



August 1, 2001

BACKGROUND

Notice 102 — The Log Export Surplus Test

- Owners of certain private forest lands acquired the right to export logs at the time the land was granted. This right applies only to lands granted prior to March 12, 1906, designated “exportable private lands,” which make up less than two percent of the provincial lands.
- During WW II under the War Measures Act, the Federal Government prohibited the export of all unmanufactured wood products in order to meet defence requirements. While this requirement subsequently lapsed, it was reinstated in 1969 in BC only.
- Notice 102 is applied to exportable private lands even when the provincial AAC is undercut. The public land timber harvest undercut on the Coast since 1995 totals 17 million m³.
- Notice 102 is not applicable to Indian Reserve lands or provincial lands. Crown land log exports totalled 952,000 m³ in 2000 and do not face the Federal Government’s Surplus Test.
- Notice 102 seriously fetters the *existing* legal private property rights of owners of exportable lands. It positions BC’s log export rules differently compared to those applied in the US Pacific Northwest and the rest of Canada. It ignores the fact that BC has long been an importer of logs from the US and other parts of Canada.
- Notice 102 requires owners of exportable lands to first offer their logs to domestic sawmillers at prices set by the Vancouver Log Market. The logs can be sold internationally at significantly higher prices so this supports a provincial price fixing scheme that impacts private forest land owners.
- Log export restrictions are a key U.S. complaint in the softwood lumber dispute.
- Removing Notice 102 would make Canada’s log export rules the same as those in all other parts of Canada and the US Pacific Northwest, where public land log exports are restricted but private land logs may be exported. This would help pave the way to a settlement with the US that would support free trade and protect thousands of forest sector jobs in BC and the rest of Canada.

- The common goal of achieving free trade in lumber cannot be attained with such an obvious and unjustified trade restriction remaining in BC and contrary to private land rights in the rest of North America.