

## Community forests hogtied by outdated stumpage system

By John Cathro, FIT and Sheri Walsh, RPF



"The forest tenure system is outdated, having been overtaken by new economic and social conditions." With these words, Peter Pearse, PhD, RPF, head of the last Royal Commission on Forestry in the 1970s, set the tone for a recent forest tenure workshop.

For two days in November 1999, more than one hundred people from across the province joined Pearse in Nelson to debate how BC's forest tenure system could be reformed to encourage healthy sustainable communities.

Participants agreed that four key issues must be addressed when changing forest tenure:

1. A guarantee of long-term environmental sustainability must be a condition of granting tenure.
2. All forest tenures must respect and adequately accommodate First Nations' rights.
3. Communities must have a greater say in the management of forest tenures.
4. New tenures must promote greater diversity in forest products and economic opportunities.

Some of the liveliest debate resulted from the community forest panel discussion. Panel members provided an overview of the successes and challenges of operating the four community forests in the Kootenays – Kaslo, Creston, Revelstoke and Harrop-Procter. Despite differing licence arrangements and management structures, each panelist agreed that community control allowed them to respond to issues in ways consistent with their community values and keep more of the benefits of resource development in their community.

The panelists also described hurdles that need to be overcome. Financial challenges include raising capital for planning and start-up, economic inefficiencies associated with operating small volume licences and the inability to access funding from Forest Renewal BC due to the new multi-year agreements with major licensees.

Social challenges include the need for education and training of community members to ensure active participation and avoid vol-

unteer board "burnout." Finally, most community tenure holders operate in highly constrained areas with very high water, visual and recreational values.

One of the more complex issues associated with the financial hurdles is timber valuation and the stumpage appraisal system. In short, high stumpage threatens the economic viability of many of the community forests.

The appraisal system is primarily concerned with determining the value of timber for industrial licensees with manufacturing facilities. Their operating area generally includes a variety of sensitive and non-sensitive areas. These licensees can, therefore, balance the expensive timber in the sensitive areas with the less expensive timber in the non-sensitive areas.

However many community forests, operate only in sensitive areas adjacent to their communities (for example, within their own community and domestic watersheds). The existing appraisal system is not sensitive to the unique conditions of such community tenure holders. We suggest four changes to the appraisal system.

1. Allow the full cost of operating in highly constrained areas. This will encourage the use of appropriate forest practices such as sophisticated silvicultural systems to minimize impacts on other forest values – practices upon which community support is contingent.
2. Provide long skidding or forwarding cost allowances, particularly in consumptive use watersheds where road density is to be kept to a minimum. Use a sliding scale to allow for flexibility in skidding distances.
3. Increase cost allowances for the additional planning, field assessments and public consultation associated with operating in highly constrained areas.
4. Offer a business start-up concession.

Granting new community forests stumpage relief within the first five- to ten-year period would provide the opportunity to develop much needed cash reserves to pay for future road building, reforestation and other capital investments. This is working well with the woodlot program.

In BC, almost everyone agrees that changes are needed to both the stumpage appraisal and tenure systems.

Participants in last November's tenure workshop recommended greater community involvement in forest management. Community forest tenures are one method of achieving this, while keeping sensitive and controversial areas in the working forest. However, this solution may be jeopardized by an appraisal system that makes community forests uneconomical.

An appraisal system that accounts for the higher planning and logging costs associated with sensitive areas adjacent to communities is one way for everyone to benefit – the communities, the forest industry and the province.

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*John Cathro, FIT and Sheri Walsh, RPF are members of the Kootenay Conference on Forest Alternatives (KCFA), a society dedicated to the promotion of information and ideas concerning sustainable forest management. Information on KCFA and the Forest Tenure Reform workshop is available on their website ([www.kcfa.bc.ca](http://www.kcfa.bc.ca)).*