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# Interprovincial Comparison of Crown Forest Tenures

By David Haley, Marty Luckert and George Hoberg  
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## Overview

- ❑ There are about 40 different tenure types in Canada.
- ❑ Most provinces have one or two major tenure types held by large pulp or fully integrated companies and small tenures held by small manufacturing companies, logging companies, individuals, communities and First nations.



## Overview

- ❑ Generally speaking, with the exception of BC, provincial tenure systems are not diverse nor broadly held.
- ❑ Most provinces have one major tenure type that accounts for 60% or more of the AAC and four have one major tenure type that accounts for 80% or more of the AAC
- ❑ Tenure types across the country have many similarities but there are also important differences



## Crown Forest Tenure Characteristics

- Initial allocation
- Comprehensiveness
- Allotment type
- Size restrictions
- Exclusiveness
- Transferability
- 7. Export restrictions
- 8. Duration/Renewability
- 9. Fiscal obligations
- 10. Mill appurtenancy
- 11. Op. requirements and controls
- 12. Security, Mutability and Compensation



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# Initial Allocation of Rights

Rights may be allocated by means of:

- price competition
- multi-attribute bidding where applications for tenures are assessed according to a number of factors – often including a monetary bid – and awarded to the applicant that comes closest to meeting public objectives
- non-competitive direct awards



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## Initial Allocation of Rights

For most provinces, principal tenures are either awarded directly by the Minister or his/her delegate, or by means of a process involving multiple criteria.

Only in British Columbia does legislation provide that most new tenures can only be awarded following price competition among applicants



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# Comprehensiveness

In most cases, forest tenures in Canada only provide the right to harvest timber, sometimes of a specific species and/or type.



# Allotment Type

## Allocation of AAC to Area-Based Tenures (%)

British Columbia	44	
Alberta	68	
Saskatchewan		88
Manitoba	83	
Ontario	100	
Quebec	100	
New Brunswick	41	
Nova Scotia	82	
Newfoundland and Lab.	80	



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## Size Restrictions

With only minor exceptions, for example woodlot licenses in BC, there are neither lower nor upper legislated limits on the size of Crown forest tenures in Canada.

However, while few legal limits on size exist, there are unspecified customary limits on the size ranges of most tenure types.



# Exclusiveness

Rights granted by Crown forest tenures are generally exclusive, although there may be exclusive rights granted separately to various products including different types or species of trees, recreation, non-timber botanical forest products or fur bearing animals from a single piece of land.



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# Transferability

Most large and medium sized forest tenures in Canada are transferable with ministerial permission.

Exceptions include Quebec, where neither major tenures are generally transferable and British Columbia where all tenures, with the exception of Community Forest Agreements, are transferable, and generally divisible.



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## Export Restrictions

All provinces with the exceptions of Saskatchewan, Manitoba and Nova Scotia, regulate exports of unmanufactured timber products. Generally, such products can only be exported with ministerial permission or by Order-in Council. No province exercises an outright ban on log and/or chip exports.

Some provinces control all exports, including inter-provincial trade; while in others controls only apply to international trade



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## Duration and Renewability

Most major tenures, have terms of 20 or 25 years.

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Intermediate sized and smaller tenures have terms ranging from a few months to 10 years, but normally not exceeding 5 years.

Exceptions can be found in British Columbia where Woodlot Licences have 20-year terms and Community Forest Agreements may be granted for 25 to 99 years.



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## Duration and Renewability

Most major tenures with terms of 20 to 25 years are renewable – in many cases on an “evergreen” basis.

“Evergreen” frequently means renewal every 5 years before the end of a term, following a performance review. Under such provisions, a 20 year, 5 year evergreen agreement would be considered for renewal every 5 years for an additional 20 years.



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## Duration and Renewability

The renewability of smaller tenures varies considerably by province and tenure type. Some, such as Commercial Cutting Permits in Newfoundland are renewable. Others, such as Timber Supply Licences in Saskatchewan are renewable at the discretion of the Minister while some, for example Timber Permits in Alberta and Manitoba and Timber Sale Licenses in British Columbia, are non-renewable.



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# Appurtenancy

All provinces, with the exception of British Columbia, where all mill appurtenancy conditions were repealed in 2003, have some kind of appurtenancy requirements for, at least, their principal industrial forest tenures.

Several provinces, including Alberta, Quebec, New Brunswick and Newfoundland also have appurtenancy requirements for medium-sized tenures, and in some cases for smaller tenures.



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## Mutability and Compensation

In most provinces, governments reserve the right to modify tenures during their terms in the light of changing public objectives, changing land-use imperatives and new inventory information.

For most long-term, replaceable or renewable tenures, adjustments to AACs and/or the areas under licence can be made at any time [e.g. British Columbia, Alberta, Ontario] or at regular intervals [e.g. Saskatchewan, Quebec, New Brunswick] or both.



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## Mutability and Compensation

Statutory compensation for tenure holders is usually restricted to land withdrawals but may include compensation for AAC decreases that result from reductions in areas under licence.

In no province are procedures for calculating amounts of compensation by governments, in the event of land withdrawals or AAC reductions, set out in either statutes or regulations. Rather, the amounts seem to be discretionary or a matter of negotiation.