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## BC taking the first steps towards much-needed forest tenure reform

*By Jim Stirling*

British Columbia is taking its first tenuous steps toward much-needed forest tenure reform. The provincial government has launched a pilot program intended to better utilize more of the forest resource profile. Interested parties will be encouraged to make a lump sum bid on all timber in a specified area. Usually, bids are sought on standing timber on a per cubic metre upset price. The government's hope is prospective bidders can evaluate what's in that specified area from a broader perspective.

The suitability of timber for commodity lumber production has been the overriding priority. The lump sum area-based approach is designed to accommodate other uses as well, including chippable material for pulp mills, feedstock for pellet plants and perhaps the raw material to sustain bioenergy production plants.

The potential also exists—on paper at least—for the sales to become a source of fibre for secondary and tertiary wood product manufacturing. Lack of an affordable and sustainable supply of wood has scuttled many an imaginative entrepreneur's small-scale wood product manufacturing dreams.

These types of sales have other inferred benefits. They can help clean up marginal stands and perhaps make parts of them economical to harvest. And there is the potential, on a modest scale at least, to extract some values from the aftermath of the mountain pine beetle epidemic's devastation. In both cases, any areas cleared through a more holistic approach to the land base can be replanted sooner (with a little help from the provincial government).

The amounts of timber being wasted in the bush right now are staggering. The large forest companies, facing the horrendous marketing problems they have, are scrambling to get the most value they can from beetle wood of ever-declining quality. The licensees' loggers have strict standards to which they must adhere. The wood sections that won't make it into dimension lumber products are piled into massive windrows and left in the forest to be burned or to rot. How to get around that problem is something else the Ministry of Forests and Range needs to address with tenure adjustments sooner rather than later. But the lump sum approach does appear to be a promising start for other parts of the provincial forest.

"This is a pretty significant shift, but we need to create the right model to encourage the full utilization of the whole tree and the minimization of waste," says Pat Bell, provincial forests minister and MLA for Prince George North.

Time will tell, but Bell is hopeful that up to 500,000 cubic metres of timber will be sold through the lump sum method in the next six months or so. The pilot program is being administered through the government's BC Timber Sales offices.

Eventually, Bell says he would like to see up to half of BC Timber Sales volumes' being offered through this method. But that depends on how the plan resonates with the log contracting community specifically and the evolving industry generally. And that, in turn, hinges on what overall uses bidders can economically divine from what will essentially be poorer quality forest stands.

Bell says he expects one of the first sales offered will be in the Kamloops region of BC's southern Interior where the Domtar-owned pulp mill is facing a wood chip shortage. Another sale could be offered in Mackenzie, in the north central part of the province, for the same reason. Worthington Corporation of Edmonton has acquired a pulp mill there once owned by defunct Pope & Talbot, but has no chip source from a sawmill to sustain it.

The provincial government has set an important precedent with its trial run at lump sum, area-based timber sales. Even if the initiative falls on its nose—and hopefully it will not in its entirety—it opens doors that have been too long shuttered.

The large forest company lobby has exerted considerable influence over government forest policy in BC for many years. Overall, it's been great for the profitability of forest companies and rewarding for the provincial exchequer. But if global economic forces and influences have taught us anything recently, it is that the status quo is a suspect ally.

It also brings into focus what has often been overlooked by governments: The forest is a publicly-owned resource. It's an inconvenient truth, at times. The forests need to be managed with public ownership and access as a guiding principle.

The catalogue of calamities that have lambasted the commodity lumber sector might—in an historic perspective—have coincided at an opportune time. There is no reason to assume the big mills won't return to profitability. And when they do, it will be good news for everyone connected with the forest industry and resident in the province.

But is it impossible to conceive of a forest land base that can be shared by large, intermediate and small-sized operations? Thoughtful tenure re-definition beginning now might provide the framework for that to occur.

Difficult? Of course. Impossible? Of course not.

The forest industry in BC has shown a truly remarkable talent to adjust. If—when—it does, BC will again assume its prominent and prosperous role in the global forest economy.