



October 23, 2017

Ref: 233500

To All Interior Licensees:

File - Grade 4 Cut Control Crediting for Logs Delivered to Canting Facilities

I am writing further to my April 28, 2016 letter, which indicated that facilities that produce cants are eligible for grade 4 crediting under Section 17(6) of the Cut Control Regulation from May 1, 2016 until September 30, 2017. It was also indicated that there would be no further extensions after September 30, 2017. However, upon re-evaluation, it is apparent that there is still some opportunity to provide grade 4 crediting for canting facilities.

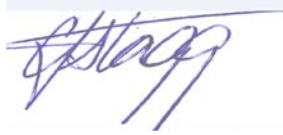
The primary use of this policy has been in the Merritt Timber Supply Area (TSA). A new allowable annual cut (AAC) and rationale for the Merritt TSA was released in March 2016, which specifically addressed the use of the grade 4 crediting to ensure sustainability of fibre supplies. Further, a memorandum of understanding (MOU) is planned for the use of grade 4 crediting in the Merritt TSA that commits licence holders to adhering to the limits specified in the AAC rationale.

Considering the new AAC determination and the MOU, the grade 4 crediting for canting facilities will be extended until March 30, 2021, and will then be re-evaluated. After March 30, 2021, the Merritt TSA AAC is scheduled to be further reduced. This period will provide time to determine if licence holders are adhering to the chief forester's expectations regarding grade 4 credits and the limits outlined in the MOU. This will help maximize the capture of value of grade 4 logs in the Merritt TSA and other TSAs that may utilize this credit in the future.

Please note that for the purposes of this policy, a cant facility is defined as a facility that produces and ships as a final product a cant that is intended for re-manufacture into a final product at another facility. Facilities that produce cants that are further refined into lumber or veneer continue to be ineligible.

Questions should be directed to Michael Leeson, Senior Tenures Forester, Forest Tenures Branch at (250) 387-8303.

Sincerely,



Chris Stagg, Assistant Deputy Minister
Timber Operations, Pricing and First Nations Division

pc: Rick Jeffery, President and CEO, Coast Forest Products Association,
jeffery@coastforest.org
Susan Yurkovich, President and CEO, Council of Forest Industries,
yurkovich@cofi.org
Dan Battistella, General Manager, Forestry, Interior Lumber Manufacturer's Association,
dan.battistella@ilma.com
Trevor Jobb, President, North West Loggers Association, nwla@telus.net
Russ Cameron, President, Independent Wood Processors Association of BC,
camida@telus.net
David Elstone, Executive Director, The Truck Loggers Association, brenda@tla.ca
Wayne Lintott, General Manager, Interior Logging Association,
wayne@interiorlogging.org Roberta it was great seein
Brian McNaughton, Federation of BC Woodlot Associations,
gen_manager@woodlot.bc.ca
Jennifer Gunter, Executive Director, BC Community Forest Association,
jgunter@bccfa.ca
Doug Stewart, Director, Forest Tenures Branch
Albert Nussbaum, Director, Forest Analysis and Inventory Branch
Steve Kozuki, Director, Timber Pricing Branch
Michael Leeson, Senior Timber Tenures Forester, Forest Tenures Branch