

Huu-ay-aht First Nation Executive Council

Briefing Note

Regarding Non Renewable Forest Licence

Date

27 September 2013

Submitted By

James Edwards, Executive Director

Issue

A motion was made at the 8 December 2012 Peoples Assembly to recommend that Executive Council issue a 50,000m³ non-renewable timber harvest licence to the HDC group of companies.

Background

After careful consideration, HFN Forestry LP has identified, researched and planned three cutblocks - approximately 50,000 cubic meters of timber - on Treaty Settlement Lands. Planning work has included timber cruises, environmental reviews, cultural referral review, silviculture planning and archeological impacts assessments.

A public notice period was held, pursuant to the HFN Interpretation Act, with the maps of the cutblocks available online and in both government offices, between August 26th and September 6th, 2013. No comments were received.

HFN Lands and Natural resources has conducted an extensive review, including the archaeological impact assessment, the road reactivation permits as well as the harvest and silviculture prescriptions, all forestry operations data is attached as Appendix A. The Director of Lands and Natural Resources recommends the issuance of the cut permits.

The HFN Lands Committee has conducted a review of the cut blocks and the draft licence agreement. The HFN Lands Committee recommends that Executive Council enact the draft licence agreement with changes as noted in Appendix B.

A review of the cut blocks, related technical data, and rent and/or stumpage options has been completed by an independent expert retained by the HFN. The independent expert has met repeatedly with HFN Forestry LP, HFN Lands and Natural Resources as

well as with independent legal counsel and other technical advisors. The draft licence agreement was a primary deliverable as well as a draft model for stumpage and/or rent calculations, attached as appendix C.

The following stumpage and/or rent options were evaluated:

- A) Average Coast Rates (all island) - combined \$1.68/m³
- B) Average Rates for Arrowsmith Timber Supply Area – combined \$18.85/m³
- C) Calculated rates based on actual Timber Cruise – combined \$13.82/m³
- D) Average based on FN Woodlot stumpage – combined \$0.93/m³
- E) Straight profit sharing of 5%-33%
- F) Profit Sharing plus fixed fee (\$1/m³ plus 5%-33% of profit)

A draft regulation providing the authority to issue the licence has been provided in Appendix D.

Options

Option 1: Direct the Executive Director to finalize the licence agreement with changes as noted, including specifying an option (a-f) for the determination of stumpage/rent, and enact the regulation as provided in Appendix D.

Option 2: Direct the Executive Director to continue the review and notice period and to address specific questions or concerns related to the process or appendices.

Motion

BE IT RESOLVED THAT