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# Forest Tenure in Alberta

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## 2016 Spring Information Session #2

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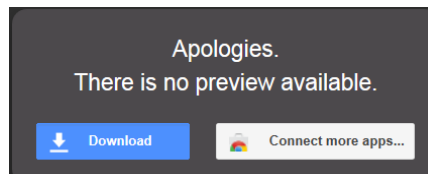
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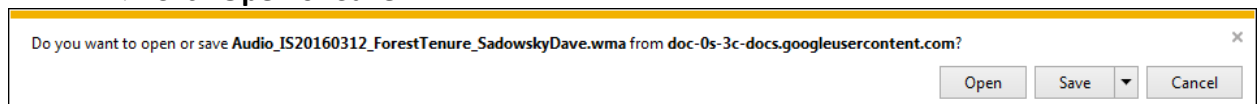
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# Forest Tenure in Alberta

CAPF Exam Study Session  
March 2016



# Alberta's Forest Tenure System

- ▶ Province issues forest tenure to companies and individuals in exchange for:
  - Stumpage & royalties
  - In-kind services (roads, reforestation, etc.)
  - Employment & taxes
  - Facility development
  - And 'other' reasons



# Alberta's Forest Tenure System

- ▶ Forest Management Agreement (FMA)
- ▶ Quotas/Licenses
  - Coniferous Timber Quota (CTQ)
  - Deciduous Timber Allocation (DTA)
- ▶ Permits
  - Commercial Timber Permit (CTP and DTP)
  - Coniferous Community Timber Permit (CCTP)
  - Local Timber Permit (LTP)
  - TM66 – firewood, Christmas Trees




## Forest Management Agreement

- ▶ Area-based agreement, not volume-based
- ▶ Negotiated between Gov't & Company
- ▶ 20-year term, can be renewed every 10 years
  - Renewal criteria directed by Cabinet decision (Nov 2005)
- ▶ Company responsible for own forest management planning and reforestation
- ▶ Annual Allowable Cut (AAC) set through approved Forest Management Plan (FMP)
- ▶ Company negotiates own ground rules
- ▶ FMA becomes harvest authority once FMP is approved
  - Need approved Annual Operating Plan (AOP) to conduct activities


## Forest Management Agreement

- ▶ First FMA signed on June 8, 1951 with Northwestern Pulp and Power Ltd. in Hinton
  - Now West Fraser Mills Ltd.
- ▶ Currently 20 FMAs in Alberta, covering most of the productive forest land
- ▶ Quotas and permits can overlap FMAs

## Timber Quotas – Coniferous and Deciduous

- ▶ Coniferous Timber Quotas (CTQ)
    - volume or area based tenure
    - typically a percent of coniferous AAC in FMU
  - ▶ Deciduous Timber Allocations (DTA)
    - area or volume-based
    - typically a portion of deciduous AAC in FMU
    - currently all Alberta DTAs are volume-based.
  - ▶ Typically issued through historic grant or competitive sale by Minister
  - ▶ 20-year term with renewal opportunity after 20 years
  - ▶ Historically, Province did planning, but now companies are responsible for it
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## Timber Quotas – Coniferous and Deciduous

- ▶ Embedded CTQ & DTA holders participate in FMA plan development & implementation
  - ▶ Subject to provincial Ground Rules if outside FMA or FMA-specific ground rules if embedded in FMA
  - ▶ Timber license is harvest authority, but need approved AOP to operate
  - ▶ All Crown charges set by Timber Management Regulation (e.g. timber dues, holding & protection, etc.)
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## Coniferous (CTL) and Deciduous Timber (DTL) Licenses

- ▶ CTLs and DTLs are issued under the authority of the timber quotas and are the dispositions that allow a quota holder to harvest their volume of timber.
- ▶ Area based tenure
- ▶ Length - medium term (5 - 10 years typically), can be renewed



## Commercial Timber Permit and Coniferous Community Timber Permit

- ▶ CTPs typically sold by sealed tender or open competition, by Minister
- ▶ CCTPs issued directly in Miscellaneous Timber Use (MTU) and Community Timber Program areas
- ▶ Volume based, generally in a specified area
- ▶ Length - short-term (i.e. 1-5 years typically)

## Commercial Timber Permit and Coniferous Community Timber Permit

- ▶ In past, Province did all planning and layout
- ▶ Crown charges defined by Timber Management Regulation (e.g. timber dues, holding & protection, etc.)
- ▶ Regulation rate of dues or bid rate on competitively sold permits
- ▶ Subject to provincial Ground Rules
- ▶ Need an approved AOP to operate



## Local Timber Permits

- ▶ 1-year term; expire April 30, \$20 issuance charge
- ▶ Maximum 50 m<sup>3</sup> green volume or larger amounts under emergency salvage situations
- ▶ Personal use only and first come - first served basis on green permits
- ▶ Permit is harvest authority
- ▶ Dues are base rate as described in Timber Management Regulation



## Forest Products Tag (TM66)

- ▶ 30-day term, \$5 issuance charge
- ▶ Personal use only; tag is harvest authority
- ▶ 20 transplants < 2.5 m height, 3 Christmas trees or 5 m<sup>3</sup> green volume (firewood, posts, rails, etc.)







Forest/Tenure Type	Area	Term	Approval Required	Use	Legal Tenure Disturbance	Harvest Authority	Forest Management Planning Responsibility	Annual Operating Plan Required	Reforestation	Annual Assessment/Co	Creed Rules	Public Consultation
Forest Management Agreement	Area	20 year, renewable every 10 years	Requires for approval	Commercial	RA	RA, by area RFP and ADP approved	Tenure Holder	Yes	Yes, tenure holder	Forest Management Plan	Negotiable and RA specific	Yes
Timber Quota Certificate Timber Quota	Area or Volume	20 year, renewable	As above, requires an area sale	Commercial	Quota Certificate	Licensed by area ADP approved	Individual in RA planning	Yes	Yes, tenure holder if 10,000 m <sup>3</sup> or greater. If under, see reference on pay for RA	Area or volume based Forest Management Unit	Prohibited or RA specific	Yes
Timber Quota Disturbance Timber Allowance	Area or Volume	20 year, renewable	As above, requires an area sale	Commercial	DTA Certificate	Licensed by area ADP approved	Individual in RA planning	Yes	Yes, tenure holder if 10,000 m <sup>3</sup> or greater. If under, see reference on pay for RA	Area or volume based Forest Management Unit	Prohibited or RA specific	Yes
Commercial Timber Permits	Volume, volume specified area, generally under 8,000 m <sup>3</sup>	1 to 8 years, no renewal	As above, requires an area sale	Commercial	Permits	Permits	Prohibited	Yes	If not held by RA or Quota holder, must pay for reforestation on RA	N/A	Prohibited or RA specific	Yes
Disturbance Community Timber Permits	Volume, generally under 8,000 m <sup>3</sup>	Up to 8 years, no renewal	Direct Sale	Commercial small forest's community operations	Permits	Permits	Prohibited	Yes	If not held by RA or Quota holder, must pay for reforestation on RA	N/A	Prohibited or RA specific	Yes
Lead Timber Permits	Volume, up to 80 m <sup>3</sup> , higher if savings	1 year, no renewal	Non-competitive	Non-commercial	Permits	Permits	Prohibited	No	No, because permits holder also pay on RA	N/A	Prohibited or RA specific	No
Forest Produce Tag	Volume, up to 8 m <sup>3</sup>	20 days, no renewal	Non-competitive	Non-commercial	Permits	Permits	Prohibited	No	No	N/A	N/A	No