

Directive No. 97-02 **Date** February 6, 1997

Subject **Quadrant Over-Production -- Exceeding Authorized Quadrant Volume**

Purpose To manage forest resources at sustainable harvest volume levels.

To ensure that harvest levels do not exceed the authorized quadrant allowable cut calculated for a quota certificate.

Policy The policy stated in this directive applies to all quota and Forest Management Agreement (FMA) areas unless otherwise approved in the FMA or Detailed Forest Management Plan (DFMP).

When harvested chargeable quota volumes have exceeded the authorized quadrant allowable cut for a quota quadrant, the subsequent authorized quadrant allowable cut will be reduced by the amount of the overcut. Where the overcut exceeds the allowable cut by more than 10%, a monetary penalty will also be assessed.

A review of this policy may be initiated by either the Department or the industry sector. This review will be a consultative process, with the aim being mutually agreed upon content being incorporated into the policy.

Procedure **Authorized Quadrant Volume Reduction**
The determination of the overcut volume will be done through the timber production audit following the end of the quadrant and the amount of any overcut will be deducted from the next quadrant volume.

Overcut Penalty
When applicable, monetary penalties are calculated in accordance with the Timber Management Regulation in place at the time the overcut occurred. Penalties are to be applied to the entire portion of harvest volume that exceeds the allowable cut. Volumes from timber production audit results will be used for penalty calculation. The following table shows the penalty rates for various periods as the legislation has changed.

DATE OVERCUT OCCURRED	Penalty Rate In Effect	
	Coniferous	Deciduous
Prior to Jan. 13, 1994	\$4.65/m ³	\$24.70/hectare
Jan.13, 1994 - April 16, 1996	4X dues payable	
April 17, 1996 to Present	\$30/m ³	\$10/m ³

Examples:

1. In December 1993, a quota holder weigh-scaled coniferous timber bringing the total production 1 000 m³, or 15%, over their allowable quadrant cut. The penalty would be 1 000 m³ X \$4.65/ m³ for a total of \$4 650.00.
2. In April 1996, a quota holder with sales less than 107 296m³, weigh-scaled coniferous timber, bringing the total production 1 000m³, or 15%, over their allowable quadrant cut. 500m³ of this volume was delivered prior to April 16, 1996. The penalty would be:

$$500\text{m}^3 \times \$4.03/\text{m}^3 \times 4 \text{ (volume delivered prior to April 16)} = \$ 8\,060.00$$

$$500\text{m}^3 \times \$30/\text{m}^3 \text{ (from Schedule 3, Timber Management Regulation)} = \$ 15\,000.00$$

Total penalty amount = \$ 23 060.00

Authorities

Section 21 of the Timber Management Regulation - Authorizes a volume reduction in the subsequent quadrant when an overcut has occurred.

Section 22 of the Timber Management Regulation - Establishes a penalty when a cut exceeds 110% of a quadrant's allowable cut.

Cross- Reference

- Quota Policy Manual
- LFD Directive 98-03 - **Quota Production Chargeability**
- LFD Directive 97-06 - **General Procedures for the Accounting of Marginal Timber**

Contacts

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