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## Cutting Permit Allocation Policy

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**Policy no.:** FEM-1-2018

**Effective Date:** January 1, 2019

**Expiry Date:** Permanent

**Policy Cross References:** FEM-1-2013

**Legislative References:** *Forestry Act* and Cutting of Timber Regulations

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### Cutting Permit Allocation Policy

All forest operations shall be conducted in accordance with the *Forestry Act*, associated regulations and all other provincial, federal and municipal laws and regulations. All operations must comply with the requirements of the Department of Fisheries and Land Resources, Environmental Management System (EMS).

**Definitions:**

**“Cutting Permit”** means a permit issued under the authority of the minister to cut or uproot and remove timber from Crown lands or public lands.

**“Domestic Cutting Permit”** means a permit issued under the *Cutting of Timber Regulations* to cut up to 36 cubic meters stacked of timber for personal use and not for sale, barter or gift.

**“Commercial Cutting Permit”** means a permit issued under the *Cutting of Timber Regulations* to cut timber for sale or barter.

**General:**

Section 14(1) of the *Forestry Act* states that Crown timber shall not be cut or removed from Crown land or public lands except under a cutting permit, a timber sale agreement or a timber license.

Subsection 27(1) of the *Forestry Act* provides authority for the Minister or a forestry official to issue a permit to cut timber on or remove timber from Crown lands or public lands.

It is important that all Crown domestic and commercial cutting permits be issued in a fair and consistent manner across the Province.

It is also important that all domestic and commercial operators within the boundaries of a Forest Ecosystem Management District deal directly with the affected District Office.

The re-issuance of Commercial and domestic permits may need to be withheld in accordance with provisions of the *Forestry Act*, Section 27 and/or *Cutting of Timber Regulations*, Sections 32, 33, 34.

Situations may exist where the Minister may refuse to re-issue permits, under authority of the *Cutting of Timber Regulations*, section 35, due to management considerations.

### **Allocation to Existing Commercial Cutting Permit Holders**

Prior to renewing a commercial cutting permit to an existing permit holder, past harvesting performance will be considered.

- If the permit holder has historically harvested 75 per cent or more of their permit volume allocation over the last two consecutive calendar years, the issuance of a new permit will be considered at a volume equal to the previous permit volume allocation.
- If the permit holders harvesting activity is below 75 per cent of their permit volume allocation over the previous two consecutive calendar years, the issuance of a new permit will be considered at a volume equal to the highest actual harvest volume achieved under the permits issued previously in the last two consecutive calendar years.
- If the permit holder has failed to harvest any volume in the previous two consecutive calendar years, they will be considered a new entrant and will be required to follow the same application process as a new entrant.
- In situations where the permit holder is unable to harvest 75 per cent or more of their permit volume allocation, due to circumstances beyond their control, the permit holder must submit rationale in writing to the Chief Forester, Fisheries and Land Resources. Exceptional circumstances (e.g. fire, flood) will be considered. Authorization to harvest previous permit volume allocations will be subject to the approval of the Chief Forester, Fisheries and Land Resources.

### **Issuance of new commercial cutting permits and allocation increases to existing commercial cutting permits:**

A new entrant applying for a commercial cutting permit or an existing permit holder seeking an increase must demonstrate in their permit application the viability of the proposed venture and provide detailed information, including:

- the permit holder has the means to harvest or process the timber that the permit would authorize to cut;
- marketing information outlining the products to be produced, target markets, anticipated prices and promotional plans;
- outlining how the proposed venture will be managed and the level of experience and expertise which would influence the likelihood of its success;

- employment information indicating the local availability of labour, the number of persons who will be employed and including operating periods, wages, and salaries;
- financing information to demonstrate the ability to obtain the appropriate financing for the proposed venture; and
- copies of Articles of Incorporation and confirmation of good standing with the Registrar of Companies.

The application process shall follow the following protocol:

- The District Manager, with the written approval from the Regional Ecosystem Director and in consultation with the ADM of Forestry and Wildlife, may increase existing commercial cutting permit by a maximum of 50% of permit volume or 5,000 m<sup>3</sup> whichever is less.
- The District Manager, with the written approval from the Regional Ecosystem Director and in consultation with the ADM of Forestry and Wildlife, may issue a new commercial cutting permit not to exceed 5,000 m<sup>3</sup>.
- All new and extensions to existing commercial cutting permits must be within the AAC set for each District.
- All new commercial permits or increases greater than 50% of permit volume or 5,000 m<sup>3</sup> require the written approval of the ADM of Forestry and Wildlife
- While not exclusive, decisions on new or increased commercial cutting permits will be reviewed and allocation decisions made via the following decreasing order of priority:
  - Value Added manufacturing facility with personal harvesting capacity
  - Value added manufacturing facility
  - Personal harvesting capacity

The above does not apply to the issuance of one time permits such as right of way clearing.

### **Domestic Cutting Permit Holders**

- Domestic harvesting areas and domestic harvest allocation shall be in accordance with the approved Sustainable Forest Management Plan for the District under consideration.
- Domestic cutting permits shall be dispensed, in an equitable manner, to applicants at the District or satellite office counter service by available Forestry staff. Provisions must be made for continuity, security and record keeping of the permits issued and fees collected.

### **CONTACT INFORMATION:**

#### **Media contact**

Connie Boland  
Fisheries and Land Resources  
709-637-2923, 640-6409  
[connieboland@gov.nl.ca](mailto:connieboland@gov.nl.ca)