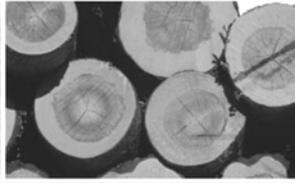




# THE WOODLAND ALMANAC



www.woodlot.bc.ca

Summer 2008

## Warren Lauder

### First Nations guardian of the forest

by Deborah Greaves

Warren Lauder moves gracefully through the forest on a weekday afternoon, casually selecting a few wild berries and handing them back to me as I hurry to follow. He has a quiet jubilation about him -- he clearly enjoys his work.

"The woodlot allows us to be on the landscape, and to create jobs for members of our band," he says as he strides down a trail in the forest pointing out trees of different ages.

Lauder has a position many would envy: he's the forest resource manager for the Hupacasath First Nation's woodlot in the beautiful Alberni Valley, and he often has to go out and check on the trees. He's involved almost every step of the way.

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PHOTO: DEBORAH GREAVES

Warren Lauder would like to see all forests managed through woodlot licenses. "There's personal pride taken by stewards of the land who are actually on the ground," he says.



www.woodlot.bc.ca

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# Letters from licensees: Your views

Licensee suggests topping up to 1200 hectares: "We are at a 600-hectare disadvantage."

## Editor:

With the increasing "downloading" of responsibility from government onto woodlot licensees, we are being forced to shoulder more and more of the Ministry's costs involved in managing our woodlots.

While the associated increased administration costs per cubic meter may be justified for 1200-hectare woodlots (this appears to be the size the ministry feels is viable economically), it has to be pointed out that for those of us who are struck at the 600-hectare limit, the administration costs are more or less twice as high per cubic meter as for new entrants into the program.

While the current regulations allow for two licenses (2400 hectares in total) to be held under one name, this same regulation discriminates against all existing woodlot license holders by restricting any existing tenure holders from topping up their existing license to 1200 hectares. We are at a 600-hectare disadvantage.

How can it be justified that an unknown tenure holder is entitled to 2400 hectares while a proven licensee is restricted by law to only 1800 hectares? Makes you wonder why we try!

We need to convince the government to change the regulations to accommodate upgrading existing licenses in the interior to the 1200-hectare limit to put everybody on a level playing field. I expect this concept would be applied to the coast as well. This top-up should not be free; we should expect to pay a reasonable fee for this privilege.

A value per cubic meter has already been established when the government took back 20% from the larger tenure holders. The fee could also be set by calculating the average bonus bid for the new woodlots in a cost-per-hectare basis. Some existing licensees may want to top up their areas by only a few hectares to tidy up some logical areas, while others may want to top up to the full 1200 hectares.

It should be a one-time opportunity. If the fee principle bothers people, then another option would be to use problem forest types, restricted areas, or other sites needing intensive work, to allow licensees to earn a larger landbase.

I do believe that it should be up to the licensee to find the



appropriate areas. This gets around the problem that the Ministry does not have the manpower to do this work.

If other licensees feel this same way, please contact the FBCWA members to voice your support to get this issue put on the business plan.

If we start working on it now we can expect to see some results in a couple of years.

**George Delisle**  
**Woodlot 411 ♦**

## 2008 AGM — Woodlots: Facing our Future

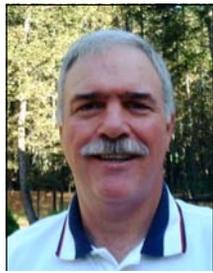
Plan to attend the 2008 Annual General Meetings of the WPDC and the FBCWA. Come join us on October 3-5, 2008 at the South Thompson Inn, quietly nestled on 55 scenic acres stretching from the shores of the South Thompson River to the foothills of the Rocky Mountains, 15 minutes east of Kamloops, BC.

Accommodation on site is limited to 57 sleeping rooms at a conference rate of \$129. To avoid disappointment, reserve your room early—call 1-800-797-7713 and mention the FBCWA. Registration and program details are included with this issue of the Almanac and online at [woodlot.bc.ca](http://woodlot.bc.ca). ♦

# Regulatory review and roundtable

By Brian McNaughton

The downturn in BC's forest industry resulted in the Premier announcing two major initiatives – a Forestry Regulatory Review and a Working Roundtable on Forestry. Here's a brief update on both, as well as an overview of what's happening on the e-business front.



Brian McNaughton,  
General Manager

industry for this and future generations. Woodlot associations are being invited and have been making presentations relevant to their local circumstances and situations. The Federation has asked for an audience with the roundtable to present its

vision of woodlots and woodlot licences in context of BC's future forest sector.

The basic message is that woodlots and woodlot licences have a lot to offer, and it's time to release their untapped potential and opportunities by doing the following:

- Removing administrative chains and shackles
- Building competitive log and fibre markets
- Providing support to woodlots and other small tenures/businesses when it comes to marketing a full range of forest products, including wood, fibre, non-timber forest products, environmental goods and services, carbon, value-added, etc.

Looking at the summary from the meetings held so far, the common themes are that the tenure system needs reform, the stumpage system needs reform, and that cost offloads and the administrative burden need to be lessened.

For anyone wishing to review the meetings summaries in more detail, they can be found at [www.for.gov.bc.ca/mof/forestry\\_roundtable/meeting\\_summaries.htm](http://www.for.gov.bc.ca/mof/forestry_roundtable/meeting_summaries.htm).

## Reg Review Submissions

Each of the submissions is posted in its entirety at [www.woodlot.bc.ca](http://www.woodlot.bc.ca), under "member updates."

The submissions are not listed in order of priority.

1. One cutting per woodlot license
2. Limit administration and information requirements
3. Command and control
4. Cutting permit postponements
5. Cut control
6. Exchange of private land at time of transfer
7. Innovation and adaptive management
8. Managed forest regulation
9. Merging two 400- or 600-ha WLs
10. Post-beetle AAC and cut control
11. Private land withdrawals
12. Stop promoting poor management
13. Section 131, Forest Act – responsibility for stumpage
14. Review of "unless exempted"
15. Utilization standards and waste billings
16. Waste assessments
17. Woodlot license surrender

## Business and e-business

E-business continues to be a sore point with many woodlot licensees. Following is what the Federation is working on in this regard:

The Federation's two overarching objectives respecting data submission

*(Continued on page 12)*

# Treeplanters celebrate six-billionth tree

By John Betts, *Western Silvicultural Contractors' Association*

On Thursday June 5, treeplanters, nursery workers, and forestry contractors celebrated the planting of BC's six-billionth tree by planting thousands of seedlings simultaneously across the province.

The coordinated plant, involving an estimated 6000 workers, represents a milestone in one of the province's lesser-known megaprojects: four decades of reforestation covering six million hectares of logged and denuded land.

Undertaken in earnest since the 70s by seasonal workers and independent contractors, planting trees has not only been the foundation of the province's forest management program, it has become a rite of passage for many young workers and a vocation for seasoned veterans. Celebrations and media tours took place in rural communities across BC with an emphasis on the people who work in the woods planting, tending, and restoring forests.

This year's planting season began, like most, in January on the West Coast continuing campaign-like behind the snowmelt up the mountainsides and into the Interior. The Interior season, now underway, has planters working in every corner of BC.

The Western Silvicultural Contractors' Association (WSCA), who organized the celebrations, doesn't see any problems ensuring the simultaneous plant. Managing people, logistics, and time lines in outlying BC is pretty much what tree planting boils down to, and something the sector excels at.

"We may not move the earth with this plant," said Crawford Young, president of the WSCA. "But we hope



we can draw some attention to our forest stewardship work and our workers and how they contribute to communities today and into the future."

The WSCA brought attention to their usually remote activities by sponsoring media and community leader field tours featuring the tree-planting cast of characters in their natural habitat of clearcuts and wildfire-burned landscape. Seedling nurseries held celebrations including greenhouse tours where millions of seedlings are being grown for next year.

"There is something generous about planting trees," says planter Jordan Tesluk. "You do this hard work knowing you will be compost yourself before these trees are fully grown. It's a nice legacy to leave behind."

The WSCA hopes that by drawing attention to the six-billionth tree milestone they can also raise awareness of the industry's readiness to undertake a vastly expanded reforestation and restoration program.

The silviculture sector can also provide skilled stand tenders, surveyors, fire crews, and prescribed burn crews, many of whom are underemployed at the moment. It also comprises a major forest seedling nursery sector, capable today of producing double the number of trees being grown annually for the province's current planting program. ♦

## Treeplanting & Silviculture Facts

- There are an estimated 6000 seasonal tree planters in BC. Another 1200 brush, space, and tend stands.
- During the May-June peak planting season, 120 trees per second are planted across the province.
- This year an estimated 250 million trees will be planted. At a meter apart, that amounts to six laps around the equator. Six billion trees equals 150 laps.
- Bending over to plant six billion trees is the equivalent spinal strain of picking up the Great Pyramid eight times.
- The most seedlings planted in BC in one year (1989) is 298 million.
- The silviculture sector annually generates an estimated \$700 million in economic activity spent in communities across the province.
- Studies suggest that planters exert themselves at levels comparable to elite athletes in training.
- Depending on the size and age of the seedlings grown, BC nurseries could grow an estimated 550 million each year. ♦

## ■ Coastal timber pricing

# Douglas fir prices still at historic low

By John Marlow

It is difficult not to be aware of the difficulties facing the coast forest industry at present. Average prices for Douglas Fir H, I and J grade logs are \$69.00 (Vancouver log market price) which is approximately \$20.00/m<sup>3</sup> less than the same log at June 2007.

Cutting permit appraisals have also fallen, but not to the extent of the log market decline, which makes operating in second-growth whitewood stands on the coast very challenging at present. Sufficient value remains in red cedar stands, however, and those licensees continue to have harvesting opportunities.

Activities continue in regard to timber pricing work with participation in the Coast Timber Pricing Advisory Committee as well communication with individual licensees.

**Tabular Rates** – At present there have been no substantial changes to the tabular rate conundrum. Efforts continue in the interior and we continue to monitor interior efforts with the aim of implementing a system on the coast if success is realized in the interior, and if that system would work on the coast. I recently attended (and presented a woodlot perspective) at the BC Round Table on Forestry meeting attended by the forest minister.

At this meeting the minister indicated that MOFR staff continue to work on a tabular methodology, although at the revenue branch level, and that efforts



John Marlow, Coastal Timber Pricing Coordinator

appear to be focused on the introduction of a new MPS system in the interior. We also hear rumblings of other potential fixes to the tabular rate discussion, including political intervention or woodlot rent models. No substantial ideas have been presented to date (since the previous MOFR proposal).

**Coast Timber Pricing Advisory Committee** – At the meeting in February, I introduced the following three proposals on behalf of the Federation:

Definition of destumping: Revised wording was proposed to make the CAM wording less prescriptive and to keep the destumping details in the site plan or ecological map.

- Timing of election of fixed rate : Revised wording submitted to allow woodlot licensees to elect the stumpage rate in effect as of the date of the effective date of the cutting authority.
- Proposal to continue to allow woodlot licensees to use section 7.5 of the CAM (low-volume CPs) in special circumstances. This proposal was in response to a draft CAM amendment to allow this section of the CAM to apply only to licenses that do not have an AAC.

Draft Amendment #4 to the CAM was recently released by the MOF; this draft has been forwarded to coastal woodlot licensees. All proposals above are included in this draft, with use of section 7.5 now at the “sole discretion

of the regional appraisal coordinator.”

The rationale for this wording change is that the MOFR expressed concern that woodlot licensees would use this section for routine timber appraisals; according to the MOFR, this is not the intent of that section.

This section will be permitted in unique situations where it makes sense not to conduct a full appraisal but to use a coastal average rate (all licensees). Examples would be very small harvest opportunities such as a local demand for a couple of poles, platform logs, very minor amendments, etc.

If any licensees have any comments or questions regarding this CAM amendment, or if you have not received the e-mail, please let me know.

### Appraisal Forecasting

Disclaimer: The following estimates are based on current available Vancouver log market sales ending in March, 2008, as well as future predicted log trends.

- Fd logs continue to be priced at a historic low and the 3-month average price is catching up. The average grade H, I, and J Fd price is \$69.00+/- and is expected to continue to fall slightly or remain stable at these low prices. Although difficult to harvest Fd at present, it is a good time to apply for Fd cutting authorities. Appraised stumpage rates for Fd will remain stable or will fall slightly over the next quarter.
- Cw prices have dropped slightly

(Continued on page 12)

## ► From page 1

# “Our people are doing this for our children.”

Now in his fourth year as manager of the Hupacasath woodlot and newly re-elected for another term as a band councilor, Lauder is deeply involved in this very special enterprise for the band, and proud of it. The Hupacasath hold one of the first woodlot licenses awarded to a First Nations group, and have recently had the satisfaction of completing their second harvest.

With the assistance of registered professional foresters and other consultants, Lauder and his team oversee the planning, surveying, and mapping required for every woodlot, as well as the harvesting. Falling must be done carefully, quality control must be monitored, and then the trees are turned into timber.

The transition from standing tree to end-use wood products is complex, involving bucking, loading, sorting, and transport to the mill.

“I often follow harvested wood from the falling site in the forest right to the mill where it’s finished,” Lauder says. “We spend a great deal of time on quality control.”

As we tour a beautiful forest filled with trees of all ages on a clear day, Lauder talks about the worries and responsibilities that must be addressed when managing a large woodlot, such as coping with the need for unplanned harvests after a major storm. While forests in the interior of this province were swept by beetle infestations over the past few years, forests on Vancouver Island were buffeted by high winds.

“We had 1700 cubic metres of blowdown from the same 2006 and 2007

storms that damaged Stanley Park in Vancouver,” Lauder says. “You have to harvest as quickly as possible -- sitting wood is vulnerable to losses when the bugs set in.”

Biodiversity protects the forest, says Lauder. After the Hupacasath harvested site number two on their woodlot in 2005, they replanted the site in cedar, fir, and white pine. Replanting is generally done immediately after a harvest, Lauder explains, and after three years restocking is checked. As with other Vancouver Island woodlots, deer browsing on young trees is always a challenge, so the young trees here are often adorned by protective cones.

Although this woodlot is primarily Douglas fir, Lauder says the Hupacasath forest also boasts some rare species, such

as squiggly wood maple, worth as much as several thousand dollars per tree.

Along with the planning, harvesting, roadbuilding, and replanting activities, Lauder wears another hat on behalf of the band -- neighbour liaison.

The Hupacasath work with local community groups such as the Outdoor Club and the Log Train Trail Society on mapping and trails, primarily for the use of appreciative hikers.

“The woodlot program is important to the environment,” Lauder says. “I wish all forests could be managed through woodlot licenses. There’s personal pride taken by stewards of the land who are actually on the ground. Our people are doing this for our children — the future of the Hupacasath.” ♦



PHOTO: DEBORAH GREAVES

The Hupacasath First Nation’s woodlot in the beautiful Alberni Valley. The Hupacasath hold one of the first woodlot licenses awarded to a First Nations group.

# FBCWA scholarship winner

We are very pleased to announce that Jordan Benner is the winner of the FBCWA Award. This is the eighth year of this annual award given to a student who is related to a woodlot licensee and/or a private forest land owner, and is attending post-secondary education in a forestry-related area of study. Jordan's winning essay is on the facing page.

Jordan is the son of Jerry Benner of woodlot 1897, located on Quadra Island. He will be doing a Master's degree in resource management and environmental management (forest ecology)

at Simon Fraser University, and has been very involved in the family woodlot since childhood. He has a diploma from Camosun College in Environmental Technology and has worked in the forest industry, particularly on woodlots, for the past few years.

In his application, Jordan stated that if he was the recipient of the FBCWA scholarship he could *"guarantee that the money would be well invested in a person dedicated to a life-long association with woodlots."*

We had more applications this year

than we have ever had, and the committee was very impressed with their quality. We are pleased to say that the applicants made our job very difficult! Thank you to all who applied.

The funding for this award was generated through silent auctions at the FBCWA AGMs. The FBCWA is pleased that we were able to increase this to a \$1000 scholarship this year (previously, it was \$500). Please continue to support this worthwhile cause at this year's AGM in Kamloops. ♦

A new column by licensee Rod Krimmer

## My two cents' worth: In defense of government

By Rod Krimmer

As licensees, we have witnessed a marked change in regulatory regime since the inception of the woodlot license program. Many of us view this as a long inexorable downward slide, from relative simplicity at first, to the vastly complex, fluid, and confusing system we struggle with today. All the attempts to streamline the system along the way have served only to grease the skids.

Many of us have conveniently blamed government. You hear it all the time. Government is too big, too powerful, or too inefficient. If only they would butt out of our business, perhaps things would be better. In many ways government *has* been getting out of our business and that, to me, is the core of the problem. Less government involvement translates into more trouble for us.

How does a government downsize? By reducing the public service, contracting out, and off-loading responsi-



Rod Krimmer,  
Almanac columnist

bilities to private concerns. Ways are found to allow the forest industry to become self-regulating. This may reduce government administration, but it requires a complete change in the regulatory and legal framework under which we work. Now, instead of a partner in forest stewardship, government has become merely an agent of compliance and enforcement.

This has led directly to reduced access to advice and extension services. It has encouraged revenue-based, rather than stewardship-based, decision-making. It is the impetus behind the need for electronic submissions and private service providers. It is the reason that we are lumped in with the big guys, with no consideration for the social and environmental benefits of small tenures. We have been set adrift, with few natural defenses, in a toxic atmosphere dominated by large companies.

So, get to know the public servants

who still work for you. Appreciate their services while they are available. A local politician once explained to me that small government is good for big business, while big government is good for small business.

It's all in the balance, so once again, be careful what you ask for. Government has its flaws, but it can still be held accountable every four years. In my mind, that is better than the alternative.

At least that's my opinion.

Rod Krimmer, W0550,  
Big Lake Ranch, BC

(By the way, now that the penny is being phased out, my "two cents' worth" will soon be rounded down to closer to its true value!) ♦



PHOTO: WIKIMEDIA COMMONS

This year's prizewinning essay

# Woodlots: Family Forests

By Jordan Benner

I often tell the story of how my father had me using a chainsaw and dragging around branches for our tree service company when I was barely old enough to walk. My wife always interjects with a closer-to-reality version where I am more likely ten years old.

Nonetheless, in my mind, I have been either playing or working in the forest for about as long as my memory serves me. The line between playing and working is just as fine now as it was twenty years ago, as so much enjoyment is attained within the beautiful forests that make up our province.

Now that I have just had the experience of having my own child, I get to witness this phenomenon all over again. While kids in the city might be watching mighty machines on television, my son gets to ride along with his dad and grandpa in the huge moving monsters with names like John and Clarke.

There seems to be no type of forestry in the world with a better built-in perpetual stewardship mechanism than woodlots. The multi-generational nature of woodlots basically guarantees that care will be taken with the land and that cherry-picking or high-grading of the best timber will not take place. I could not even dream of leaving the woodlot we are entrusted with managing even one bit less diverse or valuable than the way we received it and I am quite certain that my father feels the same way.

Outside of one's actual family, is also the relationship that the woodlot plays in the larger community, and as members of that community, we subse-

quently play in the interface between the two. You would be hard-pressed to be able to run in for milk at the local grocery store without running into someone that uses woodlots in some capacity.

Be it hiking on their favourite trail, fishing in their favourite lake, picking mushrooms for dinner, or building that dream home with locally grown timbers, people from the surrounding community are intrinsically connected to the woodlots that we manage.

It has been almost ten years since we were awarded Woodlot License W1897. I say "we" now, as I have grown to become a part of the woodlot. At the time, I definitely would have used the term "my dad," but a connection has grown between the land and myself that now requires me to use the prior phrase.

At the time, there were other aspects of life that took precedence, which is

fairly common with young men right after high school. I was not even considering moving back to the island where our woodlot is located for a very long time . . . if ever.

The emergence of a family changed all of that and suddenly the bright lights of the city were dimming and the radiance of island life was becoming illuminated. Now, after several years of flip-flopping over possible career options, it is quite clear to me that sustainable forest management and in particular, woodlot management, is the path for me.

I am going to be moving back to the city for a few years and will hopefully be returning with a Master's degree in Forest Ecology and Management. I feel a need to both teach and learn more about the philosophy behind woodlots along with the forest values and principles embodied in them. ♦



Jordan Benner, this year's winner, is headed to SFU for a Master's in resource management and environmental management (forest ecology). He's shown with his young son.

# Timber marks for woodlots: “Designate” explained

**Note: This article is a correction to the article on timber marks in the spring 2008 issue of the *Almanac*. The correction refers to the two characters after the “designate” for new CPs — these must be two LETTERS. The corrected text is underlined in this article.**

The “Designate” (or Mark Designate) is a new concept introduced June 1, 2007 for woodlots to allow for more timber marks to be available. It does NOT replace the licence # or the Road Permit (RP) #. It is used only for TIMBER MARKS.

Each woodlot has been assigned a “designate.” This is a four-character identifier, beginning with W, that can be found on the main “Tenure” screen in FTA (and also in the attached spreadsheet which will be posted on the RTEB website ([www.for.gov.bc.ca/hth/woodlots/woodlot-program.htm](http://www.for.gov.bc.ca/hth/woodlots/woodlot-program.htm)) with this explanation).

So for woodlot licence # 0123 with RP # 45678 and “designate” WABC, the licence number remains W0123 and the RP # remains R45678. The licence document and road permit document are NOT changed.

However, for all NEW crown land harvesting applications the “designate” will be used for the TIMBER MARK.

For new cutting permits (CP) the

TIMBER MARK will be the four-character “designate” plus two LETTERS (whatever the licensee wants to use to identify his CP (but they MUST be two letters)).

For example, if they want to call it CP FM, the new TIMBER MARK will be WABCFM. It is the CP document that has the TIMBER MARK identified.

For RPs’ applications for NEW harvesting, the TIMBER MARK will have the four-character “designate” plus R1 (this has been automatically generated by the system and can be found on the

“CP/Mark” screen in FTA if there is a valid RP in place). For this example, the road permit TIMBER MARK would be WABCR1.

For RPs, when new harvesting (new section or amendment) is applied for, the RP document will need to be amended (FS3 amendment) to identify the new TIMBER MARK (WABCR1 in this example).

For electronic submissions, the only place that the “designate” is needed is in the ECAS submission as part of the TIMBER MARK. ♦



## Links of interest

- The hush-hush greening of Europe: Turning surplus farms into woodlands is a smart move economically and ecologically. – An interesting article that appeared on December 22, 2007 which is available for reading online through the Globe and Mail website [www.theglobeandmail.com](http://www.theglobeandmail.com)
- Federal Government Income Tax Act, Interpretation Bulletin – Woodlots Number: IT-373R2 [www.cra-arc.gc.ca](http://www.cra-arc.gc.ca)
- One- and three-month Coast & Interior log market reports: <http://www.for.gov.bc.ca/hva/logreports.htm>
- Forestry Round Table home page: [www.for.gov.bc.ca/mof/forestry\\_roundtable](http://www.for.gov.bc.ca/mof/forestry_roundtable)
- Cutting Permit and Road Tenure Administration Manual Version 2.1, reference #4285 [www.for.gov.bc.ca/hth/](http://www.for.gov.bc.ca/hth/)
- Community Development Trust Fund helps forestry workers upgrade skills, creates new forestry job opportunities and supports older workers as they move towards retirement: [www.labour.gov.bc.ca/edt/](http://www.labour.gov.bc.ca/edt/) ♦

# 75 new woodlot licences announced

by Brian McNaughton

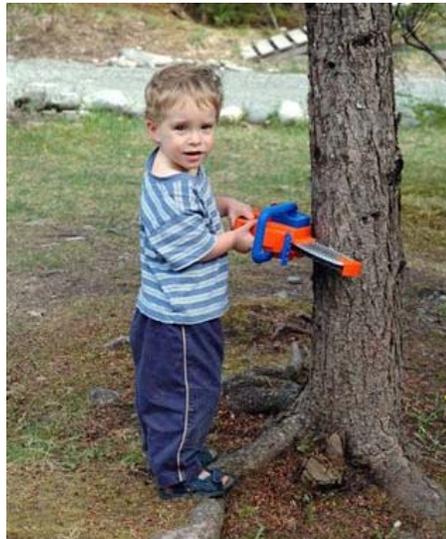
During the legislative question period on Tuesday May 6<sup>th</sup>, 2008, Minister Coleman's response to a question from Bob Simpson, NDP Forest & Range critic, was, "We are planning an expansion to the woodlot licence program. We think it'll probably be about 25 woodlots a year for each of the next three years . . ."

A follow-up conversation with Peter Fuglem, Executive Director, MFR Operations Division, confirmed the MFR is taking action on the Minister's statement. Regional managers have been told to move forward with locating, advertising and awarding new woodlot licences.

Currently, the MFR is determining the state of readiness within the districts; i.e., determining how many WLs are ready to be advertised in which dis-

tricts. Once this information is compiled it will be shared with the Federation.

For more information about new woodlot licences in your area, associations are encouraged to contact their local district manager or woodlot license forester. ♦



# New funding for AIDI

by April Anderson

The BC Agroforestry Industry Development Initiative (AIDI), a portfolio managed by the BCFWA, requested and received additional funding in the amount of \$75,000 from the Investment Agriculture Foundation of BC (IAF) for this, the final year of the project. The resulting total commitment from IAF to AIDI is \$575,000 for the 5-year period 2003 to 2008.

The funds will be used to support commitments to demonstration and technology transfer projects currently underway, and also to implement new proposals that focus on extension and marketing -- ones that enhance and increase the awareness of agroforestry for producers and consumers alike. Sincere appreciation goes out to the IAF for its continued support of this worthy initiative. ♦

## Council Director vacancy

Consider volunteering your time with the Woodlot Product Development Council!

We need a full complement of seven directors for Council to function as intended under the Farming and Fishing Industries Development Act and to keep the levy operating as a funding mechanism for woodlot-license-related activities.

There is at least one director position available for the 2009 year. If more than one name is presented, Council will hold an election. The last election was in 2002. Send your nominations to Cathy McClary by July 30, 2008. ♦

## 2009 Forest Capital of BC

Make 2009 the year to recognize forests in your community: nominate your community to be the 2009 Forest Capital of BC. This designation is an excellent way to get everyone involved in a year-long celebration of the important contributions forests make to your community.

The Forest Capital program, established in 1988, provides an important opportunity to celebrate the economic, cultural, natural and historic contributions forests make to community life and the health of the province. Our forests are important to every community in BC. It's a heritage we take pride in and celebrate.

Communities named the Forest Capital host a full year of forest-themed events such as art competitions, interpretive forest walks, and logger sports shows. Every community in BC is eligible to be nominated.

For a nomination package and tips for making your bid a success, visit [www.abcfp.ca](http://www.abcfp.ca) and look under "affiliated programs." **Nomination Deadline: November 14, 2008**

The winning community will be announced in December 2008 and will carry the Forest Capital title from January 1st until December 31st, 2009. ♦

## ► From page 4

# Making e-submissions doable and affordable is the goal

requirements for woodlots are as follows:

- Licensees should be able to submit the data themselves, should they so desire to do so (i.e., the need for expensive software, hardware and required use of service providers is unacceptable); and
- Woodlot licensees should have to submit only the data that they are legally obliged to submit as a result of holding the license.

Presently, there are two projects underway attempting to achieve those objectives.

The first is the e-FM project. The terms of reference call for mapping out all the woodlot-related e-FM requirements and examining each of the e-processes; e.g., FTA, ECAS, waste and residue, RESULTS, SPAR, HBS, etc., for unnecessary complexity, user un-

friendliness, shortcomings related to the way in which woodlot licensees do their business, duplication, redundancy, and why a service provider is needed.

This project primarily targets objective #1, above, and Coleen Marlow and Tom Bradley have been representing woodlot interests.

The second project is examining the actual business requirements as established by the MFR business units; i.e., branches and sections.

The business units actually set out the information requirements and then the e-business folks built systems used to gather, store, and summarize the information. Project #2 is looking at the information required by each business unit; is it essential information, is it a licence requirement to submit the information, and what is it being used for.

Like project #1, it involves mapping out the business and then cross-referencing the information being asked for against stated requirements as per acts, regulations and the licence document.

We also know that each business unit designed their information needs independently from the other units, so we are looking for duplication and triplication of data submission.

Within the next 6 to 8 weeks these two projects will merge under the auspices of the MFR/Federation Joint Working Group (JWG), which will address the overall question of what information is essential and how it will be submitted. The reality is that there will be e-submissions -- the challenge is to make them doable and affordable to woodlot licensees!

I hope everyone has a great summer!♦

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### Purpose of the Woodlot Product Development Council

The primary purpose of the WPDC is to ensure that levy fees are spent on woodlot licensee priorities that will benefit and promote the woodlot industry throughout BC.

Funds are collected through the powers granted to the Council under the *Farming and Fishing Industries Development Act*. ♦

## ► From page 6

# Coastal markets difficult to predict

over the last quarter, but continue to hold at relatively high prices. Stumpage rates are expected to remain stable over the next quarter.

- Hw prices continue to remain stable with moderate demand for Hw gang and pulp. Markets are difficult to predict on the coast due to the volatility introduced by recent mill closure announcements. Due to the generally lower log prices of Hw, stumpage rates at Hw cutting authorities remain generally low and the presence of

Hw in a CP continues to help keep stumpage rates low. This trend is expected to continue.

If there are stumpage issues that should be discussed at the CTPAC meetings or if clarification of issues is required, I can be reached at jmarlow@oberon.ark.com / (250) 285-2544 (Rockview Resources Limited). ♦

### ***Please note:***

*The opinions expressed in the Almanac do not necessarily reflect those of the Federation, the Council, or their members.*

# Logging tax and woodlots

By Bob McCliggot

*Editor's note: Bob will be a presenter at the AGM in Kamloops – bring your questions!*

Logging tax applies to individuals and corporations that earn income from logging operations in British Columbia.

Logging operations include not only logging in the traditional sense, but also the sale of standing timber, the sale of timber rights, the export of logs and the producing of primary and secondary forest products such as lumber, pulp, paper, shakes, and shingles. You can find a definition of logging operations in Section 1 of the *Logging Tax Act*.

The basic calculation of the tax is at 10% of net income from logging operations; however, it can also be restricted by taxable income on the taxpayer's income tax return. Taxpayers in most cases can claim credits on their income tax return for the full amount of logging tax paid to BC. In essence, it represents a transfer to BC of federal income tax paid on logging profits, and therefore, is tax-neutral to the taxpayer.

A taxpayer who is engaged in logging operations must file a Logging Tax Return within six months after the end of the taxation year. The taxation year is the same taxation year as filed with the Canada Revenue Agency (CRA).

If a taxpayer discontinues logging operations in BC, they must notify the Commissioner of Income Tax in writing. The taxpayer will no longer be required to file a Logging Tax Return unless logging activities commence again in the future. If a taxpayer does not notify the Commissioner of the discontinuance of logging operations, they will be requested to file a return and must comply

with that request. Along with the Logging Tax Return, taxpayers are required to submit a complete copy of their T1 or T2 income tax return (as applicable) for the taxation year.

Logging income is calculated in accordance with Division B of the federal *Income Tax Act* and is generally gross revenue from logging operations less related expenses. As noted above, the sale of standing timber or the sale of the right to cut standing timber are included in logging operations; therefore, such activity requires the filing of a Logging Tax Return.

This also applies to such sales on private land. The calculation of income, or capital gains, from such sales is based on the facts in each case and is determined in accordance with the federal *Income Tax Act*, which is administered by the CRA (Interpretation Bulletin IT-373R2: *Woodlots* provides some direction on this issue).

As the logging tax calculation and the tax credits are directly related, it is necessary for the Province and CRA to exchange certain information to facilitate effective administration of the respective legislation. Such information is not always readily available in a timely manner, which is why you are required to submit a copy of the income tax return along with the Logging Tax Return.

Logging tax, like most tax regimes, is a "self-assessing" tax system, and taxpayers are expected to file their tax returns without notification by the government. In a self-assessing system, it is an important principle of administrative equity that taxpayers who have not



PHOTO: PHILLIP, WWW.FLICKR.COM

voluntarily filed tax returns be identified and assessed.

Ministry staff strive to identify and contact non-filers in as timely a manner as possible; however, it is ultimately the responsibility of the taxpayer to voluntarily comply with the legislation each year. Many sources (for example, timber harvest licence, volume and stumpage data) are used to identify taxpayers who are involved in logging operations and have not filed returns.

The above information is a general overview of the logging tax and certain parts of the administration. Taxpayers should refer to Bulletin LTA 001: *Logging Tax Act* for more details on filing and payment requirements. This information has been provided for your convenience and guidance and is not a replacement for the legislation.

The *Logging Tax Act*, bulletins, forms and other information can be found on the Ministry of Small Business and Revenue's website at [www.gov.bc.ca/sbr](http://www.gov.bc.ca/sbr). Alternatively, you can contact the Logging Tax section at 250-953-3082. ♦

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## FBCWA Vision

Woodlot holders/owners will participate in a healthy and diverse forest industry with woodlot licenses and private forest lands, making significant contributions to local communities and providing a sustainable supply of forest products.

The FBCWA will have a voice in forest and economic policy.

BC's woodlots will be models of forest management excellence, and world-renowned for their social, economic, recreational, cultural, and educational contributions to rural communities. ♦



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## Advertising Rates

As a service to FBCWA members, the Woodland Almanac will make space available for non-commercial ads, free of charge. Commercial advertising space is also offered to enterprises at the following rates:

- Business card....\$50
- Quarter page...\$135
- Half page.....\$175
- Full page .....\$250

There is a 10% discount for ads appearing in two or more issues.  
A complementary annual subscription is mailed to all advertisers.

## 2008 AGM — Woodlots: Facing our Future

Plan to attend the 2008 Annual General Meetings of the WPDC and the FBCWA. Come join us on October 3-5, 2008 at the South Thompson Inn, quietly nestled on 55 scenic acres stretching from the shores of the South Thompson River to the foothills of the Rocky Mountains, 15 minutes east of Kamloops, BC.

Accommodation on site is limited to 57 sleeping rooms at a conference rate of \$129. To avoid disappointment, reserve your room early—call 1-800-797-7713 and mention the FBCWA. Registration and program details are included with this issue of the Almanac and online at [woodlot.bc.ca](http://woodlot.bc.ca). ♦

## Thank you to our contributors for this issue

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