



# Alberta Timber Quota Policy 2013

*Alberta*   
Government



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# 1.0 Introduction

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**ALL** timber on Crown lands in Alberta is owned by the province and managed under a policy of sustainable forest management.

**ALBERTA** has established acts, regulations, standards, policy directives and procedures to achieve sustainable forest management, which provides ecological, economic and social opportunities for the benefit of present and future generations.

**UNDER** Alberta's *Forests Act*, the right to harvest Crown timber is allocated to companies and individuals through forest tenures. Tenure allows companies to plan and develop their operations over long time frames.

**THIS** policy document details Alberta's quota system, one of the forms of tenure that provides a long term and sustainable timber supply to Alberta's forest industry. The policy describes the system's legislative framework, plus additional interpretation and detail required to ensure the system is open and transparent to all interested stakeholders.

**THIS** policy document replaces all previous timber quota policy statements published by the Government of Alberta.

**THE** term Alberta is used in this document, in lieu of specific department, branch or section names to avoid the need to modify the policy when name changes occur within the provincial government.

**DETAILS** on procedures, including specific departments, branches, sections or positions with approval authorities are published in program procedures, guidelines and standards.

## 2.0 Authority to Create Timber Quotas

THE cornerstone of forest management legislation in Alberta is the *Forests Act* (the Act). It provides the legal framework for disposal of timber grown on public land in Alberta. The *Timber Management Regulation*, under the Act, describes how the forested lands of Alberta are managed. It is the regulation referred to in this document. The Act, regulations, policies, and directives provide the framework for implementing the timber quota system in the Alberta.

THE Minister of Alberta Environment and Sustainable Resource Development is the Minister responsible for the administration of the *Forests Act* and associated regulations. The Minister may, by order, designate a director for the purposes of the *Forests Act* and the regulations. The term director is used in this sense throughout this document.

SECTION 17(1) of the *Forests Act* gives the director, as defined under section 2.1(1) of the Act, the authority to allocate timber quotas.

## 3.0 Timber Quota

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A timber quota is an allocation of either coniferous timber, known as a coniferous timber quota or deciduous timber, known as a deciduous timber allocation.

QUOTAS are defined as an allocation by area, or volume, of deciduous or coniferous timber within a forest management unit.

TIMBER quotas may be sold by tender, by auction or by direct sale.

ALL competitive sales (tendered or auctioned) are advertised by public notice. The notice describes the timber rights up for sale, the time and place of the sale and the conditions and procedures of the sale.

A timber quota must not be issued if, in the director's opinion, it would be contrary to any applicable *Alberta Land Stewardship Act* regional plan.

## 3.1 Quota Assignments

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QUOTA holders cannot assign (sell or transfer) timber quotas and/or licences without the written consent of Alberta.

AN assignment must be an unconditional transfer of all interest (assets and liabilities) to the new owner. It is the buyer's responsibility to ensure that they are fully aware of entire interests they are being assigned, as all liabilities of the quota are assumed by the new holder regardless of when they are discovered.

AN assignment is not valid until it is approved and registered in the records of Alberta.



## 3.2 Quota Term and Renewal

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A timber quota entitles the holder to harvest timber in accordance with the quota for a specified period not exceeding 20 years.

UNDER Section 20 of the *Forests Act*, timber quotas can be renewed if the quota holder is not in default or breach of the Act or the regulations and if, in the director's opinion, there is adequate timber available in the forest management unit to justify renewing the quota. A timber quota must not be renewed if, in the director's opinion, the renewal would be contrary to any applicable *Alberta Land Stewardship Act* regional plan.

AT the time of renewal the quota is subject to any modifications or conditions the director deems necessary to address changes, such as new provincial legislation or policies, the approval of new forest management plans and land use changes.

IN addition, the director may at any time change any provision or condition of the quota, or cancel the quota, if the director is of the opinion that it is in the public interest to do so.

## 3.3 Quota Merger

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**WHERE** a quota holder owns two or more quotas in the same forest management unit, the director, with the prior consent of the quota holder, may issue a new quota merging the entire combined interest of the original quotas.

**THE** merger of quotas result in revised quota percentages and authorized harvest levels. In the absence of mitigating circumstances, such as new timber supply analysis, growing stock deletions and wildfire, the quota percentages and authorized harvest levels from the merged quotas are added together to establish the new quota percentage and harvest volumes.

## 4.0 Quota Certificate

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A quota certificate is a document issued by the director, which establishes the amount of volume or area of timber. The certificate also includes terms and conditions to be adhered to by the quota holder.

CERTIFICATES for coniferous timber quotas and deciduous timber allocations contain standard wording applied to all quotas. In some cases it is necessary to capture terms and conditions unique to a specific quota holder. These can be found in the Special Conditions Schedule of the certificate.

THE quota certificate does not authorize harvest.

## 4.1 Production Control

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**I**N order to control timber production and ensure that harvesting occurs at sustainable levels, timber harvested under the authority of a quota certificate and its relevant licences is carried out in 5-year harvest periods called quadrants. Harvesting cannot exceed the quadrant authorized quadrant allowable cut in the quota certificate.

**T**HE quadrant authorized allowable cut is equal to five years multiplied by the certificate annual allowable cut. This may be adjusted by the director.

**I**N order to monitor harvest level sustainability, actual harvest volumes are “charged” against the approved volume. This consists of 1m<sup>3</sup> of volume being subtracted from the approved volume for each 1m<sup>3</sup> of actual harvest volume until the remaining approved volume is zero. Timber volumes chargeable against the quota’s quadrant production are those volumes which have been included as protocols in the calculation of the forest management unit’s annual allowable cut.

**T**O ensure the sustainability of the timber resource, timber removed by non-forestry industrial activities must be taken into account when determining annual allowable cut.

**I**F the approved timber supply analysis for a forest management unit does not include a reduction in annual allowable cut for non-forestry industrial activities, it is critical the volume of timber generated by those activities be tracked and accounted for in calculating the approved sustainable annual allowable cut for the forest management unit.

**I**F harvest during a quadrant period exceeds the quadrant authorized allowable cut, the quadrant authorized allowable cut for the subsequent quadrant will be reduced by the amount of the overcut.

**I**F the overcut exceeds 10% of the quadrant authorized allowable cut, the quota holder is subject to a penalty, which applies to every cubic metre cut over the quadrant authorized allowable cut. The subsequent quadrant will be reduced by the amount of the overcut. Timber dues are payable on the overcut volume.

**W**HERE natural causes such as fire, insects and disease cause the annual allowable cut for a forest management unit to change significantly, the quadrant authorized allowable cuts for quotas are also adjusted accordingly.

## 5.0 Rights

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A quota certificate does not convey any rights or interest over Crown forested lands to the quota holder.

THE quota holder becomes the owner of the timber only once it is harvested by the quota holder or on the quota holder's behalf.

## 5.1 Compensation

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WHERE the quota holder's timber quota or timber licence is altered or cancelled by the director for reasons deemed to be in the public interest or to comply with an *Alberta Land Stewardship Act* regional plan, the Minister may pay compensation to the holder in an amount the Minister considers just.

## 6.0 Obligations

IN return for the right to harvest timber and the associated economic benefits, the quota holder assumes the obligations detailed below.

### 6.1 Timber Harvesting

IN the event of a conflict between either a timber disposition or a timber quota and the provisions of any applicable regional plan under the *Alberta Land Stewardship Act*, the regional plan prevails to the extent necessary to resolve the conflict.

A quota holder is required to obtain a timber licence and an approved annual operating plan before harvesting can commence.

#### 6.1.1 Timber Licence

A timber licence authorizes the harvest of the timber to which the quota holder is entitled under the quota certificate. The licence is issued for a specific species and volume of timber, typically to provide 5-10 years of harvestable timber. A quota may contain multiple licences.

IN addition, the licence describes the location and the timber authorized for harvest, as well as any other terms and conditions on which the licence is granted.

#### 6.1.2 Annual Operating Plan

IN order to harvest timber, the holder of the licence must prepare and have approved by the director an annual operating plan for each year of operation.

## 6.2 Reforestation

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**TIMELY** reforestation is critical to sustainable forest management in Alberta.

**TIMBER** quota holders are responsible for carrying out reforestation on any land where the holder has harvested, or they may be authorized by the director to afforest an equivalent amount of other public land within the same forest management unit instead of the area cut.

**A** quota holder with a total combined annual allowable cut of less than a minimum volume set in the *Timber Management Regulation*, currently 10,000 m<sup>3</sup>/year, may elect to pay a reforestation levy to have the reforestation completed on their behalf.

**A** quota holder with a total combined annual allowable cut equal to or greater than the minimum volume set in the *Timber Management Regulation*, is responsible for carrying out reforestation.

**REFORESTATION** levies are paid by the quota holder to the Forest Resource Improvement Association of Alberta to cover the cost of reforestation.

**REFORESTATION** must be conducted in accordance with the legislation, the Reforestation Standard of Alberta and the relevant approved Forest Management Plan.

**A** reforestation program is required under the *Timber Management Regulation*. The reforestation program is a component of the quota holder's annual operating plan.

**IF** a quota holder's total combined annual allowable cut changes, the quota holder's rights and obligations also change and are based on the new total combined annual allowable cut. Any reforestation obligations that existed prior to the change in annual allowable cut remain as they were originally designated.



## 6.4 Crown Charges

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**T**HE quota holder has a number of financial responsibilities associated with receiving the rights to harvest timber on public land.

**F**INANCIAL obligations include timber dues, Forest Resource Improvement Association of Alberta dues, holding and protection charges, reforestation levies and a number of administrative charges.

**A** royalty or stumpage is paid to the Crown by disposition holders for the timber they harvest on Crown land. Quota holders are required to pay timber dues as prescribed in the *Timber Management Regulation*. Timber dues owing will vary with the product produced.

**F**OREST Resource Improvement Association of Alberta (FRIAA) works to support enhancing Alberta's forests and improving the management of forest resources. Dues collected by FRIAA are used to support FRIAA programs and initiatives.

**H**OLDING and protection charges are paid annually by the quota holder at rates prescribed in the *Timber Management Regulation*. Holding charge is a fee paid by the quota holder for the privilege of holding the rights to log timber in a specified area. Protection charge is the quota holder's contribution to pool of money used to fight forest fire and for forest pest control.

**R**EFORESTATION levies are paid to FRIAA by the quota holder to cover the cost of reforestation.

**Q**UOTA holders are subject to administrative charges, which include a bid deposit for making a tender or a bid to purchase a timber quota, licence issuance and renewal fees, assignment fees and the timber cruising cost associated with a licence. The charges are as outlined in the *Timber Management Regulation*.

## 7.0 Non-Compliance

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**UNDER** the authority of Section 25 of the *Forests Act*, the director may with respect to a timber quota or a timber licence,

- (a) suspend it indefinitely or for a fixed period,
- (b) cancel it,
- (c) reduce its term, or
- (d) realize on the security deposited by the holder.

**IF** the holder of the quota or licence does any of the following:

- (a) fails to cut the authorised volume of timber, or the timber on the authorized amount of forest land during a quadrant,
- (b) harvests more timber than is authorized during a quadrant,
- (c) fails to pay Crown charges as they become due,
- (d) fails to comply with the terms and conditions of the quota or licence,
- (e) fails to carry on operations in accordance with the holder's approved operating plan,
- (f) contravenes any relevant legislation,
- (g) fails to comply with an order of the director made pursuant to the *Forests Act*, the *Forest and Prairie Protection Act* or the *Public Lands Act*.

**A** suspended or cancelled quota may be reinstated within 6 months after the date of suspension or cancellation if the Minister is satisfied the quota holder has reasonably complied with any order the Minister has made for the reinstatement of the quota.

**A** suspended or cancelled timber licence may be reinstated by the Minister on application by the holder within 60 days after the date of suspension or cancellation if the Minister is satisfied that the holder has reasonably complied with any order that the Minister has made for the purpose of reinstating the timber licence.

**PROVISIONS** for dealing with offences and penalties are found under Part 4 of the *Forests Act* and Schedules 1 and 2 of the *Timber Management Regulation*.

## 8.0 Definitions

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### Annual Allowable Cut (AAC)

The total volume of timber that may be harvested any one year or the total amount of forested land on which the timber may be harvested in one year in a specific forest management unit. The AAC is defined in the relevant approved forest management plan.

### Assignment

The sale or transfer of a timber quota to another individual or corporation.

### Coniferous Timber Quota (CTQ)

The allocated volume or area of coniferous timber the quota holder may harvest annually in a specified forest management unit.

### Crown

Her Majesty the Queen in Right of Alberta.

### Deciduous Timber Quota also referred to as Deciduous Timber Allocation (DTA)

The allocated volume or area of deciduous timber the quota holder may harvest annually in a specific forest management unit.

### Forest Management Unit (FMU)

An administrative unit of forest land designated by the Minister, as authorized under Section 14(1) of the *Forests Act*.

### Overcut/Over Production

The volume of timber exceeding the authorized allowable cut for a specified period.

### Policy

A principle or set of principles or plan of action stated in clear concise statements of expected behaviour, standards and practices. Policy can be, but not limited to, statutes and regulations, directives, guidelines and information letters.

### Public Land

Provincial and federal government lands.

### Quadrant

Harvesting of timber under the authority of the quota certificate must be carried out in four consecutive 5-year periods. Each of these 5-year periods is called a quadrant.

## 8.0 Definitions (Continued)

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### Quadrant Authorized Allowable Cut (QAAC)

The total allowable cut a quota holder is authorized to harvest within an approved number of years, usually 5 years, that make up the quadrant.

### Quota Certificate

The document issued by the director that authorizes the quota holder a specified annual allowable cut in a specified forest management unit. Once the certificate is issued the quota holder then needs to obtain a timber licence.

### Quota Holder

An individual(s) or a corporation(s) that has been granted a coniferous timber quota certificate or a deciduous timber allocation certificate.

### Timber Disposition

The legal authority given to a private individual or company for use of public land for the purposes of harvesting trees. Timber dispositions include timber permits, timber licences (granted for timber quotas) and forest management agreements.

### Timber Licence

A timber disposition issued pursuant to the *Forests Acts* and the *Timber Management Regulation* authorizing a quota holder to cut Crown timber.

### Timber Quota

A volume or area of timber a quota holder may harvest annually in a specific forest management unit.

### Timber Salvage

All timber depleted by non-forestry operations.

### Utilization Standard

The minimum tree size an operator must harvest and utilize for a given harvest authority. The calculation of the allowable cut for the disposition is based on this same standard.

## 8.1 Legislation

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*Alberta Land Stewardship Act*  
*Forests Act*  
*Forest and Prairie Protection Act*  
*Forest Resources Improvement Act*  
*Government Organization Act*  
*Public Lands Act*

*Timber Management Regulation*





