister. 	<p>The FSP must be advertised to solicit public comment, and the public's level of influence has on its content is subject to licensee discretion. The licensee must consider comments, submit any comments received to the District Manager, and provide a description of any changes made to the FSP. Accountability for certification schemes is similar to that of the Pilot Project.</p> <p>Specifically, FRPA requires that:</p> <ul style="list-style-type: none"> • the public be given the opportunity to review the FSP (60-day review period); • site plans be made available to the general public on request (however, this is not for review and comment respecting impact or content); annual reporting as per FPPR Section 86; • response to Forest Practices Board audits; • accountability to the public via MFR compliance inspections; and • reviews by the minister.

Element	Fort St. John Pilot Project Regulation Feature	FRPA and the <i>Forest Act</i>
First Nations	<p>The provincial government has an overarching responsibility to First Nations regarding consultation and accommodation.</p> <p>Specific to the Pilot Project are the facts that:</p> <ul style="list-style-type: none"> • First Nations with interest in the Pilot Project area are all members of Treaty 8. First Nations are provided opportunities to provide input into the SFMP (the strategic plan) as well as the FOS (operational block and road locations) through the PAG (required by the Pilot Project), the Joint Management Advisory Committee (in addition to pilot requirements), and direct formal referrals and subsequent meetings to review the plans with each First Nation; and • the Pilot Project requires the Participants to provide opportunity for review of the SFMP and the FOS to all people interested in, or affected by, operations under the proposed plan. It does not specifically identify any unique additional requirement to receive review comment from First Nations, although the processes being followed (e.g., PAG and JMAC) are providing First Nations with opportunities for input before the plans are publicly advertised for comment, as well as during the regulatory plan review periods. 	<p>The provincial government has an overarching responsibility to First Nations regarding consultation and accommodation.</p> <p>The FPPR states that licensees must make reasonable efforts to meet with First Nations groups affected by the plan to discuss their FSP. This has commonly been referred to as information sharing.</p> <p>The minister has the discretion to determine what reasonable efforts means. As with review and comment by the general public the adequacy of the response to any comments received is part of the FSP approval test.</p> <p>Regardless of the legislative scheme, the duty to consult with First Nations whenever the minister approves a plan or issues an authority is the government's responsibility (not the licensee's).</p> <p>Specific to FRPA are the facts that:</p> <ul style="list-style-type: none"> • licensees must be responsive to government's Cultural Heritage Resource (CHR) objective. This drives the related results or strategies and content within FSPs.; and • if licensees' commitments to meet the CHR objective are included in the FSP, then it is binding and enforceable under Section 21 of FRPA. <ul style="list-style-type: none"> ○ However, if it is not explicitly identified, then the nature and extent of consultation are outside of the FSP process and therefore outside of the legal realm of FRPA. ○ FRPA (Section 77.1) provides intervention power respecting First Nations. ○ The <i>Forest Act</i>, using the content requirements of licences issued under it, enables non-issuance of cutting permits if First Nations consultation is not completed by the licensee.

Element	Fort St. John Pilot Project Regulation Feature	FRPA and the <i>Forest Act</i>
Approval Mechanism	Harvest Authorizations are issued if the approval tests ensure that the proposed blocks and roads are consistent with the FOS, and site-specific issues raised and addressed in FOS consultation were implemented as proposed in SLPs. The Harvest Authorization is not linked to appraisal data submission, but if the District Manager so notifies a licensee, harvesting cannot commence until appraisal data are submitted.	Cutting Permit issuance is linked to submission and approval of appraisal data through standard operating procedures. Legally, a CP may be issued without approval of appraisal data or issuance of a stumpage rate. The CP may have one or more blocks, and all blocks must be within a Forest Development Unit.
Harvest Authority	<p>Four-year Harvest Authorizations are issued separately for each block. The District Manager may extend indefinitely for two-year periods if satisfied there will be no deleterious impact to forest resources.</p> <p>Harvest authority consists of four key areas: the test, timing, relationship with appraisals, and the term. Each of these key areas is identified and analyzed for the Pilot Project (below, column 2), and FRPA and the <i>Forest Act</i> (column 3).</p> <p><u>The Test</u></p> <ul style="list-style-type: none"> • The Pilot Project <ul style="list-style-type: none"> ○ has an “adequately manage and conserve test” that must be met before the authorization is given; and ○ requires that it be consistent with the FOS. <p><u>Timing</u></p> <ul style="list-style-type: none"> • The Pilot Project allows for extensions. <p><u>Appraisals</u></p> <ul style="list-style-type: none"> • Authorization may also be given but, if notified by District Manager, activities cannot commence until that information is submitted. <ul style="list-style-type: none"> ○ This provides for a lot of flexibility in timing ○ If extended to the “non-pilot” areas, need to ensure that operations cannot commence without the date being submitted. <p><u>Term</u></p> <ul style="list-style-type: none"> • Four years 	<p>Cuttings Permits are issued for a maximum of four years with the possibility of a two-year postponement for forest management reasons. They may be extended indefinitely for two years at a time.</p> <p><u>The Test</u></p> <ul style="list-style-type: none"> • FRPA does not have an explicit test. <ul style="list-style-type: none"> ○ Instead, the test is to be consistent with the licence. <p>While the licence document does have a minimal test, it does not include that there has been adequate consultation with FN with respect to the areas that will be harvested under the proposed cutting permit. There is therefore no requirement that the consultation be done on a cutting permit specific basis.</p> <p><u>Timing</u></p> <ul style="list-style-type: none"> • FRPA does not permit unlimited extensions. However, it does all for unlimited postponement. <p><u>Appraisals</u></p> <ul style="list-style-type: none"> • Appraisal data must be submitted with the cutting permit application. <p><u>Term</u></p> <ul style="list-style-type: none"> • Four years

Element	Fort St. John Pilot Project Regulation Feature	FRPA and the <i>Forest Act</i>
Revenue	Appraisals are separate from harvest authority. Appraisals are not block by block, and timber marks may include several authorized blocks.	Appraisals are done by cutblock by cutblock cutting permit, which may include one or more blocks in a single appraisal.
COMPLIANCE AND ENFORCEMENT AND MONITORING		
Performance (Compliance and Enforcement, and Monitoring)	<p>Independent third-party regulatory compliance audits are completed every second year. Annual reports summarizing activities and performance must be reviewed by the PAG and submitted to government.</p> <p>Compliance and Enforcement staff conduct inspections on requirements specified in the SFMP as well as other regulatory requirements.</p> <p>The Forest Practices Board conducts audits and special investigations on forest practices.</p> <p>The Forest and Range Evaluation Program (FREP) evaluations are completed on the Pilot Project similar to FRPA.</p> <p>Specifically, with respect to the above-noted tools that are used to assess forest practices performance, the benefits associated with the Pilot Project are:</p> <ul style="list-style-type: none"> • the outcomes of the periodic independent audit every two years provides information to government that could be used to manage the risk to the public resources represented by forest operations under the Pilot Project; • if the outcomes are positive it will help provide adequate assurance that there is overall compliance. This feeds into the risk-based approach of government when determining inspections; and • if the outcomes are poor, then: <ul style="list-style-type: none"> ○ it influences the risk matrix for the Participant, and ○ the government also knows that the Participant is required to change its business practices to ensure that it does not lose its certification. This, in turn, has a feedback loop to ensure that risks to the public will be mitigated. 	<p>Annual reporting requirements stated in FRPA for harvest completion and achievement of regeneration delay and free growing obligations.</p> <p>The licensees are required to submit a start-up notification at least two weeks before commencement of harvesting or road building.</p> <p>Compliance and Enforcement staff conducts inspections on results or strategies in the FSP as well as other regulatory requirements.</p> <p>The Forest Practices Board conducts audits and special investigations on forest practices.</p> <p>The Forest and Range Evaluation Program (FREP) evaluations are completed under FRPA.</p>

Element	Fort St. John Pilot Project Regulation Feature	FRPA and the <i>Forest Act</i>
FOREST PRACTICES		
Performance (Forest Practices)	<p><u>Defining Forest Practices</u></p> <p>Salient points related to the Pilot Project:</p> <ul style="list-style-type: none"> • Field performance requirements are results-based. • The requirements for prescribed items are assessed at a cutblock-specific basis. However, the Regulation also provides that a different method of assessing performance may be approved in the SFMP. • The regulation requires that the SFMP contain some landscape-level strategies with respect to the subject matter referred to in Section 35 (2). These are assessed according to the indicators approved in the SFMP with regard to the various landscape-level strategies. • In the case of the actual SFMP currently in effect, some of the prescribed requirements of the regulation have been disapplied by the elements of the SFMP. These have, in effect, changed cutblock-specific requirements to landscape-level requirements. For example, conifer reforestation is assessed over multiple blocks, and permanent access structure percentage is assessed on a three-year rolling average. <p><u>Application to the TSA</u></p> <ul style="list-style-type: none"> • Within the TSA, the regulatory requirements for all licensees and BCTS are the same. • Under the Pilot Project, all of the Participants within the Fort St. John TSA have committed to the same legally enforceable forest practice requirements. 	<p><u>Defining Forest Practices</u></p> <p>Tracking of field performance allows for and includes the use of strategies or results identified in FSPs.</p> <p>Salient points related to FRPA are:</p> <ul style="list-style-type: none"> • The FPPR provides some defaults for government resource value objectives. • The FPPR allows for some of these requirements to be disapplied if there is a result or strategy incorporated into the FSP that addresses the subject matter and that is consistent with the applicable established government objective. This permits (but does not require) a multi-block approach to the evaluation of the results and strategies in the plan. • The FPPR, with regard to reforestation, allows for a multi-block approach to be authorized as opposed to a cutblock-specific approach. <p><u>Application to the TSA</u></p> <ul style="list-style-type: none"> • If there are multiple FSPs in a single TSA with different results and strategies, stocking standards, and measures, then the legally enforceable forest practice requirements become licence-specific.

Element	Fort St. John Pilot Project Regulation Feature	FRPA and the <i>Forest Act</i>
COSTS		
<p>Costs</p>	<p>Participants have greater certainty of operating under the Regulation, where the long-term SFMP and six-year FOS are supported by a PAG. Cost efficiencies are realized by coordinated long-term, TSA-wide planning mandated by a stable regulation, and fully integrated with certification requirements. Specific cost savings include the following:</p> <ul style="list-style-type: none"> • preparing a single SFMP and FOS for all participants across the TSA reduces costs by avoiding duplication of effort, and allowing the cost-efficient sharing of resources (e.g., GIS capacity, aerial photography) between the participants; • the six-year terms of the coordinated SFMP and FOS plan significantly reduces all participants cumulative time and costs related to First Nations consultation; • providing six years of cutblocks in the FOS that have met most harvest authorization tests (e.g., gone through a consultation process, and are demonstrably consistent with the SFMP) allows participants to identify an annual suite of cutblocks that provide optimal cost–benefit to the participant, and submit the harvest authorization requests with relative rapidity; and • the SFMP’s flexibility to alter regulatory requirements has resulted in cutblock targets being elevated to landscape-level or multi-block targets (e.g., coniferous silviculture, permanent access structures, wildlife tree patch targets). This flexibility allows operations to make more cost-efficient choices in many cases to reach targets (e.g., to avoid treating some expensive fly-in manual brushing activities in small remote areas). <p>Potential cost savings for government under the Pilot Project that are specifically related to its responsibility for ensuring compliance include the following:</p> <ul style="list-style-type: none"> • the establishment of a single set of forest practice requirements that is universally applicable within the Pilot Project area provides for efficient conduct of compliance and enforcement (instead of an FSP-specific approach that may allow overlap on the same area); • the detailed annual report provides information that could be used by those responsible for ensuring compliance; and 	<p>Consensus is not required among licensees, government, and the public during the overall planning process. This results in a lower level of certainty about operations and associated costs.</p> <p>Potential cost savings for government under FRPA that are specifically related to its responsibility for ensuring compliance may result from the fact that regulating is simplified because the approach that is used is always the same between licensees.</p> <p>Conversely, there is also the potential for a significant cost to government in this area. Specifically, the standard of performance required may vary between licensees even on the same operating area resulting in:</p> <ul style="list-style-type: none"> • an increased workload for the C&E staff associated with determining what the required standard of performance is on a case by case basis; and • the subsequent potential creation of a more significant administrative cost to government.

Element	Fort St. John Pilot Project Regulation Feature	FRPA and the <i>Forest Act</i>
COSTS		
Costs	<ul style="list-style-type: none"> • the knowledge that the operations will be subject to an independent audit every two years further reduces the risk level to the public when determining the compliance operations that should be carried out using scarce government resources. <p>Conversely, the requirement to assess compliance at the landscape level may require a more sophisticated set of assessment tools. This will lead to a larger “one-time” cost increase.</p>	

4. Key Pilot Project Lessons Learned

4.1 Potential Opportunities to Incorporate Benefits into *the Forest and Range Practices Act*

Some of the benefits of the Pilot Project are achieved due to specific features or characteristics inherent in the Fort St. John TSA, while others may benefit some or all of the rest of the province. The following are the key opportunities for improvement from the Pilot Project.

4.1.1 *Flexible regulatory model*

A significant benefit of the Fort St. John Pilot Project has been the experience of working in a flexible regulatory model that encourages forest professionals, public members, and scientific advisors to work together to find solutions that truly address local forest issues. The FRPA provides a flexible model and many of the features of the Fort St. John Pilot could be incorporated by the use of incentives.

Under Sections 42 and 35 of the pilot regulation, the Participants can include discretionary content by proposing a variance from any requirement of the regulation. This can be done without requiring the government to:

- establish an objective, and
- make a regulation specifically linking to the provision of the regulation that will be disappplied if the corresponding result or strategy is approved.

4.1.2 *Coordinated and comprehensive Sustainable Forest Management Plan*

The Fort St. John SFMP is a single, comprehensive, overarching strategic plan that applies to all licensee and BCTS activities in the Pilot Project area. Participants believe that operational processes have been streamlined, costs have been reduced, and the forest management model in the TSA has been improved as a result of:

- the SFMP's scope and its integration with certification initiatives;
- the SFMP's flexibility to with regard to changing regulatory requirements; and
- the involvement of the Public Advisory Group (PAG), the scientific community, and the provincial government.

An opportunity may also exist in other Timber Supply Areas to achieve significant strategic planning benefits, social benefits, and economic benefits by developing one coordinated, comprehensive SFMP for the management unit. All licensees in a TSA would have the same set of agreed-upon standards based on management unit objectives and conditions. The SFMP would put a priority on setting and achieving landscape or multi-block targets, not individual block targets.

4.1.3 *Forest Operations Schedule*

The Forest Operations Schedule under the Pilot Project:

- serves as an upfront block-specific planning and consultation tool;
- enables the assessment of conformance with strategic targets;
- provides a coordinated approach to planning harvest operations that results in a fair and transparent distribution of cutblocks between the Participants;
- enables a "one-stop" review approach for First Nations consultation;
- facilitates an understanding for the government, the public, and First Nations of the cumulative impacts and issues arising from a wide range of forest uses and activities;
- provides operational efficiencies in developing roads and harvesting areas;
- reduces field costs for road layout, maintenance, and deactivation;

- improves access coordination with other licensees and oil and gas; and
- provides a tool to rationalize natural and planting regeneration strategies at a landscape level to ensure reforestation practices work with different forest cover types (e.g., conifer blocks do not always have to come back to conifer).

4.1.4 Harvest authorization and road authorization

The Harvest Authorization and Road Authorization process used in Pilot Project simplifies and streamlines the authorization process for blocks and roads by basing the authorization to carry out activities solely on whether the application:

- meets basic legal criteria;
- is consistent with higher-level plans (e.g., SFMPs): and
- has received a review and comment process by First Nations and stakeholders.

Valuation (appraisal) issues in other areas of the province frequently delay Cutting Permit issuance, creating uncertainty and increasing costs for industry. Using the Fort St. John Pilot Project concepts might reduce these uncertainties and costs. However, there are some concerns that the process used in the pilot project presents the potential for unbilled scale. This currently is a low risk situation as the District Manager can require that the Participant not commence harvesting until appraisal data are submitted.

4.1.5 Information systems

Under the Pilot Project:

- industry and BCTS have collaboratively developed a forest information management system to record and report on key stand and landscape information for the management unit. This has helped to ensure that the SFMP and FOS are accurate and able to credibly support tactical planning;
- all of the landscape-level and block information is shared allowing for
 - better communication among licensees,
 - efficient and comprehensive reporting of all activities and landscape-level indicator performance, and
 - better information sharing with the public and First Nations; and
- participants are able to move quickly to adopt old growth reserves
 - Under the Pilot Project, sharing of landscape-level information:
 - allows for a more rapid review of the seral stages in comparison to proposed harvesting over time, and
 - enables the joint identification and location of reserves.

4.1.6 Landscape-level strategies

The Pilot Project has provided important insight into the development and evaluation of landscape-level strategies for timber harvesting, road access management, patch size, seral stage distribution and adjacency, riparian management, visual quality management, forest health management, range and forage management, and a landscape-level reforestation strategy.

Some of the lessons learned can be directly applied to FRPA. For example, the reforestation strategy can be applied under Section 45 of the Forest Planning and Practices Regulation. A key learning is that new approaches require ongoing training, communication, and business support. With insufficient performance history and incomplete understanding of risks associated with evaluation methodologies, the degree to which the desired reforestation objectives have been met is uncertain. Further analysis is needed to assess their effectiveness.

4.1.7 Performance assessment information

The Pilot Project requires several forms of information to be provided by the Participants including annual reports and Participant-funded independent audits. These information sources exceed those required under the Code and FRPA and can be used when assessing the risk to the Crown associated with particular forest operations.

Indicators required for CSA certification are included in the SFMP and thus become legally enforceable as well as meeting a CSA requirement. The PAG reviews annual and biennial regulatory compliance audits completed by third-party auditors. Submissions of detailed information, public involvement, and third-party audits have the potential to supplement the effectiveness of MFR compliance programs.

There may be an opportunity to increase reliance on third-party auditors and thereby reduce the need for some MFR compliance audits.

4.2 Challenges with Implementation of the Pilot Project

Four types of challenges were identified with the implementation of the Pilot Project:

- (1) issues with the Regulation;
- (2) issues with evaluating performance under the Regulation;
- (3) issues with the administration of the Regulation; and
- (4) issues with the content of the SFMP under the Regulation.

4.2.1 Issues with the Regulation

Several issues are associated with the current wording of the Regulation, including the following:

- The Regulation, which was created under the *Forest Practices Code of BC Act*, was moved to FRPA and has created some areas of inconsistency with *Forest Act* resulting from changes to date that have been made to the *Forest Act*, and
- The Regulation does not reflect some of the recent changes that have been made under the *Forest Act* (e.g., there is ambiguity around Pulpwood Agreement block authorizations because the Regulation was not revised to address the subsequent changes in pulpwood harvesting authorization from timber sale licences to Forestry Licences-to-Cut).

4.2.2 Issues with evaluating performance under the Regulation

Uncertainties remain about how to assess reforestation performance on the Pilot Project area, particularly whether the new multi-block standards have been achieved. There are concerns regarding how the multi-block compiler calculations are being done to confirm that the multi-block reforestation stocking standards have been achieved. There are also concerns over lower block level minimum stocking standards and whether there are potential timber supply impacts.

The ministry has concerns about measuring achievement and compliance with other landscape objectives and standards. Additional tools or technology need to be developed to assist C&E staff with their business.

Oil and gas industry activities were identified as a significant impediment to achieving overall resource management objectives in the Pilot Project area. It was suggested that the oil and gas industry should be more involved within the overall resource management planning process for the Pilot Project area.

4.2.3 Issues with administering the Regulation

4.2.3.1 Ministry staffing and engagement

The MFR has few staff who are well versed in the Pilot Project. In view of the fact that the Pilot Project does not cover the entire district, staff must be knowledgeable in two significantly different regulatory regimes. The Pilot Project has required additional time and resources from district, region, and headquarters staff who have insufficient time or limited resources to address and make modifications to provincial policy and procedures that apply to one unique area. It is very difficult to support two regulatory systems within a district or at the provincial level.

There are problems with dispersed MFR accountability and responsibility for the Pilot Project. There is partial involvement at the district, region, and headquarters and no dedicated staff charged with overall administration of the Pilot Project. Clear roles, responsibilities, and accountabilities have not been assigned to MFR staff. This has resulted in inconsistent or poor ministry understanding of the Pilot Project.

There should be a designated staff lead for the Pilot Project at the district, region, and headquarters levels. There should also be closer communication between the designated staff and the participants to ensure common issues, concerns, and the results of independent audits, and reviews are understood. The ministry should consider transferring oversight of the Regulation more fully to the district, to foster local ownership, understanding, and engagement.

4.2.3.2 Statutory decision-making

The current administrative process involves Ministry of Forests and Range staff from headquarters, and the region and district, as well as MOE staff. It was suggested that the feasibility of delegating full approval authority for the SFMP to the District Manager should be examined if there are opportunities for improved delivery and efficiencies.

4.2.3.3 Information systems and business practices

The Pilot Project has created additional unique costs to the ministry resulting from the requirement for alternate business processes required to handle Cutting Permit and tenure issues. This has also increased staff training and support costs.

The Ministry of Forests and Range has had to make systems and business practice changes to two major MFR systems, FTA and RESULTS, to accommodate the Pilot Project. In addition the ministry spent an additional \$150,000 to address unique system costs and to document the new business procedures associated with the Pilot Project.

Resource Tenures Branch is the data custodian for Forest Tenures Administration (FTA) and is concerned that very limited resources are available to manage the additional systems changes required to support one-off pilots. Accordingly, this branch is looking for ways to create efficient systems without significant extra cost and use of staff time.

4.2.3.4 Compliance and enforcement

Under the Pilot Project Regulation, Ministry of Forests and Range C&E staff in the Peace District must be familiar with two regulatory models. In addition, the landscape-level performance requirements necessitate the development and use of sophisticated assessment tools. This requires additional staff training and capacity building.

4.2.3.5 Scientific Panel

Some ministry staff expressed concern that an opportunity is being missed because the Participants are not taking full advantage of the Scientific Panel. In addition, it is also suggested that all of the Participants actively pursue partnerships with research organizations to further advance scientific knowledge.

4.2.4 *Issues with the content of the SFMP under the Regulation*

4.2.4.1 Spatially defined areas of “old” seral forest

A suggestion was made that further cooperation with Integrated Land Management Bureau (ILMB) respecting moving forward on spatially defining areas of “old” seral forest will provide a potential benefit to wildlife species that require old forest.

4.2.4.2 Harmonization of mixedwood and conifer strategies

A suggestion was made that harmonizing the mixed wood and conifer strategies will provide potential management benefits.

5. Options and Recommended Option

5.1 Options for the Future of the Pilot Project

The Ministry of Forests and Range has evaluated the Fort St. John Pilot Project and identified three options for consideration by the Ministry of Forests and Range Executive decision-makers with regard to whether the project should be continued. Each of these options is presented and supported below:

Option 1: Status Quo: Continue the Pilot Project in its current form

Advantages

- No further increase in administrative costs to MFR to maintain the Pilot Project beyond that which is needed to administer both FRPA and the Pilot Project.
- No requirement that staff make any changes to their current roles and responsibilities for the Pilot Project.
- The Participants have a strong sense of ownership of the Pilot Project, and have realized significant benefits from it (i.e., Forest Operations Schedule).
- The Public Advisory Group (PAG) consists of local stakeholders (including First Nations representation) with government observers. This group has a high level of engagement and would like to see the Pilot Project continue.

Disadvantages

- The Regulation is inconsistent with the *Forest Act* resulting from changes to date that have been made to the *Forest Act*.
- MFR continues to face challenges with measuring and verifying landscape-level performance and management effectiveness, and the cost of maintaining two administrative systems.
- The steep learning curve for staff unfamiliar with the Pilot Project administration creates cost inefficiencies where staff are reassigned from other jurisdictions.
- Opportunities will not be pursued to further improve and integrate concepts into FRPA in areas such as landscape-level planning, forest certification, improved C&E reporting, and new silviculture survey procedures.
- Non-Participants, such as Non-replaceable Forest Licence (NRFL) holders and other land developers, create challenges for the Participants in the areas of development planning, access management, timber supply, inventory, and forest certification.

Option 2: Repeal the Fort St. John Pilot Regulation (thereby cancelling the Pilot Project over a two-year period)

Advantages

- MFR Peace District staff required to administer only one administrative system, which is more cost efficient, and conforms to the rest of British Columbia.
- Lessons learned to date can be integrated into the current legislative framework, thus transferring the knowledge gained to other parts of the province.

Disadvantages

- The effectiveness of landscape-level strategies has not been sufficiently evaluated.
- The Participants will oppose this decision because it will increase their short-term costs and introduce financial insecurity.
- Timber and operating areas will need to be reallocated among the Participants.
- The public's trust will be eroded with termination of the Pilot Project .The Public Advisory Group (PAG) will feel their input has been discounted because they do not support termination of the Pilot Project.

Option 3: Continue implementing the pilot for another six-year SFMP planning cycle with a specific focus on learning from implementation of landscape-level strategies. In addition, this option will change the legislative requirements so that the pilot project is appropriately linked with the *Forest Act* and FRPA.

Advantages

- It provides an opportunity to facilitate application of the lessons learned from the Pilot Project provincially. At the same time it provides a period for transitioning to a single legislative model and ensuring that the benefits of the Pilot Project are not lost to the Participants over the term of the next SFMP.
- It facilitates implementation of landscape-level strategies, building on the lessons learned in first SFMP. Extending the Pilot Project is expected to provide further lessons on landscape-level planning processes that can complement lessons learned from Innovative Forestry Practices Agreements (IFPA) and be integrated into FRPA, thus transferring the knowledge gained to other parts of the province.
- No significant additional costs are expected for the Participants.
- The Participants have a strong sense of ownership of the Pilot Project, and have realized significant benefits from it (i.e., Forest Operations Schedule).
- It provides an opportunity for MFR and the Participants to evaluate costs and benefits using standard measures and assumptions.
- The Public Advisory Group (PAG) consists of local stakeholders (including First Nations representation) with government observers. This group has a high level of engagement and would like to see the Pilot Project continue.
- It provides an opportunity to engage non-Participants to improve collaboration on developing planning, access management, timber supply, inventory, and forest certification.

Disadvantages

- MFR will incur costs to correct current policy and regulation inconsistencies and appropriately tie the Regulation to FRPA and the *Forest Act*.
- Ministry workload required to administer two administrative systems within one district will continue.
- MFR will continue to bear costs to ensure that applicable policies and procedures relating to tenures, appraisal, and computer systems are integrated into the Pilot Project area.

5.2 Recommended Option

Option 3

5.3 Additional Considerations

The major advantage of this option is that it will provide for a continuing examination of the implementation of landscape-level strategies:

Under **Option 3**:

- Legislative inconsistencies will be addressed.
- Further evaluation of existing landscape-level strategies will be enabled.
- Landscape-level strategies for forest health that consider the implications of landscape-level strategies for climate change will be developed.
- Additional tools, technology, and procedures will be developed to effectively monitor and measure achievement and compliance with landscape-level objectives and standards.
- The multi-block stocking standard compiler will be further reviewed, evaluated, and revised to address key issues.
- The opportunities for further streamlining CSA certification, detailed reporting, and compliance and enforcement will be more fully explored.
- Over the next few years there will be the opportunity to confirm that landscape-level targets actually fulfill the stewardship objectives for which they were developed.

If **Option 3** is selected, the following points should be implemented:

- provide additional training and capacity-building to enable compliance and enforcement staff to manage two different regulatory models within the district;
- over the next few years, integrate the key lessons learned and benefits derived from the Pilot Project and the IFPA projects into FRPA;
- for landscape-level strategies for deciduous and mixedwood strategies, review and act upon recommendations from the FREP report titled *An Evaluation of the Reforestation Strategies of the Fort St. John Pilot Project*;
- clarify the roles and responsibilities of MFR staff at the headquarters, region, and district levels;
- integrate the key lessons learned and benefits derived from the pilot project and the IFPA projects into FRPA; and
- create two committees and give them the mandate to ensure that key lessons learned from the Pilot Project are achieved and that key commitments are met.

The first committee (Working Group) will be responsible for ensuring action is taken on each of the above points. It will comprise staff representing Canfor, BCTS, MOE, and MFR district, region, and headquarters and will address key annual report, technical, and stewardship issues. This committee will meet a minimum of twice a year and will review these Terms of Reference annually.

The second committee (Oversight Committee) will include the Peace District Manager; the Northern Interior Regional Executive Director; the MOE Regional Manager (Environmental Stewardship Division, Regional Operations – Peace); Senior Forest Practices, Research, and Resource Tenures Branch staff; the Chief Forester; and the ADM Operations. It will be mandated to review the progress of the above-noted committee, and to ensure resources are available and progress is being made on the overall initiative. This committee will meet a minimum of once a year and will review these Terms of Reference annually.

5.3.1 Additional considerations for implementation under FRPA

Selected forest resource management “lessons learned” resulting from the Pilot should be presented to the Provincial FRPA Implementation Team and the Joint Management Committee for their consideration for operational implementation under FRPA. Specific examples would be:

- inclusion of the Public Advisory Group;
- Forest Operations Schedules;
- SFMP;
- District Manager’s ability to require specific changes in Site Level Plans;
- manner in which harvest and road authorizations and associated appraisals are done; and
- flexibility afforded by Sections 35 and 42 of the Fort St. John Pilot Regulation.

Any changes to the *Forest Act*, FRPA, the “planned” *Resource Road Act*, or other related Acts will need to be addressed on an ongoing basis for the Pilot Project.

APPENDICES

Appendix 1 Tenures and revenue

1.1 Purpose

The Tenures and Revenue section summarizes the similarities and differences between the Fort St. John Pilot Project Regulation, the former *Forest Practices Code of BC Act*, and current legislation (the FRPA) governing similar tenures in British Columbia. The review also investigated any possible revenue risks or implications to the Softwood Lumber Agreement. The review is grouped into three categories, which were used to help identify major implications for providing the key points in evaluating the Pilot Project. The three categories are:

1. overview of tenure management under the Fort St. John Pilot Project Regulation compared to the former Forest Practices Code and other provincial tenures operating under the *Forest and Range Practices Act*;
2. policy differences between the Regulation, the Forest Practices Code, and the *Forest and Range Practices Act*; and
3. administrative errors in the current Regulation.

The Tenures and Revenue section concludes with a summary of the major differences within the three categories, with a perspective on the benefits that exist and concerns that may need attention, depending on the future of the Pilot Project Regulation.

1.2 Overview of Tenure Management

The Fort St. John Pilot Project Regulation initiated new tenure documents and corresponding methods of operation and authorization. Tenure management under the former *Forest Practices Code of BC Act*, the Fort St. John Pilot Project Regulation, and the *Forest and Range Practices Act* is compared below.

The comparison shows both the similarities and differences between operations under the Fort St. John Pilot Project Regulation and other provincial forest tenures. This analysis is intended to help identify suitable aspects of the Regulation that could be considered for inclusion in the *Forest and Range Practices Act*.

Legislation			
Phase or Activity	<i>Forest Practices Code of BC Act</i>	Fort St. John Pilot Project Regulation	<i>Forest and Range Practices Act</i>
Harvest planning documents	Forest Development Plan was approved by the DM	<p>Sustainable Forest Management Plan (SFMP) required</p> <ul style="list-style-type: none"> • Single plan submitted for all Participants; requirements specified in the Regulation. • Not mandatory for a new licensee in the Fort St. John TSA to join the Pilot Project. • New Participants are officially approved by the Regional Manager after a 3-week public review. • Submission and approval of the SFMP follows forest certification requirements and therefore contains more information than an FSP or TFL management plan. • Regulation contains prescribed objectives for assigned management zones within the Pilot Project area, including landscape-level strategies and indicators for 7 prescribed elements that apply to the entire TSA. • The SFMP is jointly approved by the MFR Regional Executive Director and MOE Director. 	<p>Forest Stewardship Plan (FSP) required</p> <ul style="list-style-type: none"> • FSPs can be approved for multiple licensees with mutual agreement. • Approved by District Manager as no joint signatures are required from other ministries. • Standard objectives and strategies apply to the area under the FSP unless the licensee proposes changes or expands, with supporting rationale to meet the DM's approval.
Detailed operational planning	<p>Forest Development Plans were required</p> <p>Blocks were approved for harvest in the FDP and protected under Category A status</p> <p>Review period of 90 days required for FDP but could be lengthened by DM</p>	<p>Forest Operations Schedule (FOS) required</p> <ul style="list-style-type: none"> • Produced only after the SFMP is approved. • Signed and sealed by an RPF and not approved by the District Manager. • Provides a standing inventory of blocks for the issuance of Harvest Authorizations. • Proposed harvesting and roads in the FOS must be consistent with SFMP requirements. Provides a schedule of specific locations of harvest operations for all Participants, and includes details not required in FSPs. • Covers a period of at least 6 years and may be amended or extended. • Valuable to all parties and stakeholders as it streamlines First Nations consultation and helps the DM address agreements with all Participants on the operating area. • Public review period of 60 days is required for review of a FOS or an amendment (DM may shorten or lengthen the review period). 	<ul style="list-style-type: none"> • Licensees cannot protect blocks scheduled for harvest (first-come, first-served basis). • Licensees may produce specific maps of proposed harvest blocks and roads to consult with First Nations before submitting a CP or Road permit application.

Harvest Authorization	Cutting Permits (CP) issued	<ul style="list-style-type: none"> • Harvest Authorizations (HAs) are issued for blocks contained within the FOS instead of CPs. • The HA consists of a simple letter. However, District Tenures staff are unsure of the legality of the letter because it is not covered in the <i>Forest Act</i>. • HAs can be easily tracked back to FOS submissions and consultation records. • The Regulation allows HAs to be issued before appraisal data received. • Approved blocks can be protected from other licensees in the FOS with HA status without appraisal data being submitted; however, the Regulation is not being followed as legally worded. • The Regulation legally permits the DM to approve HAs before appraisal data are received. • Harvesting may commence upon submission of appraisal data, which could result in unbilled scale because of the time that elapsed in getting a rate from the Region. To address this, the DM declared that HAs would not be approved until blocks are submitted complete with appraisal data before HA is approved. The DM advised Participants that harvesting could not commence until this was done (contrary to Regulation wording). • Participants have agreed to be guided by the DM's direction on not hauling logged timber before rate determination, but this is not a regulatory requirement. • The DM may refuse authorization if notice given within 14 days, if not satisfied that the reforestation method provided in a notice accompanying a request for an HA under Section 23 will adequately manage and conserve the forest resources. • The DM must not approve the HA if not identified in a FOS that it complies with regulatory standards, was available for public review and comment, or was not submitted in an acceptable form or scale, and has the authority to refuse HAs for forest practice reasons in addition to infringement of treaty rights. This is a significant difference in the approval process from 	<ul style="list-style-type: none"> • Harvest blocks for CPs are determined from area within Forest Development Units in an approved FSP. • The CP is a standard approved template with the correct legislative references to the applicable Acts and Regulations. • Provincial standard is 40 days processing allowance for CPs. • CP Postponement under <i>Forest Act</i> applicable. CPs issued since Nov. 3, 2003, cannot be extended, but can be postponed for forest management reasons. • A CP must have harvest-approved status before harvesting can commence. • Appraisal data must accompany CP application. • CP may only be refused for limited reasons under Section 81. • Protection for CPs and Road Permits exists under Section 19 of FRPA.
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		<p>FRPA.</p> <ul style="list-style-type: none"> • The Forest Tenures Administration system is not compatible to the issuance of HAs versus CPs and despite the FTA upgrade, the system is not effectively functioning. • The CP Postponement Regulation does not apply to the Pilot Project HAs. • Section 81.1 (refusal of cutting permit) does not apply to the Regulation). • The DM may grant an extension of up to 2 years to HAs one or more times if satisfied that the extension does not have a “deleterious impact on forest resources.” This may have some potential minor implications to the Softwood Lumber Agreement. 	
Road construction	Road Permits issued	<ul style="list-style-type: none"> • Road Authorizations (RAs) are issued. • RAs, consisting of a simple letter of authorization, are issued instead of road permits. • Again, district staff are concerned about the legality of the document because there is no reference to an RA in FRPA or the <i>Forest Act</i> (i.e., continuing obligations for the use of road).. • Since FRPA is not linked to the Regulation a legal void exists because the Forest Practices Code has been mostly repealed. • Section 81.1 (refusal of a road permit) does not apply to the Regulation. 	<p>Road Permits issued</p> <ul style="list-style-type: none"> • Standard template used for RPs includes the correct legislative references to the applicable Acts and Regulations. • Section 22 of FRPA governs use of roads.
Pulpwood Agreement – Harvest Authorizations	Timber Sales Licences	<ul style="list-style-type: none"> • Forestry Licences to Cut (FLTCs) issued • The Regulation was drafted before changes to Section 12 of the <i>Forest Act</i>, which now disallows the issuance of new Pulpwood Agreements. The Nov. 3, 2003, amendments to the <i>Forest Act</i> changed the authorization for harvesting on PAs from TSLs to FLTCs. However, the Regulation does not address the issuance of FLTCs under a PA. • Under Section 22(1), Participants must not harvest timber unless authorized to do so under the Regulation, an agreement under the <i>Forest Act</i>, or the <i>Forest Act</i>. Therefore, a primary tenure (FLTC) needs to be issued first before an HA or RA is issued. 	<p>Forestry Licences to Cut issued</p> <ul style="list-style-type: none"> • Limited to a 5-year term with no wording in the <i>Forest Act</i> governing extensions.

		<ul style="list-style-type: none"> • HAs cannot be issued for PAs under the Regulation unless a FLTC is issued with the capability of CPs being issued under it (lack of streamlining). • The FLTC template, which contains both the licence authority and the harvest authority, is the template type being used. • FLTCs are limited to a maximum 5-year term under the <i>Forest Act</i>, so this does not fit the intent of the Regulation, whereas HAs may be extended indefinitely at the DM's discretion for up to 2 years at a time. • Participants questioned why the District had to issue FLTCs instead of HAs for any of the Pulpwood Agreement blocks in the FOS. This linkage issue was not covered in the Regulation. 	
Amendments to harvest blocks	Major and minor amendments defined when operating under the Forest Practices Code	<ul style="list-style-type: none"> • A 25% increase is allowed in cutblock size without triggering the need to publish a notice and proceed through a review and comment period for a FOS amendment. (This is a holdover from the Forest Practices Code and FDPs whereby more stringent rules applied to increasing block size when applying for a CP.) • Standard revenue rules apply if amended after the HA is issued. 	<ul style="list-style-type: none"> • Harvest blocks need to be selected from within the boundaries defined by the Forest Development Unit approved in the FSP. • Changes after approval of a CP require an amendment to the CP Exhibit A and reappraisal if the change is greater than 15%.
Issuance of Blanket Salvage Permits (BSPs)	Exemption from planning requirements if timber in danger of losing value	<ul style="list-style-type: none"> • Exemption from public review is permitted for emergencies when approved by the DM if insufficient time for a public review of 10 days. • Provincial policy is that BSPs only be issued for a 1-year term, but legally unable under the Regulation because of a minimum 4-year term of HAs. • Several BSPs with a term of only 1 year were issued in the past because salvage would be completed in a year, which follows provincial policy. 	<ul style="list-style-type: none"> • BSPs are allowed subject to Emergency Bark Beetle Area declaration by Bark Beetle Coordinator. • MFR guidance is a 1-year term for a CP under the BSP policy.
Site Level Plan review and amendments	Silviculture prescriptions and amendments reviewed and approved by the District Manager	<ul style="list-style-type: none"> • The DM may establish policy requiring notice be given and public review undertaken when Site Level Plans are completed or amended. • If public review required, the DM determines if the plan "adequately manages and conserves" forest resources. 	Site plans may be reviewed by request.
Establishment of public review bodies	Not required	<ul style="list-style-type: none"> • A Public Advisory Group (PAG) must be established and maintained by the Participants. 	No requirement for PAGs, but some licensees operating under certification

			requirements must establish a PAG to maintain an SFMP.
Reporting	No formalized reporting required except for Tree Farm Licences	<ul style="list-style-type: none"> Formal annual report required by October 31 summarizing access management and timber harvesting, reforestation, stand tending, landscape-level strategy implementation, summary of variances, summary of contraventions, and any compliance and enforcement measures imposed on the Participants. 	No annual report required except in the case of Tree Farm Licences; however, Regional Manager or District Manager can request a report as per contract language in tenure documents.

1.3 Policy Differences: The Regulation and Other Legislation

Major differences between the Regulation and the *Forest and Range Practices Act* are summarized below and listed in decreasing degree of difference. The analysis does not assume that all differences in policy have been identified in this review process; however, specific areas of concern that should be considered in the review decision are provided below.

Operational description	Discussion	Degree of difference
The DM has greater authority under the Regulation to refuse harvest authorizations than under FRPA based on the DM's responsibility to adequately manage and conserve the forest resource.	<ul style="list-style-type: none"> The Regulation is generally more regulatory, and not results-oriented like FRPA. District Managers can refuse to issue Harvest Authorizations if they think it will not "adequately manage and conserve the forest resources." FRPA is based on professional reliance. The DM's role was moved from having the responsibility of determining whether the forest practices proposed by the licensee were adequate to ensuring that all the correct steps were completed according to the legislation thereby putting the onus on the RPF to ensure "best practices" were followed. 	High
Ability of Participants to bank blocks within the FOS for at least a 6-year period. Blocks are then available to request approval for an HA, and approved blocks remain in the FOS until logged. The FOS can be amended at any time without approval if public consultation rules are followed. HAs are issued for a 4-year term. The possibility of unlimited extensions, each up to a 2-year period with DM approval, also exists.	<ul style="list-style-type: none"> Contravenes present policy and the <i>Forest Act</i>, which limits term of CPs to 4 years on regular tenure holders. The 4-year limit on Cutting Permits regulates the amount of timber volume readily available on the market. Extensions can be granted for any reason as long as the forest resource value is not threatened. Potential to delay waste and residue assessments or the harvesting of certain blocks within an HA. May also be a concern when managing waste availability for bioenergy initiatives. Unlimited extensions are most likely an issue under the Softwood Lumber Agreement when considering the careful wording used in the CP Postponement Regulation. 	Medium to High
First Nations consultation	<ul style="list-style-type: none"> The Forest Operations Schedule provides a useful medium for First Nations consultation since all licensees' operating blocks are clearly defined on a map of the Fort St. John TSA. 	Medium

	<ul style="list-style-type: none"> • Licensees are not legally required under FRPA to provide specific operating blocks in the FSP. • A type of plan like a FOS, which is similar to an annual work schedule, is critical for the amount of First Nations consultation required before the District Manager approving HAs. • Other licensees under FRPA are producing FOS-like documents for review by First Nations and other stakeholders but are not legally required to produce this type of document. 	
Section 24 – The DM has more power under the Pilot Project (i.e., may refuse to approve an HA or RA if he believes it will not “adequately manage and conserve the forest resources of the area”). Division 5 provides criteria for DM to refuse approval for forest practice reasons.	<ul style="list-style-type: none"> • Although the tenure documents issued under the Pilot Project do not contain specific wording dealing with forest practices, the District Manager still has the ability to be directly involved with forest management decisions because of the need to determine if “adequately manage and conserves” applies. The Regulation’s wording does not fit the results-based FRPA and present policy. 	Medium
The Pilot Project is generally very prescriptive in nature since it was modeled after the <i>Forest Practices Code Act</i> . For example, the DM must approve variances.	<ul style="list-style-type: none"> • FRPA enables prescribing objectives and strategies, and variances to performance requirements, which can be approved upfront rather than going back to the District Manager to approve. 	Medium
Cost advantages	<ul style="list-style-type: none"> • Participants have an economic advantage over other licensees because of the streamlined administration and economy of scale offered under the Regulation (i.e., one contractor harvesting adjoining licensee’s HAs or CPs can be done under both regimes at same time but in the Pilot project the wood is trucked to the mill best suited to its use because all planning is done by one entity). • Able to closely control costs because Canfor’s woodlands department completes the administration and block planning for the other Participants. • Agreement among Participants operating blocks is easily reached since there is an even mix of deciduous and coniferous fibre needs among the licensees, and the OSB plant is a joint venture between Canfor and Louisiana Pacific (LP). • Increased utilization of all species since market is pre-determined from cruise estimates of all wood available for the yearly requirements from all the existing HAs or those to be applied for. 	Medium
No defined market pricing area for BCTS	<ul style="list-style-type: none"> • Unlike other BCTS business areas, BCTS under the Pilot Project does not have assigned planning cells within the Fort St. John TSA denoting a Market Pricing Area. Canfor advises that the 6 years of blocks identified in the FOS are allocated to BCTS and the licensees based on criteria agreed to in a Memorandum of Understanding. Canfor has a lead role in the planning function. The criteria ensure BCTS has a similar wood profile and cost structure as the other licensees for the term of the FOS. • Previous practice was more or less the same with licensees providing area within their 	Medium

	planning cells for BCTS before the change to Market Pricing Areas. Instead of having permanent defined pricing areas, the Pilot Project process provides a more even flow of representative profile timber for BCTS through all time periods, since the allocated harvest blocks are reassessed for representativeness by BCTS before being submitted to the FOS. Normally BCTS provides its own FSP under FRPA.	
Policy model for upcoming Permit Issuance Objectives Regulation	<ul style="list-style-type: none"> • Canfor prefers that all licensees in the Fort St. John TSA are Participants, partly for forest certification over the Pilot Project area. (However, this is mostly a broader certification issue and not strictly a Pilot Project issue.) • Centralized planning in the FOS ensures agreement between the licensees before they submit HA applications. • This model of cooperation is one that could be followed under the draft Permit Issuance Objectives Regulation. The DM therefore has a much lower risk of issues arising from this TSA. • Approving HAs and RAs based on the consolidated FOS provides comprehensive consultation with First Nations with clear operating areas defined. 	Low

1.4 Administrative Errors in the Current Regulation

Several amendments to the Fort St John Pilot Project Regulation since it was first passed in December, 2001, have made it significantly out of date for two reasons. First, full attention was not given to “housekeeping” follow-up created by changes to other legislation. Second, some business is actually carried out under the Pilot Project differently from what the Regulation stipulates. The summary below does not identify all required revisions, but it does show that if the Pilot Project remains or is transformed into a more current regulation, it requires updating to include correct regulatory wording and current business practices.

Regulation section	Description	Issue	Implications
1 (1)	Definition of “Participant”	Presently does not include 3 (1) (f), which covers holders of TSLs that also need to consent to participate in the Pilot Project.	High
3 (1) (f) and Part 2, Section 6	BCTS TSL holders are not automatically Participants. It is not clear that BCTS is a member in Section 3; however, under the definition of “Participant” in Section 1, a “timber sales manager” is defined as a BCTS manager.	Under the present definition of a “Participant” and Section 3 (1) (f), TSL holders must consent to participate in the Pilot Project. Legal opinion has stated that although BCTS is a Participant, the successful bidder of a TSL is not automatically a Participant also. The Regulation requires them to apply through the Section 6 Participant process, which is not being done because of the sheer numbers and expense. The RED must advertise the notice of application for each TSL holder.	High
2(1.1)	Reference to Section 96 (1) (f.1) of the <i>Forest Practices Code Act</i>	Section has been repealed, needs to reference Section 52 of FRPA (deals with unauthorized timber harvesting).	High

22.1	FLTCs under a Pulpwood Agreement	FLTCs are limited to a 5-year term, so they cannot be extended as HAs issued under the authority of a Forest Licence.	High
All	Incorrect references to sections of the <i>Forest Practices Code Act</i> and the <i>Forest Act</i>	Could be an issue under Compliance & Enforcement since incorrect references to legislation is wrong in context or no longer exists should any infractions be noted.	High
6.(4)	Reference to non-existent legislation	Section mentions that the Pilot Project is exempt from Section 221 (4) (a) of the Forest Practices Code, which has been repealed (AAC adjustments).	Medium
1 (2), 3 (4)	Reference to Regulations now repealed: <ul style="list-style-type: none"> Operational and Site Planning Tree Cone, Seed and Vegetative Material Forest Road Timber Harvesting Silviculture Practices 	These regulations have been replaced by the Forest Planning and Practices Regulation	Medium
1 (1)	Reference to the <i>Forest Practices Code of British Columbia Act</i> and outdated terminology and agencies	Since the Code has been replaced by the <i>Forest and Range Practices Act</i> , and the Ministry of Water, Land and Air Protection is now the Ministry of Environment, the Regulation's corresponding Act has become uncertain. If the Regulation is updated, any references to the "Act" should now be to FRPA.	Low
3 (1) (d)	No reference to Pulpwood Agreement 13 as Participant	PA 13, held by Tembec, has an 18,000 m ³ allocation in the TSA but was excluded as a Participant, yet FLTCs are issued and perhaps discussed by LP, which manages this tenure and others for Tembec. FLTCs should be issued under Tembec's name because the PA is under Tembec.	Low
3 (1) (i) and other references throughout Regulation	References to a minor Timber Sale Licence (TSL)	TSLs have been replaced by Forestry Licences to Cut (FLTCs) in the <i>Forest Act</i> for some of the tenures issued under the Pilot Project. Pulpwood Agreements are now issued as FLTCs, not TSLs. Tendency to confuse whether reference to TSL's applies to BCTS or for Pulpwood Agreement now called FLTC's.	Low
3 (1) (i)	Incorrect reference to section of <i>Forest Act</i> regarding tenures issued under a Pulpwood Agreement	Section 23 (1) of the <i>Forest Act</i> has been repealed. It should be Section 47.6 (2) (c) and should possibly include Section 41 (1) (e). Also reference to direct award of a FLTC is correct term (not TSL) issued under a Pulpwood Agreement. Legality of FLTC's issued with reference to Code Regulation sections is questioned.	Low
Division 2 – Forest Development Plans	Numerous references to operation under a Forest Development Plan (FDP)	The Regulation has many references to operating under a FDP, which is no longer relevant.	Low

1.5 Summary

The review of the tenures and revenue aspects of the Fort St. John Pilot Project Regulation highlights the differences for licensees operating as Participants compared those managing other tenures in British Columbia. The Regulation was enacted before the implementation of numerous tenure and stewardship changes in 2003 and has not been updated since then. The Regulation does not currently correspond with all other legislation and forest policy because of significant legislative changes since it was enacted.

The overview of tenure management compares the Pilot Project with the *Forest and Range Practices Act* to find existing options that could allow similar administrative processes. The comparison shows some aspects of the Pilot Project, such as the Forest Operations Schedule, that could benefit other provincial tenures (with the required legislative amendments) through a similar administration model. These beneficial aspects of the Pilot Project should be given consideration for provincial implementation to use the Regulation's proven streamlining and economic efficiencies where applicable. However, at the very least, the Regulation would require revisions if it were to properly exist under FRPA and the current policy model.

The section on policy differences highlights (but does not thoroughly summarize) concerns stemming from the differences that exist under the Pilot Project compared to current legislation. The Pilot Project model may create implications for the Softwood Lumber Agreement because of the differences in tenure management and provincial policy. This issue should be examined by staff in the Economics and Trade Branch to ensure that there is nothing that could violate the agreement.

The summary of errors in current regulation wording provides a snapshot of some of the main concerns from a tenures perspective, but incompletely summarizes all the legal inconsistencies now present in the Regulation. This part of the review process also illustrates the need for revisions if the Regulation will be made current with existing legislation and policy.

Appendix 2 Information systems

2.1 Purpose

Before the Pilot Project was launched in 2001, ministry staff received paper applications and piecemeal information reports from licensees, and then entered the data into existing silo databases. Information was comprehensive but poorly integrated.

However, under the Pilot Project, Participants produce thorough and comprehensive annual reports to serve both the SFMP and MFR reporting needs. These reports are the most comprehensive annual reports available in British Columbia.

Between the drafting and enactment of the Fort St. John Pilot Project Regulation and the time of the Pilot Project review, the Ministry of Forests and Range implemented new integrated tenure and stewardship information management systems. The ministry began implementing a number of new information systems in 2003. The Forest Tenure Administration (FTA) and RESULTS (Reporting of Silviculture Updates and Land status Tracking System) were designed to accommodate standard province-wide legislation and business procedures. The creation of the Regulation led to some different legislative and business procedures, which changed how information and core business needed to be handled in FTA and RESULTS. In turn, this resulted in some additional costs and workload.

Although the Pilot Project Regulation did not include a legislated requirement for Participants to use FTA and RESULTS, Participants understood the ministry business requirements and began working with the ministry to ensure seamless sharing of key business information. Other electronic systems have since been introduced, and both ministry and Participant staff have worked together to integrate ministry's and licensees' systems.

The relevant tracking systems are discussed separately below.

2.2 Systems

2.2.1 Forest tenure administration

All applications for road development and harvesting were previously administered through a letter application package to the District Manager and then tracked through various systems. However, licensees are required to submit their permit requests directly into Forest Tenure Administration (FTA). Although the Pilot Project did not specify the need for electronic submissions, FTA was created such that it auto-generated permit numbers, and Participants needed to adapt their processes to it.

Issue	Cost of resolution	Ramifications to FRPA licensees
File type mismatch	Likely moderate, but currently unresolved. To accommodate the Regulation, Harvest Authorizations were to be integrated into the harvest application submission in FTA. However, the file types used by BCTS (i.e., B20s) were not included in scripting and their submissions subsequently failed. The resolution was to continue making submissions by designating the legislative authority as FRPA rather than the Regulation, but this does not resolve or facilitate the need for continued paper authorization requests to be submitted along with digital submissions.	Whenever computer application changes are scheduled to be made, all representatives must understand what is to occur and that the changes proposed will fulfill the intended regulatory needs.

Road authorization number not matching road permit number	Low	Tracking systems, forms, templates, and other documentation should be made more user-friendly both for the licensee and District staff because they each have difficulty attempting to track submissions. Whenever possible, permanent committees should be formed consisting of licensees, district, region, and branch staff to develop protocols, plans, and reporting procedures to address those regulatory changes that will impact normal business application processes.
No cutting permits or road permits issued	Low FTA submission requirements were built on the premise of key information being available. Missing CP numbers prevent proper submission to complete the required application process. District staff now provides business keys to the participants so that they can complete the required information submissions.	

2.2.2 RESULTS

RESULTS (Reporting Silviculture Updates and Land Status Tracking System) is a key Ministry of Forests and Range database that is used in MFR compliance and enforcement work; inventory updates; the Timber Supply Review process; and in development of the State of Forests reports, service plans, and annual reports. Before the implementation of RESULTS, all annual, regeneration delay, and free-growing reports were submitted by the licensees to the ministry for data entry into the corporate tracking system for each opening or cutblock. The Regulation changed the Participants' reporting requirement from these individual forms to an annual report format that summarized all activities on the land base over the previous year.

The licensees have recognized the importance of RESULTS to the ministry and have linked their GENUS system to RESULTS to share data with the ministry. There have been some challenges in linking the industry's GENUS system with RESULTS, but through meetings and collaborations most major issues have been addressed.

2.2.3 ECAS

The Electronic Commerce Appraisals System (ECAS) was developed to replace the paper-driven process of submitting appraisals to the MFR. Just as there are two distinct appraisal manuals and policy, ECAS has applications for both the Coast and Interior. As the manuals are commonly amended, periodic adjustments to ECAS ensure the collection of the appropriate data. The system is designed to operate over the Internet to take advantage of the speed of electronic communication.

Discussions with all of the Participants indicated that the changeover to ECAS has not been any more or less onerous than to any other licensee in the province.

2.2.4 Common database platform (GENUS)

Many of the realized benefits provided by the Pilot Project are due to collaboration of planning and operational activities by the Participants. Ultimately, all of the Participants recognized that achieving and maintaining an Environmental Management System was closely tied to the goal of achieving and maintaining joint certification and other business objectives and, therefore, data management would be critical. In particular, attribute data and spatial information had to be readily available to support planning, road management, harvesting, and silviculture activities. The completion of these activities needed to be tracked, and the availability of this information to be reported out upon had to be at a simple retrieval level.

Issue	Resolution cost	Ramifications to FRPA licensees
Decide whether to use a single data platform or separate data platforms	High	Certification and roll-up of indicators at a landscape level rather than by operating area. One common database among various licensees requires forethought as to security setups both from a data integrity and business perspective. Separate data platforms may need to consider a master database platform where data can be compiled for landscape reporting purposes.
Transfer of key information from government major applications into a database platform	High Can be costly and time consuming. In the case of the Pilot Project, the issue was to transfer data from the former application, ISIS, into GENUS.	Whenever possible, licensees should try to tailor or maintain their business processes to the current applications. However, when this is not possible, licensees, and district, region, and branch staff must try to anticipate the ramifications of regulated change and work together to come up with solutions before an issue comes to the forefront.
Block numbering	Moderate Many of the required reporting functions were found to be at the block level rather than the licence level. In the first few years, this was onerous for BCTS, as block numbering was typically confined to 1, 2, 3, etc. for each TSL. As a Participant, BCTS, in conjunction with other licensees, adopted a block-naming convention that has the advantage that the block number becomes a stand-alone entity and can be referred for public comment without a licence number being generated. If a block is dropped or not developed, a licence number does not need to be unnecessarily used and be somehow reconciled in the future.	For landscape reporting, it may be important for licensees to consider a common block numbering system.
Spatial block adjacency	Low	Internal business processes among licensees must be developed to determine the course of action when spatial block overlap occurs.

2.2.5 Harvest billing system

In discussions with all of the Participants, the changeover to the Harvest Billing System has not been any more or less onerous than to any other licensee in the province.

2.2.6 Data compiler to determine forest level achievement of stocking requirements

Stocking standards for the Fort St John Pilot Project area are assessed on a multi-block basis instead of stand by stand. The Pilot Project area has a multi-block stocking standard process that is used to calculate whether reforestation obligations have been achieved or not. A computerized data compiler is used to aggregate individual block data and determine forest level volumes. The Pilot Project's annual report provides summary information developed from the compiler on the achievement of free-growing obligations.

Some key components within the compiler are critical to the determination of the volume forecasts. Key weaknesses with the compiler are:

- there are several programming errors in the calculation of the average site index and effective age, which are key elements in forecasting timber volumes;
- strata site index and effective age were calculated incorrectly; and
- there is little documentation about how the compiler is supposed to work. Once the program had been developed, it was not adequately documented nor maintained. This made it difficult for the ministry to easily understand and replicate the calculations. Therefore, it was also difficult to ascertain whether the calculations were being made correctly.

2.3 Administration

Although a great deal of planning and collaboration by the licensees and government brought about the Regulation, less attention was focused on the documents used in the ministry's delivery of the Pilot Project. Licensees are normally issued cutting permits and road permits, but the Regulation specifies different permits, most notably harvest authorizations and road authorizations. Legislative changes trigger the provision of new templates to district offices to ensure consistency and the consideration of all legal aspects, but this was not the case for the Participants. The Pilot Project's uniqueness prevented the development of templates for the district. Consequently, as harvest and road authorizations came into the district for processing, district staff attempted to craft documents that would reflect the language of the Pilot while still providing the formal paper approval needed. Furthermore, none of these documents was reviewed by Resource Tenures and Engineering Branch staff for accuracy and completeness, and no issues arose from their use. However, the documentation process should always be part of the overall planning phase.

Proposed major changes to legislation should include a business analysis to review and highlight the systems involved, differences in reporting, risk assessments, a migration strategy (i.e., what ministry/licensees will live and not live without) and a communication plan to explain to each stakeholder what is expected. The analysis should outline any gains and the associated risk, and make recommendations on how to address the differences from an operational perspective.

2.4 Conclusion

Since the Regulation was enacted and both district staff and licensees have worked within its framework, everyone has collectively managed to work through several of the system challenges. The Ministry of

Forests and Range and the Participants needed to spend time and money to harmonize legislative and business requirements and work together to understand systems needs and issues. There is an ongoing need to ensure that systems are well documented, supported, and funded to work effectively. Ministry costs are estimated as follows:

- \$100,000 to revise FTA and write new supporting business procedures and standards;
- \$5,000 to develop joint industry-ministry understanding and work around processes developed to link the industry information reporting from GENUS to RESULTS;
- \$25,000 to assist the ministry and industry in developing the original compiler process; and
- \$20,000 to conduct data compiler reviews and assessments.

The outstanding minor issues with FTA and RESULTS will be addressed as time and budgets allow, but the information systems are generally working effectively.

Appendix 3 Benefits of the Fort St. John Pilot Project

3.1 Purpose

This section of the report identifies and discusses those components of the Pilot Project that have provided benefits to the Participants, provincial government, First Nations, the public, and others. It also addresses the specific assessment requirements of the Fort St. John Pilot Project Regulation Section 53 (1), including Section 53 (1) (g), summarizes cost comparisons, provides a subjective assessment of the impact of the Pilot Project along with other cost factors, and concludes with a summary outlining the opportunities that may exist to incorporate these benefits into the *Forest and Range Practices Act*.

3.2 Benefits

3.2.1 Fort St. John Pilot Project Regulation process and structure

3.2.1.1 Local stakeholder support

Participants and government benefit from the substantial support by local stakeholders for the existing regulatory regime under the Pilot Project. The initial development of the Pilot Project Regulation was an inclusive process with substantial participation from forest resource stakeholders in the Fort St. John Timber Supply Area. This included licensees operating in the TSA and the Small Business Forest Enterprise Program (the predecessor to BC Timber Sales) and local representatives from the Ministry of Forests and Range and the Ministry of Environment. A Public Advisory Group was also struck to provide local input into the Regulation, based on the group's very broad range of interests, including several members who participated in the Fort St. John LRMP. This enhanced level of local input into the development of the Regulation addressed a recurring concern that the development of provincial regulatory initiatives must meet the unique needs of the more rural, remote areas of the province, such as Fort St. John.

Local development and support for the Regulation have resulted in high levels of both Participant regulatory awareness and compliance, and a willingness by the Participants to pursue new approaches to forest management—such as the reforestation strategy, mixedwood ledger system, and change to monitoring permanent sample plots.

The Public Advisory Group meetings have traditionally had very strong attendance. The level of support, interest, and involvement by PAG members is good.

3.2.1.2 Consolidation into one regulation

Consolidating the requirements of several different regulations into one regulation improves staff regulatory comprehension, and contributes to a high level of regulatory compliance performance. Section 3 of the Regulation eliminated the application of large sections of three other regulations, as well as sections of the *Forest Act*. Performance requirements from the Act and other regulations were consolidated into the Fort St. John Pilot Project Regulation.

The Regulation is also relatively short and straightforward, which results in a clear understanding of requirements by Participants' staff. This clarity has contributed to a high level of regulatory compliance by the Participants, as well as allowing MFR staff to focus on only one piece of legislation. This compliance record was noted in a Forest Practices Board audit in 2007 of BCTS under the Regulation, in which the Board reported that it was impressed with the high level of performance achieved under the Pilot Project's unique legislative model.

3.2.1.3 Administrative costs associated with external regulatory processes

The Participants' ability to operate under the consistent, stable regulatory regime embodied by the Regulation provides an atmosphere in which administrative costs associated with addressing changes to external regulatory processes are minimized.

While Participants experienced higher costs than other operations during the development phase of the Regulation in 2001–2004 (having already revised operating procedures and management systems, and absorbed associated training and plan development costs), they are now benefiting significantly. The administrative efforts of the MFR were likewise increased during the implementation phase of the Pilot Project, as systems and tenure documents were modified, but this has also stabilized over time.

3.2.1.4 Testing other concepts

The Fort St. John Pilot Project provides an existing platform to introduce and test other new concepts that may have potential future application across the province. New proposals can be easily incorporated into a regime where the Participants are experienced with testing innovative concepts, thereby avoiding the need for government to establish a separate pilot project regulation to test new concepts. The Fort St. John TSA presents a low-risk locale for the testing of new initiatives, given the relatively small footprint presented by commercial forest management, and the relatively small population base interacting with forest activities.

3.2.2 Content-specific benefits

3.2.2.1 Local modifications

Provisions for local modification of the aspects of management may be addressed in the Sustainable Forest Management Plan (SFMP) (Section 35 (3)). The Regulation outlines SFMP requirements to address some mandatory landscape-level strategies (e.g., timber harvesting, patch size, and seral stage); however, it also includes provisions to address other optional strategies, such as reforestation and recreation management. The flexibility to address additional values that reflect local concerns recognizes that areas of concern vary across the province. This provides the opportunity for locally important issues to receive a heightened degree of consideration to ensure sufficient management emphasis.

3.2.2.2 Latitude to vary performance standards

The latitude included in the SFMP to vary performance standards (Section 35 (4–6)) and some other regulatory requirements (e.g., Forest Operations Schedule content) increases flexibility, and in some cases can reduce the need to formally revise regulations for changing circumstances. Provided that rationales are sufficient to satisfy the approving agencies, some regulatory requirements can be modified through the SFMP, providing allowances for more local input into requirements. This is a timelier and less costly process than proceeding with a formal regulatory revision process. It also allows for a more collaborative approach between the Participants and the ministries to try different methods.

3.2.2.3 SFMP consistency with LRMP objectives

Public acceptance of the SFMP is enhanced by the requirement for SFMP consistency with relevant Land and Resource Management Plan objectives (Section 35 1 (b)). The Fort St. John LRMP process was a lengthy, involved, consensus-based process initiated in 1992 that ultimately resulted in a set of LRMP objectives agreed to by all parties in 1997. Before the Pilot Project, LRMP members had expressed concern during follow-up implementation meetings that there was no clear implementation of the LRMP.

The Pilot Project SFMP identifies and rationalizes those LRMP objectives influenced by forestry activities, as well as the applicable LRMP timber strategies that apply to each landscape unit. SFMP management intensity levels for each landscape unit and landscape-level strategies were developed to be consistent

with these objectives and strategies, and each indicator within the SFMP identifies the linkages to the LRMP objectives.

Several members of the LRMP committee have been involved with the Pilot Project PAG. Maintenance of the Pilot Project has supported and built upon the public process embodied by the LRMP process.

3.2.2.4 Review of environmental concerns

The requirement for approval of the Sustainable Forest Management Plan by the ministries of Forests and Range and Environment ensures the environmental concerns have been fully reviewed, which may increase the SFMP's credibility for some external groups. The SFMP requires approval by both agencies, which is perceived by some third parties as an extra check to ensure environmental concerns are adequately addressed, and allows for a more collaborative planning approach by both ministries.

3.2.2.5 Notification of Site Level Plans (SLPs)

The regulatory option to request notification of Site Level Plans as an opportunity to ensure that any site-specific concerns identified in the FOS have been addressed provides the Ministry of Forests and Range with an additional check to ensure measures are subsequently implemented to address these concerns.

In areas where site-specific issues or concerns may have been identified (e.g., during FOS consultation) that the Participants have noted they will address in Site Level Plans, the ministry has the option to request that agencies or others be notified of SLPs, with the opportunity to review them before block authorizations are issued.

3.2.2.6 Process for harvest authorizations and road authorizations

The process for Harvest Authorizations and Road Authorizations is more efficient and streamlined. Authorizations can be a simple one-page letter, constituting a reduced level of paperwork, and do not have to be tied to appraisals. The approval test is met as long as the block or road is consistent with the Forest Operations Schedule (and therefore the SFMP), and any site-specific public and First Nations comments in the FOS, if any, have been addressed to the satisfaction of the District Manager.

3.2.2.7 Provision of variances to requirements

The regulatory ability of the District Manager and MOE to provide variances to requirements is a benefit for government and Participants. This provides flexibility to the government to allow for changed standards in special site-specific situations, such as variances to Visual Quality Objective requirements on salvaging burned or damaged timber in visually sensitive areas.

3.2.2.8 Participant agreements

There is regulatory ability for a Participant to enter into an agreement with another Participant to assume the latter's obligations under the Act and the Regulation in respect of a cutblock or road. With ministry approval, this "assign ability" clause provides flexibility to permit licensees to transfer legal requirements to other Participants to take advantage of economies of scale or expertise in reforestation (e.g., reforesting conifer on parts of a deciduous licence), or to ensure long-term continuity of forest management activities (e.g., on Non-Replaceable Forest Licences).

3.2.2.9 Extensions to block authorizations

The District Manager may grant extensions to block authorizations (Section 24 (4)) at his or her sole discretion. This provides greater flexibility to redirect licensee harvesting to address natural catastrophes where and when the District Manager believes it is appropriate. This flexibility has proven valuable with the recent advance of the mountain pine beetle, and the large wildfires in 2006. In addition, the ability of the District Manager to grant extensions has contributed to a reduction in tenure administration time in the

MFR (one extension for a longer period of time).

3.2.3 Strategic planning benefits

3.2.3.1 Comprehensive Sustainable Forest Management Plan

The pilot area has one comprehensive Sustainable Forest Management Plan that incorporates all active volume-based forest operations over the entire TSA and addresses both regulatory and certification requirements. It incorporates all related higher-level planning direction and benefits licensees, government, and the public in numerous ways.

3.2.3.2 Plan preparation and review costs

Under the Pilot Project, costs are reduced for plan preparation and review. The legal requirement for a single SFMP for all Participants' tenures, in a format that can also incorporate third-party certification requirements, significantly reduces the number of plans required to be prepared and reviewed. This reduces costs for Participants' planning and consultation, for government review and approval, and for stakeholder consultation time commitments. Participants' costs are reduced by pooling resources to develop, produce, and consult on a single regulatory and Canadian Standards Association SFMP for all Participants. Review costs for government are also significantly lower than if each of the six Participants produced individual Forest Stewardship Plans that required separate review and approval processes.

3.2.3.3 One consistent plan

Members of the public, First Nations, and stakeholders need only review and respond to one consistent plan rather than several plans that may overlap and have different and potentially conflicting strategic objectives. One comprehensive strategic plan for the entire TSA minimizes the burden on third parties to review and provide meaningful input into the plans.

3.2.3.4 Audit costs

Costs are reduced for compliance audits and certification audits. A common regulatory and certification SFMP allows for assessments of legal requirements and certification requirements to occur simultaneously—for example, third-party regulatory compliance audit requirements, which are borne by the Participants, can be easily incorporated as a component of the certification audits.

3.2.3.5 Strategic direction

The strategic direction for forest management activities across the entire TSA has a high level of clarity and consistency. The single plan for the TSA consolidates and rationalizes all higher-level plans and objectives, as well as Participants' business objectives (e.g., the LRMP, Muskwa-Kechika Management Area, Graham Integrated Resource Management Plan, and key strategic timber plan objectives) into one overarching set of landscape-level strategic targets for timber and non-timber objectives.

The SFMP synthesizes general objectives and forest management related strategies from the LRMP, Muskwa-Kechika Management Area, and Graham Integrated Resource Management Plan requirements, as well as the Participants' business objectives, to develop a suite of landscape-level strategies and indicators that addresses all higher-level planning criteria in one TSA-wide plan. This reduces ambiguity and conflict, which can arise from several disparate plans, and provides clearer direction for lower-level operational plans to be developed.

The single TSA-wide structure of the SFMP provides the foundation necessary to avoid the challenges associated with overlapping forest tenures, which may result in harvesting different components of the timber profile on the same forest landscape. It therefore provides a solid platform to develop a meaningful TSA-level strategic timber plan.

3.2.3.6 Performance measurement criteria

The Pilot Project minimizes government administrative costs by enabling one consistent set of performance measurement criteria for all forest management activities within the TSA. The mandatory requirement for one plan removes the potential for separate FSPs for each of the six licensees with different forest management standards within the same TSA. Having one set of TSA-wide standards reduces the time and effort required by ministry staff to monitor, track, and enforce compliance standards. It also provides a more comprehensive review of cumulative impacts on the land base and simplifies the reporting of the various targets (e.g., seral stage) that the ministry is mandated to review.

3.2.4 Specific SFMP content benefits

The flexibility inherent in the Pilot Project SFMP provides Participants with opportunities to implement strategies that more efficiently meet strategic forest management objectives. This flexibility also moves the forest management focus towards the landscape perspective and away from an individual block emphasis. This eliminates the need for the tracking and administrative micro-management at the block level, while ensuring that management targets at the macro level are still achieved.

Some specific examples contained in the SFMP from which the Participants see benefits are as follows:

3.2.4.1 Permanent access structures

Maximum allowable levels are significantly lower than pre-Regulation targets, but are measured on cumulative percentages of permanent access structures, not block by block. This reduces the administrative costs of applying for variances for small blocks, and also allows licensees to realize cost efficiencies in skidding and road developments that optimize operations and, in total, reduce impacts to the Timber Harvesting Land Base.

3.2.4.2 Establishment delay

Establishment delay removes the block-by-block regeneration delay assessment, reports instead on all unstocked cutblocks, and calculates the area-weighted average age of unstocked area. The targets are generally lower than the corresponding maximum regeneration delay (e.g., the establishment delay average for conifer is two years, versus a maximum block regeneration delay of four years). This approach is more closely linked to Timber Supply Review process assumptions, provides Participants with the flexibility to design efficient planting programs, and reflects total reforestation promptness much better than assessing each individual block. The “average delay in establishment” concept should more clearly link to Timber Supply Review inputs, which have typically looked at the average block regeneration delay (which is not area-weighted).

3.2.4.3 Conifer reforestation strategy

The conifer reforestation strategy measures reforestation performance on a population of blocks defined by harvest commencement date. This population is measured and reported using the Mean Stocked Quadrant (MSQ) survey process. This process predicts the volume production of the population as compared to a theoretical yield, using the site occupancy measurements facilitated by the MSQ survey.

This approach encourages the Participants to focus on the timber supply implications of reforestation to allocate funding to ensure the most value per dollar is achieved. For example, provided there are offsetting areas of superior reforestation performance, the strategy can allow Participants to forgo some high-cost brushing treatments on small portions of blocks that are otherwise well stocked (e.g., narrow bands surrounding riparian features), where the treatments are unlikely to result in any significant impact on the long-term timber supply.

3.2.4.4 Wildlife tree retention

Wildlife tree retention assessed at the landscape unit level allows for more variability across the landscape, including higher retention in larger blocks or where habitat needs for species of concern may be higher, and low or no retention in small blocks, or low habitat value areas. As the retention percentage is expressed as a cumulative percentage for the landscape unit, there is a clear value of historical wildlife tree patch retention for future TSR consideration.

3.2.4.5 Coarse woody debris

Coarse woody debris volume targets are assessed as an average volume over a six-year term, which allows for significant variability from block to block, consistent with the natural variation found in unmanaged stands.

3.2.4.6 Visual quality objectives

No requirement exists for pre-harvest assessments of Visual Quality Objectives, although in areas of uncertainty they are used to assist block planning. To show results-based conformance, however, post-harvest assessments are done to demonstrate conformance to the objectives.

3.2.4.7 Seral and patch size strategies

The targets for patch size, seral stage distribution and shape index are based on Natural Disturbance Units in the Fort St. John TSA (DeLong 2002), with spatial reserve areas identified in the FOS for Landscape Units with insufficient old growth. The comprehensive nature of the seral and patch size strategies allowed the elimination of the green-up adjacency requirements.

3.2.5 Operational planning and the Forest Operations Schedule

A consolidated Forest Operations Schedule identifies the approximate location of all proposed harvesting and road construction activities in the TSA for six or more years. The FOS is a coordinated harvest schedule that allows a forecast over the legal planning horizon to assess conformity and compliance with specific indicators in the SFMP. This process provides several benefits for Participants, government, First Nations, other resource industries, and other stakeholders, as described below.

3.2.5.1 Government and the public

Demonstrating that the proposed cumulative effects of all Participants' activities are consistent with the key strategic objectives outlined in the SFMP benefits the government and public. The proposed development component of the Forest Operations Schedule shows the forecasted impacts on 15 key SFMP indicators. Demonstrating the developments in the FOS is consistent with key indicators in the SFMP strategic plan and provides one of the primary tests for subsequent block Harvest Authorization approvals by the government. This eliminates the need for future block-by-block assessments and rationales to demonstrate consistency with strategic plans. As with the consolidated SFMP, the Forest Operations Schedule allows for a more comprehensive review of the cumulative impacts on the land base by government.

3.2.5.2 Ministry of Forests and Range

Ministry staff report benefits from access to the Forest Operations Schedule information, analysis, and consultation records without having to partake in a formal FOS approval process. In addition to information from its review by the public and First Nations, the FOS provides the ministry with the basis for approval of future block authorization requests that are consistent with this information, but does not require a formal review and approval process of the FOS itself.

3.2.5.3 First Nations and other interested parties

First Nations and other interested parties benefit by having the opportunity to review and comment on a single plan that shows the cumulative activities of all licensees' proposed six years of activities, with specific block and road locations that facilitate parties providing site-specific concerns. Presenting a six-year plan with all Participants' proposed activities presents information in a format that makes it easier for third parties to comprehend when compared to viewing separate plans for each licensee or single-year plans.

Identifying the proposed location of all roads and blocks allows site-specific concerns to be expressed by interested third parties. This improves both the quality and the integrity of the consultation process for all interested parties. The final FOS submission addresses any comments received and may be amended by the Participants based on these comments. All comments are forwarded to the MFR and, in conjunction with the Participants' response to the concerns, may be considered by the District Manager in the decision to authorize cutblocks.

First Nations are provided with opportunities to review and have input into preliminary drafts of the FOS at Joint Management Advisory Committee meetings, through provisions in Memoranda of Understanding between Participants and First Nations. This opportunity occurs before the plans are prepared and advertised for the regulatory public review and consultation period. Issues that may arise during the term of the FOS may be brought to the Joint Management Advisory Committee and discussed in that forum as well.

3.2.5.4 Participants

Participants benefit in two ways. First, upfront consultation and information sharing at the FOS stage on block and road locations greatly reduces the risk of unforeseen issues arising after considerable field costs may already have been incurred (e.g., as might be associated with 60-day cutting permit review periods under FRPA). This process allows the Participants to determine the best approach to address site-specific concerns before commencing detailed work on a block. It thereby reduces costs and provides a greater opportunity to satisfactorily address third-party concerns.

Second, licensees and BCTS benefit through the certain provision of a fair allocation of timber supply for an extended period. The FOS inclusion of six years of cutblocks that will be consistent with strategic objectives, and which have been through a rigorous consultation process, provides a high level of certainty of future timber Harvest Authorizations for all licensees.

The FOS process also includes a Terms of Reference for the Participants that identify the principles of block allocation. These principles ensure the six years of FOS blocks are distributed in a manner that meets the basic requirements for BC Timber Sales volume to be a fair representation of the timber profile, and ensures all licensees are assigned blocks that provide similar timber values, costs, and logging chance. This is particularly important in the Fort St. John TSA, which has a complex composition of age classes and conifer/deciduous stand types. This complexity, and the dynamic nature of the forest, would make the identification of separate permanent interest areas certain to result in inequities in the short- to medium-term timber supply available to the individual Participants.

3.2.5.5 Other resource agencies and industries

A consolidated six-year Forest Operations Schedule provides an excellent resource to assist other resource agencies and industries (e.g., oil and gas) in directing referrals, as well as in coordinating activities with the forest industry to minimize impacts to the timber harvesting land base.

Oil and gas development is widespread in the Fort St. John TSA, and may have significant negative impacts on forest resources, forest industry worker safety, and costs for both industries if the impact of developments such as pipelines and well sites on forest companies' proposed operations are not

considered. The comprehensive information on six years of proposed developments presented in a FOS can reduce conflicts in several ways by:

- identifying areas where forestry workers doing field planning or other work may be encountered by oil and gas activities (i.e., safety coordination);
- more clearly showing future opportunities where shared access routes can be developed;
- demonstrating opportunities to reduce impacts on the Timber Harvesting Land Base (e.g., avoid isolating merchantable timber in proposed blocks through road or pipeline realignment); and
- providing opportunities to identify areas of cooperation to avoid the industries inadvertently adding costs to the others' activities, such as the installation of pipelines along a pre-developed forestry road before the block is harvested—this would render the road unsuitable for roadside skidding.

The inability to access such a plan would clearly increase impacts to the Timber Harvesting Land Base, reduce opportunities for inter-industry cooperation, and increase costs.

3.2.6 Public accountability mechanisms

An important feature of the Fort St. John Pilot Project is the feedback mechanism for public accountability, including a Public Advisory Group, periodic independent audits, and public reporting requirements.

3.2.6.1 Public Advisory Group

The Regulation (Part 1, Division 5) requires that a PAG be established and maintained. The PAG holds the mandate to ensure that forest management decisions are made as a result of informed, inclusive, and fair consultation with local residents (Section 47 (1)). The Participants and government benefit by having a Public Advisory Group (PAG) consisting of local people representing a variety of interests, which has an ongoing regulatory role in monitoring and advising Participants on forest management issues. Regularly scheduled PAG meetings are held to review the SFMP and associated amendments, the FOS, compliance audit results and annual reports. The PAG provides comments and recommendations for Participant consideration and response. The process is very transparent, and the information is publicly available through the Pilot Project website. Additionally, annual publication of PAG members' names and contact information provides the general public with an additional venue to bring concerns forward through a formalized public forum.

3.2.6.2 Independent audit requirements

Third-party compliance audit requirements (Section 50 (1)) could reduce government compliance costs, eliminate redundancy in field reviews from existing certification audits, and serve as an independent and transparent assessment of the Participants' regulatory performance.

A legal requirement for third-party compliance audits provides an independent review by accredited auditors of forest practices. These auditors review general compliance, and examine in detail key indicators that measure the relative success of the forest management strategies. These audits can use and build on the existing high level of rigour employed in third-party certification audits, greatly reducing the need for additional review by MFR and MOE staff. Audit reports are submitted to the government and the PAG, and are also available to the general public on the website.

3.2.6.3 Annual report

Annual reports provide a useful detailed source of information for assessing Participants' performance over and above RESULTS reporting requirements. The reports are publicly available, reviewed, and commented on by the PAG before submission, and contribute to a high level of public accountability and transparency. The annual report format allows for quick and efficient review of implementation and maintenance of the regulatory requirements as well as certification requirements, including indicator achievement and action planning where indicators have not been achieved.

3.2.6.4 Consolidated report

Participants benefit in realizing efficiencies by both combining regulatory reporting requirements with certification reporting requirements, and producing one consolidated report for all Participants. Regulatory reporting requirements are intertwined with the certification reporting requirements into a single report for all licensees to provide easier public review and minimize costs.

Appendix 4 Authority to extend, cancel, or change the regulation

4.1 Purpose

The Ministry of Forests and Range has a full suite of legislative and regulatory authorities available to implement whichever course of action decision-makers choose to select for the Fort St. John Pilot Project. This includes anything from:

1. continuing the Pilot Project in its current form to achieve more “lessons learned” over a longer period of time to improve understanding. This is the Status Quo.
2. repealing the Fort St. John Pilot Regulation (thereby cancelling the Pilot Project over a two-year period); or
3. changing the legislative requirements so that the pilot project is in harmony with the *Forest Act* and FRPA. Continue implementing the pilot for another six-year SFMP planning cycle. Specifically, the focus is on learning from landscape-level strategies.

This section specifically focuses on the legislative authority by which the Fort St. John Pilot Project Regulation may be cancelled and participants transitioned into the *Forest and Range Practices Act*. It also provides some considerations for the legislative amendments necessary to implement the chosen course of action.

4.2 Legislative Authority

Section 60 of the Fort St. John Pilot Project Regulation provides the process for cancellation of the Regulation and the transition for Participants back to the *Forest Practices Code Act of BC*. Under this section, the minister may write an order specifying a cancellation date on which the Forest Practices Code would again apply to all Participants and minor timber sale licence holders. The transition period must be at least two years, and the minister has been given broad authority to address transition issues within that order.

Cancellation of pilot project and transition

- 60** (1) The minister
- (a) by order may cancel the pilot project on a date, in this section called the "cancellation date", at least 2 years after the date on which the order is made, and
 - (b) must give a copy of the order to each of the participants and holders of minor timber sale licences.
- (2) If the minister makes an order under subsection (1), the Act and the regulations apply, effective on the cancellation date, in respect of the pilot project area, the participants and the holders of minor timber sale licences.
- (3) The minister may exempt participants or holders of minor timber sale licences from obligations under this regulation if the minister considers the exemption necessary or advisable for the purpose of
- (a) facilitating the transition, after the date of an order under this section, from the application, in respect of the pilot project area, of the Act and this regulation to the application, in respect of the pilot project area, on and after the cancellation date, of the Act and the regulations, without this regulation, or
 - (b) remedying difficulties encountered during the transition period between the date of the minister's order under subsection (1) and the cancellation date.

- (4) An exemption granted by the minister under subsection (3) may be of general or specific application and may be conditional or unconditional.
- (5) A participant or holder of a minor timber sale licence must comply with any condition imposed by the minister under subsection (4).

The transition of pilot projects under the former Forest Practices Code into the *Forest and Range Practices Act* is addressed in Part 11, Division 8. These provisions:

- continue the Pilot Project Regulation and apply all pertinent sections of the Forest Practices Code even though it has been repealed;
- deem a Pilot Project Regulation under the Forest Practices Code to be a Pilot Project Regulation under the *Forest and Range Practices Act*; and
- provide authority to amend the *Forest and Range Practices Act* or its regulations to adapt them for the purposes of a Pilot Project Regulation.

Section 173 of the *Forest and Range Practices Act* provides further authority to amend the Pilot Project Regulation, including its cancellation and the development of transition provisions back to it.

Division 8 – Pilot Project Transition

Definitions

208 In this Division:

"participant" means a person who has given his or her consent to take part in a pilot project;

"pilot project regulation" means a Code regulation made under section 221.1 of the Code;

"proposed pilot project" means a pilot project initiated under Part 10.1 of the Code if, immediately before the effective date,

- (a) the pilot project had been made subject to review and comment under that Part, and
- (b) there was not a pilot project regulation associated with the pilot project.

Pilot projects regulations continued

209 (1) A pilot project regulation remains in effect despite the repeal of Part 10.1 of the Code.

- (2) Subject to this Division, the Code and the Code regulations apply to participants who are subject to a pilot project regulation.

Proposed pilot projects

210 (1) Subject to subsection (2), a regulation may be made for a proposed pilot project as if section 221.1 of the Code were still in force.

- (2) A regulation may not be made under subsection (1) if any of the participants in the proposed pilot project notifies the minister in writing that the participant no longer consents to the proposed pilot project.

Pilot project regulation may be transferred from Code

211 (1) A pilot project regulation under the Code is deemed to be a pilot project regulation made under this Act.

- (2) If a pilot project

- (a) has been proposed under section 221.1 of the Code, and
- (b) the proposal is still proceeding at the time of the coming into force of this subsection,
anything done on or before the effective date in furtherance of the proposal is deemed to have been done under this Act and the proposal may be continued under and in conformity with this Act.

- (3) The Lieutenant Governor in Council may make regulations respecting varying the requirements or the application of this Act or of the regulations, as he or she considers necessary or desirable in order to adapt them for the purposes of
 - (a) a pilot project regulation referred to in subsection (1), or
 - (b) a pilot project that has been proposed, and is proceeding, as described in subsection (2).

One omission in these provisions is that neither the definition of a Participant in FRPA Section 208 nor the “application of the Forest Practices Code to Participants” in Section 209 (2) explicitly reference the “holder of minor timber sale licence.” This raises the question of whether the Forest Practices Code and its regulations apply to these tenure holders since the enactment of the *Forest and Range Practices Act*.

There is also some question of whether the definition of a “pilot project regulation” in FRPA Section 208 provides a strong enough link with the Fort St. John Pilot Project Regulation Section 60 (2) for the reference to the “Act” to mean the *Forest and Range Practices Act*. Should the Regulation’s Section 60 provisions be used to cancel the Regulation, a minor amendment to that section may be required.

Ultimately, consideration of which suite of legislation is used if the Fort St. John Pilot Project Regulation is canceled would depend on the complexity of the transition issues and how best to manage them.

4.3 Legislative Amendment Considerations

Legislative amendments need to be considered based on the Executive decision, as outlined below.

Option 1: Status quo: Continue the Pilot Project in its current form.

The choice to continue the Pilot Project requires the consideration of two general areas of amendment:

1. amend the definition of “Participant” in FRPA Section 208 to include the “holder of a minor Timber Sale Licence”; and
2. housekeeping amendments to the Regulation that will smooth out the administration of the Pilot Project, such as transferring approval authority from the Regional Executive Director to the District Manager.

Option 2: Repeal the Fort St. John Pilot Regulation (thereby cancelling the Pilot Project over a two-year period).

The Pilot Project may be transitioned to the *Forest and Range Practices Act* using an order under the Regulation’s Section 60 or by amending the *Forest Planning and Practices Regulation* to provide the specific provisions. Either way, it will be necessary to consider all the potential transitional issues associated with each of the following areas in the Regulation to determine the best option, including:

- application (Participants and holders of Timber Sale Licences);
- planning (strategic and site level);
- authorizations (harvesting and roads);
- performance constraints and exemptions; and
- monitoring and administration.

Special consideration may be required with regard to BC Timber Sales, as some of the Regulation's provisions apply to the Timber Sales Manager, while others apply directly to the holders of Timber Sale Licences.

Before an order can be given under the Section 60 of the Regulation, legislative council should be consulted on whether there is a strong enough link between Section 208 of the *Forest and Range Practices Act* and the reference to "the Act" being interpreted to mean it and not the former *Forest Practices Code of BC Act*.

Regardless of the vehicle chosen to cancel the Pilot Project and transition to the *Forest and Range Practices Act*, the necessary amendments would still be required during the transition period.

As with any amendment to the *Forest and Range Practices Act* and its regulations, the integration of specific lessons learned from the Pilot Project will require significant policy development and consultation to determine how they may or may not apply to the province as a whole. Also of important consideration will be how a proposed change may interact with the overall FRPA model.

Option 3: Continue implementing the pilot for another six-year SFMP planning cycle with a specific focus on learning from implementation of landscape-level strategies. In addition, this option will change the legislative requirements so that the pilot project is appropriately linked with the *Forest Act* and FRPA.

4.3.1 Timing of amendments

At this time, the earliest opportunity for a regulatory amendment would be January of 2010. If Act changes are desired, the earliest they could happen would be in the spring of 2010.

4.3.2 Workload and benefits

The Ministry of Forests and Range requires a comprehensive staffing, workload, and impact analysis before any decisions are made to proceed with Option 2 as it would produce significant impacts on staffing and workload. The key issue would be to avoid spending excessive time to adjust regulatory systems and business procedures at the expense of collaborative work with constituents and implementing the right field stewardship practices.