

## **Response to the Timber Royalty Adjustment Regulation – Private Woodlot Sustainability Act**

The New Brunswick Federation of Woodlot Owners would like to comment on the proposed regulation.

Thank you for the opportunity to review the proposed regulation known as the Timber Royalty Adjustment Regulation. Having read it through several times, we are not clear on some details of the formula, therefore don't feel that we have a good understanding of how it will work. Therefore, we would like the opportunity to review it in detail with you and understand more fully the monthly adjusted price.

Having said that we offer the following comments. The idea of the fund as the name implies is to ensure the sustainability of private woodlots. The application of a minimum of \$.75/m<sup>3</sup> is an excellent idea and very much appreciated.

However, the fund was promoted as being a way to make up the \$7-\$10 million deficit in silviculture funding between the amount spent on Crown and the amount spent on private land. Using the current formula minimum of \$.75/m<sup>3</sup> only \$3.5 - \$4 million will be the annual amount placed into the fund under poor market conditions. This falls considerably short of addressing the deficit and the original funding commitment. Therefore, we respectfully request that the minimum royalty adjustment be increased to \$1/m<sup>3</sup>, which would generate a fund balance of \$5 million in years when market conditions are poor. Also, since the FMV impacts that amount of the adjustment we are disappointed to see that the inclusion of a jurisdictional scan of stumpage values in neighbouring jurisdictions, although talked about early on, it is no longer a part of the FMV.

Additionally, the fund is to be used to: (a) support additional silviculture on private woodlots, (b) engage owners of private woodlots in developing management plans, (c) support the development and completion of management plans by providing training, educational materials, and other support on forest management to owners of private woodlots, and (d) enhance fire and pest protection on private. Previously fire and pest protection were paid for out of the provincial budget. Therefore, in circumstances where the fund balance is less than \$5 million, we request that all of these funds be targeted towards a, b, and c above and that fire and pest protection be paid out of the provincial budget.

The variability in the amount of the fund is also an issue. The fund was expected to add boots on the ground to engage woodlot owners in forest management. The fact that there is little predictability to the fund will make it much more difficult to acquire and keep staff. Staffing requires stability. In fact, the whole private woodlot sector requires stability and predictability. Without predictability, stability, and optimism the sustainability of the private woodlot sector will not be achieved. Therefore, we request that a commitment be made to maintain a minimum fund balance of \$10 million so that all involved in delivering this program can make longer-term plans and staffing commitments to support the desired activities.

In summary, the regulation while good in concept has failed to deliver the promise of a minimum of \$7 million per year. We look forward to the opportunity to discuss the proposed regulation and the possibility of strengthening it to meet the future needs of woodlot owners, broaden engagement, and create more economic opportunities for all.