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# NATIONAL ASSEMBLY

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FIRST SESSION

FORTIETH LEGISLATURE

Bill 7

**An Act to amend the Sustainable Forest  
Development Act and other legislative  
provisions**

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**Introduction**

**Introduced by  
Madam Martine Ouellet  
Minister of Natural Resources**

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## EXPLANATORY NOTES

*The main purpose of this bill is to clarify the rights and obligations of the Minister of Natural Resources and Wildlife and the holders of timber supply guarantees with regard to the granting of such guarantees, as well as the nature and the legal effects of the resulting acts, including option exercises, timber sales contracts, harvest agreements and integration agreements.*

*The Minister is empowered to grant harvest rights by means of a permit to harvest timber to supply a wood processing plant. The rules governing such permits and their holders are defined, in particular the obligations relating to the planning of forest development activities, the integration of harvests and membership in forest protection organizations.*

*New rules are established with regard to the indemnities which the Government may pay to holders of a timber supply guarantee or a permit to harvest timber to supply a wood processing plant in order to provide compensation for any damage they may have sustained as a result of situations which affected the use of infrastructures for which they assumed the costs.*

*The rules for converting timber supply and forest management agreements into supply guarantees are changed, in particular the rules allowing the Minister to set the guaranteed annual volumes of timber. The conversion rules with respect to forest management agreements are also changed. Agreement holders must first obtain a permit to harvest timber to supply a wood processing plant, and then may choose to replace the permit by a local forest management delegation agreement.*

*Rules governing the management and surveillance activities of forest protection organizations are defined, and a contribution to the Natural Resources Fund is required of public forest resource management delegates.*

*The Minister may, when implementing a government program for regional development, delegate to a municipality the regulatory powers the Government holds under the program. In addition, a regional county municipality is empowered to subdelegate to a local municipality included in its territory the powers delegated to the*

*regional county municipality under a management delegation agreement.*

*The Labour Code is amended to adapt it to the new forest regime.*

*Lastly, certain technical amendments are made to the Sustainable Forest Development Act in order to facilitate its administration.*

**LEGISLATION AMENDED BY THIS BILL:**

- Sustainable Forest Development Act (chapter A-18.1);
- Labour Code (chapter C-27);
- Act respecting the Ministère des Ressources naturelles et de la Faune (chapter M-25.2).



## Bill 7

### AN ACT TO AMEND THE SUSTAINABLE FOREST DEVELOPMENT ACT AND OTHER LEGISLATIVE PROVISIONS

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

#### SUSTAINABLE FOREST DEVELOPMENT ACT

**1.** Section 13 of the Sustainable Forest Development Act (chapter A-18.1) is amended by striking out the second sentence of the third paragraph.

**2.** Section 41 of the Act is amended by replacing “built or used to give access to the forest and its many resources” in the second paragraph by “built or used for multiple purposes, notably to give access to the forest and its resources”.

**3.** Section 46 of the Act is amended

(1) by replacing “for forest development units and local forests” in subparagraph 5 of the first paragraph by “for forest development units, local forests and certain residual forests”;

(2) by inserting the following subparagraph after subparagraph 8 of the first paragraph:

“(8.1) in accordance with section 46.1 and after the five-year review of allowable cuts, determining the volumes of unharvested timber available for harvest, and making public those volumes and the grounds for the determination;”.

**4.** The Act is amended by inserting the following section after section 46:

**“46.1.** In determining the volumes of timber referred to in subparagraph 8.1 of the first paragraph of section 46, the chief forester ensures that harvesting that timber will not affect the allowable cut assigned to the area concerned or impact negatively on the achievement of sustainable forest development objectives. Such timber may, as the Minister determines, be left standing, be marketed by the timber marketing board, or be sold to one or more other wood processing plants at the rates set by the timber marketing board.

The volumes of timber referred to in subparagraph 8.1 of the first paragraph of section 46 are the volumes which were not harvested in the area concerned during the five years preceding the five-year review of annual cuts or during the period covered by the previous tactical plans for integrated forest

development, but which, solely for the purpose of calculating the allowable cut, were considered by the chief forester as having been harvested.”

**5.** Section 54 of the Act is amended by replacing “a guide that the Minister follows to prepare silvicultural prescriptions” in the fourth paragraph by “guides that the Minister follows to prepare silvicultural prescriptions”.

**6.** Section 55 of the Act is amended by adding the following subparagraph after subparagraph 7 of the second paragraph:

“(7.1) the holders of a permit to harvest timber to supply a wood processing plant;”.

**7.** Section 56 of the Act is amended by replacing the first sentence of the second paragraph by the following sentence: “However, holders of a timber supply guarantee or of a permit to harvest timber to supply a wood processing plant need not make a request and their specific interest is presumed insofar as the plan concerns, as applicable, a development unit included in a region covered by their guarantee or a development unit covered by their permit.”

**8.** Sections 62, 63 and 64 of the Act are replaced by the following sections:

**“62.** Planned forest development activities are carried out by the Minister or by forest development enterprises that hold the certificates recognized by the Minister or that are registered in a program to obtain such certificates. They may also be carried out under the supervision and responsibility of an enterprise that holds the required certificates or is registered in a program to obtain such certificates.

The contracts entered into with the forest development enterprises may cover, in addition to the forest development activities to be carried out, the activities related to their planning or management, or the activities related to timber transportation.

Some planned forest development activities may also be carried out by the holder of a timber supply guarantee or the holder of a permit to harvest timber to supply a wood processing plant, on the conditions prescribed by this Act, provided they hold the certificates recognized by the Minister or are registered in a program to obtain such certificates.

**“63.** The contracts that the Ministère des Ressources naturelles et de la Faune may enter into with a cooperative constituted under the Cooperatives Act (chapter C-67.2) for planned forest development activities are subject to the same conditions as those applying to the contracts that a public body may enter into with the persons or groups of persons mentioned in the first paragraph of section 1 of the Act respecting contracting by public bodies (chapter C-65.1).

**“64.** The timber harvested in the course of planned forest development activities, if not allocated to the holder of a timber supply guarantee or to the

holder of a permit to harvest timber to supply a wood processing plant, may be marketed by the timber marketing board or sold to one or more wood processing plants at the rates set by the timber marketing board.”

**9.** Section 65 of the Act is amended by replacing “particularly those carried out under forest contracts and agreements” in the first paragraph by “particularly those carried out by forest development enterprises, holders of timber supply guarantees and holders of permits to harvest timber to supply a wood processing plant”.

**10.** Section 73 of the Act is amended by inserting the following subparagraph after subparagraph 6 of the first paragraph:

“(6.1) the harvest of timber to supply a wood processing plant, provided the plant is not otherwise authorized under this Act;”.

**11.** Section 76 of the Act is amended by replacing the first paragraph by the following paragraph:

“**76.** If not otherwise set by regulation of the Minister, the dues payable by the permit holder are based on the rates set by the timber marketing board for timber purchased by holders of a timber supply guarantee.”

**12.** Section 77 of the Act is replaced by the following section:

“**77.** The term of permits other than a sugar bush management permit and a permit to harvest timber to supply a wood processing plant is set by the Minister; it may not exceed 12 months.”

**13.** Section 80 of the Act is amended by inserting “general” before “provisions applicable”.

**14.** The Act is amended by inserting the following after section 86:

“ii.1. — *Special provisions respecting the harvest of timber to supply a wood processing plant*

“**86.1.** In addition to the general provisions applicable to all forestry permits, a permit to harvest timber to supply a wood processing plant is governed in particular by the following provisions.

“**86.2.** Only legal persons and bodies that do not hold a wood processing plant operating permit and are not related within the meaning of the Taxation Act (chapter I-3) to the holder of such a permit are eligible to obtain a permit to harvest timber to supply a wood processing plant.

The conditions set out in the first paragraph do not apply where the permit requested is solely for the harvest of the forest biomass.

For the purposes of the second paragraph, the forest biomass consists of unmerchantable igneous matter resulting from forest development activities or from short rotation plantations for energy production, excluding stumps and roots.

**“86.3.** The Minister issues the permit if the allowable cut is sufficient, if the volumes of timber available on the open market are large enough to assess the market value of timber from the forests in the domain of the State, and if the Minister is of the opinion that it is in the public interest and in keeping with the principle of sustainable development.

**“86.4.** The term of the permit is five years. The Minister may nonetheless issue a permit for a shorter period if the Minister deems this necessary to facilitate forest planning in development units.

**“86.5.** The Minister enters permits in a public register that the Minister establishes and keeps up to date.

The Minister publishes a notice of each entry in the *Gazette officielle du Québec*, setting out in the notice the permit registration number, the name of the permit holder and the annual volumes of timber, by species or group of species, that may be harvested by the permit holder in each development unit concerned.

**“86.6.** Despite section 78, a permit issued for the harvest of timber to supply a wood processing plant is not transferable.”

**15.** Section 87 of the Act is amended by inserting the following paragraph after paragraph 2:

“(2.1) define, for permits other than a sugar bush management permit, the conditions of the permit that may be revised while it is in effect and at the time of its renewal;”.

**16.** Section 88 of the Act is amended

(1) by replacing “the amount from sales of the timber” in the third paragraph by “the amounts owing for timber purchased under the guarantee”;

(2) by replacing “receiving order” in the fourth paragraph by “bankruptcy order”.

**17.** Section 89 of the Act is amended by replacing “the annual volumes of timber guaranteed for each species or group of species for each region concerned” in the second paragraph by “the annual volumes of timber for each species or group of species that the guarantee holder may purchase from each region concerned”.



**18.** Section 90 of the Act is amended by replacing the second paragraph by the following paragraph:

“It specifies the annual volumes of timber for each species or group of species that the holder may purchase from each region concerned.”

**19.** Section 91 of the Act is amended

(1) by replacing the introductory clause of the first paragraph by:

“**91.** The annual volumes of timber that the holder may purchase under the guarantee are residual volumes determined by the Minister, taking into account”;

(2) by replacing subparagraph 2 of the first paragraph by the following subparagraph:

“(2) other available sources of supply, such as timber from private forests or from outside Québec, chips, sawdust, shavings, recycled wood fibres, timber that may be harvested by holders of a permit to harvest timber to supply a wood processing plant as well as timber from local forests and from other forests in the domain of the State covered by a management delegation agreement.”;

(3) by replacing “the Minister intends to guarantee” at the end of the second paragraph by “the Minister intends to specify in the guarantee”.

**20.** Section 93 of the Act is amended by striking out “guaranteed” wherever it appears.

**21.** The heading of subdivision iii of subdivision 2 of Division VI of Chapter VI of Title II of the Act, preceding section 95, is replaced by the following heading:

“iii. — *Annual royalty and price of timber*”.

**22.** Section 96 of the Act is amended by replacing “acquis” in the French text by “achetés”.

**23.** The heading of subdivision iv of subdivision 2 of Division VI of Chapter VI of Title II of the Act, preceding section 98, is replaced by the following heading:

“iv. — *Waiver of right to purchase annual volumes of timber*”.

**24.** Section 98 of the Act is amended by replacing “all or part of its right to guaranteed volumes of timber for the year” by “all or part of its right to the annual volumes of timber specified in the guarantee for the year”.

**25.** Section 100 of the Act is amended by replacing the first paragraph by the following paragraph:

**“100.** The Minister establishes and sends to the holder of the timber supply guarantee a calendar of the dates on which the holder is to decide whether or not to purchase part of the annual volumes of timber specified in the guarantee.”

**26.** Section 101 of the Act is amended by striking out “garantis” in the French text.

**27.** Section 102 of the Act is replaced by the following section:

**“102.** Timber to which the guarantee holder waived or is deemed to have waived the right may, as the Minister determines, be left standing, be sold by the timber marketing board or be sold to one or more other wood processing plants at the rates set by the timber marketing board.”

**28.** Section 103 of the Act is amended

(1) by replacing “the holder was not able to acquire all the guaranteed annual volumes of timber” in the first paragraph by “part of the annual volumes of timber specified in the guarantee could not be sold to the holder”;

(2) by replacing the last sentence of the second paragraph by the following sentence: “If there is more than one guarantee holder entitled to them, the volumes of timber are divided among the guarantee holders in proportion to the volumes that could not be sold to them.”

**29.** The Act is amended by inserting the following after section 103:

“v.1. — *Purchase of annual volumes of timber*

**“103.1.** The purchase of all or part of the annual volumes of timber by the holder of a timber supply guarantee is evidenced in a contract.

The contract specifies, by species or group of species, the volumes of timber purchased by the guarantee holder and the areas from which the timber comes. It also specifies whether the sale was of standing or harvested timber.

The contract is not transferable.

**“103.2.** The Minister may not be held liable for damage caused to the holder of a timber supply guarantee resulting from the holder’s delivering only part of the timber provided for in the timber sales contract if, in the course of a year, part of the volumes of timber purchased by the holder under the guarantee could not be delivered because of

(1) the variable quantity of minor or under-represented species in a region, which species, according to the best available information, should have been found in the forest operations zones specified in the operational plan for integrated forest development, such as Eastern white cedar, white and red pine, red oak and eastern hemlock;

(2) timber left in forest operations zones that should have been harvested by the designated holders under this Act, the regulations and the applicable silvicultural prescriptions;

(3) harvest integration problems due to holders' waiving their right to purchase part of the annual volumes of timber specified in their guarantee or due to the cancellation or suspension of guarantees involving the volumes covered by the annual program; or

(4) differences of opinion related to the performance of an integration agreement.

*“v.2. — Harvesting volumes of wood purchased*

**“103.3.** Subject to subparagraphs 2 and 3 of the third paragraph of section 103.7, holders of a timber supply guarantee are responsible for harvesting the standing timber they purchase.

**“103.4.** The rights and obligations of guarantee holders with regard to the harvest of the standing timber they purchase are set out in an agreement entered into with the Minister.

The harvest agreement specifies the forest operations zones where the timber is to be harvested and sets out the conditions for harvesting and for the other forest development activities related to this responsibility. It also sets out the other commitments the guarantee holder must meet and the penalties for failure to meet the applicable obligations.

In addition, it contains rules respecting the annual program of forest development activities as the latter are set out in the operational plan for integrated forest development, as well as rules that govern, in the forest operations zones concerned, the harvest of timber not intended for the guarantee holder.

The information in the agreement must be available to the public.

**“103.5.** The Minister may refuse to allow a guarantee holder responsible for harvesting timber to carry out the harvest if the holder has previously failed to comply with the conditions of a forest development plan, a prior forest harvest agreement, the standards applicable to forest development activities or any other obligation under this Act or the regulations.

**“103.6.** All the guarantee holders responsible for the harvest in the forest operations zones specified in a harvest agreement must sign the agreement. The agreement must specify which of the guarantee holders is to carry out the harvest in each of the forest operations zones.

Only the designated guarantee holders are required to carry out the harvest, but each of the other guarantee holders party to the agreement is liable for carrying out the forest development activities specified in the agreement as if each were bound as solidary surety. In addition, all guarantee holders party to the agreement are solidarily responsible for applying the corrective measures required by the Minister under the second paragraph of section 65 and, in a case of failure to comply, for the payment of the costs incurred by the Minister pursuant to that paragraph.

The guarantee holders designated to carry out the harvest represent all the guarantee holders party to the agreement in their relations with the Minister, unless other persons have been designated for that purpose. They act as contact persons with the Minister with respect to forest operations and, if applicable, inform the Minister of any difficulties encountered or apprehended in forest operations zones with regard to forest planning.

**“103.7.** However, a harvest agreement to which two or more guarantee holders are party may not be entered into unless it is demonstrated that an integration agreement has been signed by all the guarantee holders concerned and, if applicable, by the holders of a permit to harvest timber to supply a wood processing plant that are authorized to harvest timber in the forest operations zones concerned.

The integration agreement sets out the mechanisms ensuring harvest integration and timber transportation and the manner in which decisions are to be made and disputes settled on harvest integration and timber transportation and on the allocation of their costs.

If it cannot be demonstrated that an integration agreement has been signed by all the guarantee and permit holders concerned within the time determined by the Minister, the Minister may, with regard to the forest operations zones involved, make any of the following decisions:

(1) in accordance with section 103.8, submit or allow to be submitted for arbitration any dispute that prevents the integration agreement from being entered into and that involves an object of the integration agreement, and, despite the first paragraph of this section, enter into a harvest agreement with all the guarantee holders concerned if the Minister believes that the dispute is not such as to significantly compromise harvest integration;

(2) carry out the harvest or have it carried out by forest development enterprises, in accordance with the first paragraph of section 62, or allow the harvest to be carried out by such enterprises within the framework of a management delegation agreement entered into under section 17.22 of the Act

respecting the Ministère des Ressources naturelles et de la Faune (chapter M-25.2); or

(3) leave the timber standing or allow the timber to be marketed by the timber marketing board and, in those cases, subtract from the contract for the sale of standing timber of the guarantee holders concerned the volumes they were required to harvest in the forest operations zones involved.

The reduction of the volumes of timber referred to in subparagraph 3 of the third paragraph does not give the guarantee holder the right to an indemnity. These volumes are deemed to be volumes to which the guarantee holder waived all rights and may not be reclaimed by the holder in subsequent years.

**“103.8.** The arbitration referred to in subparagraph 1 of the third paragraph of section 103.7 is governed by Book VII of the Code of Civil Procedure (chapter C-25) or in accordance with a decision-making and dispute-settlement mechanism the Minister may impose on all the guarantee and permit holders concerned.

However, if the guarantee and permit holders concerned have already agreed on another mechanism, one of them may, with the Minister’s consent and in accordance with the mechanism, submit the dispute to arbitration under those terms.

The decisions made under a decision-making and dispute-settlement mechanism operate as stipulations agreed upon by the parties with regard to the object of the dispute.”

**30.** Section 104 of the Act is amended

(1) by adding the following sentence at the end of the first paragraph: “However, it may be granted for a shorter period if the Minister deems this necessary to facilitate forest planning in development units.”;

(2) by replacing “it is renewed for the same period every five years” in the second paragraph by “it is renewed, at expiry, for a period of five years, and subsequently for the same period every five years”.

**31.** Section 105 of the Act is amended

(1) by replacing “including the guaranteed annual volumes of timber and the forest from which the timber may be purchased” in the first paragraph by “including the annual volumes of timber that the guarantee holder may purchase and the forest from which they come”;

(2) by replacing subparagraph 2 of the second paragraph by the following subparagraph:

“(2) other available sources of supply, such as timber from private forests or from outside Québec, chips, sawdust, shavings, recycled wood fibres, timber that may be harvested by holders of a permit to harvest timber to supply a wood processing plant as well as timber from local forests and timber from other forests in the domain of the State covered by a management delegation agreement;”;

(3) by inserting the following subparagraphs after subparagraph 4 of the second paragraph:

“(4.1) the constraints and the wood fibre losses associated with harvest integration, the volumes of timber used for purposes other than the supply of wood processing plants, such as firewood harvested for domestic or commercial purposes, and any other factor that may reduce the volume available at the time of harvest;

“(4.2) the physical characteristics of the timber that limit its use by certain categories of wood processing plants, notably the size of the timber in relation to the type of products made;”;

(4) by replacing “the Minister intends to guarantee” at the end of the third paragraph by “the Minister intends to specify in the guarantee”.

**32.** Section 106 of the Act is amended by replacing “the guaranteed annual volumes of timber” in the first paragraph by “the annual volumes of timber specified in the holder’s guarantee”.

**33.** Section 107 of the Act is amended by replacing “guaranteed annual volumes” by “annual volumes of timber specified in their guarantees”.

**34.** Section 109 of the Act is amended by replacing subparagraph 2 of the first paragraph by the following subparagraph:

“(2) if the guarantee holder fails to pay the annual royalty or the amounts payable for timber purchased under the guarantee on time;”.

**35.** Section 110 of the Act is amended by striking out “guaranteed” in the second paragraph.

**36.** Section 112 of the Act is amended by replacing “receiving order” in paragraph 2 by “bankruptcy order”.

**37.** Section 113 of the Act is amended by replacing the last sentence of the second paragraph in the French text by the following sentence: “Ce montant est établi au prorata des volumes de bois que le bénéficiaire avait encore le droit d’acheter avant la fin de l’année.”

**38.** Section 114 of the Act is replaced by the following section:

**“114.** If the Minister terminates a timber supply guarantee, the Minister may, for the time remaining before the next five-year review of allowable cuts, decide that the timber allocated to the guarantee holder be left standing, request the timber marketing board to market the timber, or sell the timber to one or more other wood processing plants at the rates set by the timber marketing board.”

**39.** Section 116 of the Act is replaced by the following:

**“116.** The Minister may, by regulation, determine the terms and schedules for the payment of the annual royalty and the timber purchased by the guarantee holder under the timber supply guarantee.

*“§3. — Indemnity payable for certain infrastructures established by the holder of a timber supply guarantee or the holder of a permit to harvest timber to supply a wood processing plant*

**“116.1.** The holder of a timber supply guarantee may obtain an indemnity, on the conditions prescribed by section 116.2, for the roads, bridges and forest camps the holder establishes under a plan developed by the Minister if, pursuant to a statute or for reasons of public interest, the forest area on which the infrastructures stand is no longer intended for forest production.

An indemnity may also be granted to the guarantee holder, on the same conditions, if the forest area on which the infrastructures stand has been integrated into a local forest or a forest operations zone whose timber is to be sold on the open market.

**“116.2.** The Government grants a fair and equitable indemnity to guarantee holders who demonstrate that they have suffered a loss, to cover infrastructures costs for which no subsidies or credits were granted.

The indemnity is based, in particular, on the net value of the infrastructures after depreciation and on the vouchers submitted. It may be paid to the guarantee holder in a lump sum, credited to the purchase of volumes of timber under the holder’s guarantee, or paid in any other manner determined by the Government.

**“116.3.** This subdivision applies, on the same conditions, to holders of forestry permits issued for the harvest of timber to supply a wood processing plant.”

**40.** Section 120 of the Act is amended

(1) by replacing “the market value of timber offered for sale to holders of timber supply guarantees” in subparagraph 12 of the first paragraph by “the market value of timber purchased by holders of a timber supply guarantee”;

(2) by replacing the second paragraph by the following paragraph:

“The marketing manual, the value of forest development activities, the rates used to set the annual royalty that must be paid by the holder of a timber supply guarantee and the price of timber purchased by such a holder under the guarantee, the instruction manual for scaling timber and the conversion factors are all made public by the timber marketing board.”

**41.** Section 122 of the Act is amended by inserting “, holders of permits to harvest timber to supply a wood processing plant” after “holders of timber supply guarantees” in the first sentence.

**42.** The Act is amended by inserting the following section after section 125:

**“125.1.** Interest is charged on any unpaid balance of amounts owing on purchases made on the open market from the thirtieth day following the date of billing, at the rate determined for a debt owed to the State under section 28 of the Tax Administration Act (chapter A-6.002). Interest is capitalized monthly.”

**43.** Section 126 of the Act is amended by replacing “timber offered to holders of timber supply guarantees” in paragraph 1 by “timber purchased under a timber supply guarantee”.

**44.** Section 177 of the Act is amended by replacing “the dues on the timber or the amount from the sales of guaranteed timber” in the first paragraph by “the dues or amounts owing on the timber”.

**45.** Sections 181 and 182 of the Act are replaced by the following sections:

**“181.** The Minister may certify a non-profit organization as a forest protection organization mandated to protect an area defined by the Minister from forest fires.

The organization is responsible for organizing forest fire protection in the area for which it is certified. It fulfills its duties in accordance with the policy directions and directives set out by the Minister.

**“181.1.** The general by-laws of the forest protection organization must include

- (1) rules concerning membership dues;
- (2) rules of ethics and professional conduct applicable to the members of the board of directors and to the officers and members of the committees to which the board of directors delegates powers;
- (3) penalties for failure to comply with the rules of ethics and professional conduct; and
- (4) rules concerning the funding of its activities.



The by-laws and any amendments to them must be submitted for approval to the Minister before being ratified by the members. The Minister may approve them with or without changes.

**“182.** The forest protection organization prepares, in accordance with the Minister’s requirements, a framework plan for the prevention and suppression of forest fires in the area for which it is certified. The plan must define the intensive protection zone and state, among other things, the number of people, the equipment and the means the organization intends to use to prevent and suppress forest fires.

The plan is submitted to the Minister for approval within the time determined by the Minister, who may approve it with or without changes. If the organization fails to send the plan to the Minister within the prescribed time, the Minister establishes the plan at the expense of the organization or its members.

The organization must keep the plan up to date until a new plan is required by the Minister. Updates of the plan and any changes are submitted for approval to the Minister.”

**46.** Section 183 of the Act is amended by replacing the first and second paragraphs by the following paragraph:

**“183.** The following persons must be members of the forest protection organization certified by the Minister:

(1) holders of a timber supply guarantee for the regions covered by the guarantee and included in the intensive protection zone defined in the framework plan;

(2) holders of a permit to harvest timber to supply a wood processing plant for the development units covered by the permit and included in such a zone;

(3) managers of local forests and any other delegatee for the area covered by a management delegation agreement and included in such a zone; and

(4) owners of a private forest consisting of a single block of 800 hectares or more, as regards the part of the forest included in such a zone.”

**47.** The Act is amended by inserting the following sections after section 187:

**“187.1.** The books and accounts of the forest protection organization are audited every year by external auditors. The remuneration of the external auditors is borne by the organization.

**“187.2.** Within four months after the end of each fiscal year, the forest protection organization must send the Minister the audit report on its books and accounts, its financial statements and an activity report. The financial

statements and activity report must contain all the information required by the Minister.

**“187.3.** Before the beginning of each fiscal year, the forest protection organization sends its budget estimates for the following fiscal year to the Minister in the manner prescribed by the Minister.

**“187.4.** The forest protection organization must also provide the Minister with any information on its activities.”

**48.** Sections 196 and 197 of the Act are replaced by the following sections:

**“196.** The Minister may certify a non-profit organization as a forest protection organization mandated to protect an area defined by the Minister against destructive insects and cryptogamic diseases.

The organization is responsible for organizing the protection of forests against such insects and diseases in the area for which it is certified. It fulfills its duties in accordance with the policy directions and directives set out by the Minister.

**“196.1.** The general by-laws of the forest protection organization must include

- (1) rules concerning membership dues;
- (2) rules of ethics and professional conduct applicable to the members of its board of directors and to the officers and members of the committees to which the board of directors delegates powers;
- (3) penalties for failure to comply with the rules of ethics and professional conduct; and
- (4) rules concerning the funding of its activities.

The by-laws and any amendments to them are submitted for approval to the Minister before being ratified by the members. The Minister may approve them with or without changes.

**“197.** The forest protection organization prepares, in accordance with the Minister’s requirements, a framework plan for the protection of forests against destructive insects and cryptogamic diseases in the area for which it is certified. The plan must define the area to be protected and state, among other things, the number of people, the equipment and the means the organization intends to use to prepare and implement action plans.

The plan is submitted to the Minister for approval within the time determined by the Minister, who may approve it with or without changes. If the organization

fails to send the Minister the plan within the prescribed time, the Minister establishes the plan at the expense of the organization or its members.

The organization must keep the plan up to date until a new plan is required by the Minister. Updates of the plan and any changes are submitted for approval to the Minister.”

**49.** Section 198 of the Act is amended by replacing the first and second paragraphs by the following paragraph:

**“198.** The following persons must be members of the forest protection organization certified by the Minister:

(1) holders of a timber supply guarantee for the regions covered by the guarantee and included in the protected area defined in the framework plan;

(2) holders of a permit to harvest timber to supply a wood processing plant for the development units covered by the permit and included in such a protected area; and

(3) managers of local forests and any other delegatee for the area covered by a management delegation agreement and included in such a protected area.”

**50.** Section 199 of the Act is amended by replacing “for the area in question” in the first paragraph by “for the area defined by the Minister”.

**51.** The Act is amended by inserting the following sections after section 202:

**“202.1.** The books and accounts of the forest protection organization are audited every year by external auditors. The remuneration of the external auditors is borne by the organization.

**“202.2.** Within four months after the end of each fiscal year, the forest protection organization must send the Minister the audit report on its books and accounts, its financial statements and an activity report. The financial statements and activity report must contain all the information required by the Minister.

**“202.3.** Before the beginning of each fiscal year, the forest protection organization sends its budget estimates for the following fiscal year to the Minister in the manner prescribed by the Minister.

**“202.4.** The forest protection organization must also provide the Minister with any information on its activities.”

**52.** Section 225 of the Act is replaced by the following section:

**“225.** The following persons and bodies must provide the Minister with the information and documents the Minister considers necessary to prepare the review:

- (1) holders of timber supply guarantees;
- (2) holders of permits to harvest timber to supply a wood processing plant;
- (3) managers of a local forest and any other delegates party to a management delegation agreement under section 17.22 of the Act respecting the Ministère des Ressources naturelles et de la Faune (chapter M-25.2); and
- (4) public bodies referred to in the first paragraph of section 3 of the Act respecting Access to documents held by public bodies and the Protection of personal information (chapter A-2.1).”

**53.** Section 228 of the Act is amended by replacing “cutting areas identified on the forestry permit, forest operations contract or agreement or the applicable forest development plan” by “forest operations zones where cutting is authorized”.

**54.** Section 230 of the Act is amended

- (1) by striking out “or a timber supply guarantee” and “or guarantee”;
- (2) by adding the following paragraph:

“The holder of a timber supply guarantee who ships or allows to be shipped to a destination other than the processing plant specified in the guarantee timber the guarantee holder purchased under the guarantee, unless authorized to do so under this Act, is also guilty of an offence and liable to the same fine.”

**55.** Section 231 of the Act is amended by replacing “set out in this Act or a standard or condition required under the person’s forestry permit, forest operations contract or agreement or the applicable forest development plan” by “to which the person is subject under this Act”.

**56.** Section 337 of the Act is replaced by the following section:

**“337.** Cancellation of the agreements does not give agreement holders the right to an indemnity.

However, holders of a timber supply and forest management agreement and holders of a forest management agreement are entitled, respectively,

- (1) to obtain a timber supply guarantee on the conditions set out in Division II of this chapter; and

(2) to obtain a forestry permit to harvest timber to supply a wood processing plant or to enter into a local forest management delegation agreement on the conditions set out in Division III of this chapter.”

**57.** Sections 339 and 340 of the Act are replaced by the following sections:

**“339.** The annual volumes of timber to which an agreement holder is entitled are set by the Minister after the Minister has revised, in accordance with this section, the volumes specified in the agreement holder’s agreement.

After giving the agreement holder an opportunity to submit observations, the Minister revises the volumes provided for in the agreement, taking into account

- (1) the requirements of the wood processing plant;
- (2) other available supply sources, such as timber from private forests or from outside Québec, chips, sawdust, shavings, recycled wood fibres and timber from other sources in forests in the domain of the State;
- (3) the volumes of timber, by origin, used by the plant between 1 April 2003 and 31 March 2007;
- (4) the allowable cuts assigned to the development units by the chief forester;
- (5) all the forest development activities carried on in the development units under the agreement holder’s agreement since 1 April 2008, and especially the impact of those activities on the state of conservation of the forest and the forest resources and the effectiveness of the silvicultural treatments and the other protection and conservation measures applied in the development units;
- (6) the constraints and the wood fibre losses associated with harvest integration, the volumes of timber used for purposes other than the supply of wood processing plants, such as firewood harvested for domestic or commercial purposes, and any other factor that may reduce the volume available at the time of harvest; and
- (7) the physical characteristics of the timber that limit its use by certain categories of wood processing plants, notably the size of the timber in relation to the type of products made.

No increase in volume may be allocated to an agreement holder in a development unit pursuant to a revision if the Minister is of the opinion that the forest development activities carried out in the unit were unsatisfactory, taking into account the factors mentioned in subparagraph 5 of the second paragraph.

If a development unit is covered by more than one agreement and the allowable cut assigned to the unit has been reduced, the Minister may choose

to vary the reduction in volume from one agreement holder to another for the species or group of species concerned, taking into account the impact such action may have on regional or local economic activity.

The timber made available under this section may be left standing or reserved either for the purposes set out in paragraphs 1 and 2 of section 341 or with a view to supplying wood processing plants.

**“340.** The Minister sets the annual volumes of timber for each agreement holder by reducing, by a percentage determined by the Minister, the part of the revised volumes of timber that exceeds the following volumes:

(1) 100,000 cubic metres for species from the fir, spruce, jack pine, larch (FSPL) group allocated to the agreement holder; or

(2) 25,000 cubic metres for all other species and groups of species combined, allocated to the agreement holder.

The reduction may vary from one agreement holder to another depending on the species or group of species concerned or depending on whether all or part of the areas from which the timber comes is concerned.

The Minister makes public the reduction rates determined under this section.”

**58.** Section 341 of the Act is amended by replacing the introductory clause by the following:

**“341.** The timber reserved by the Minister for the purposes of this section and made available under section 339, and the reductions in volume made by the Minister under section 340, must ensure that a sufficient quantity of timber remains”.

**59.** Section 342 of the Act is amended by replacing “the guaranteed annual volumes of timber, by species or group of species, to which an agreement holder is entitled in each of the regions the Minister identifies” in the first paragraph by “the annual volumes of timber, by species or group of species, the agreement holder is entitled to purchase from each region covered by the guarantee”.

**60.** Section 343 of the Act is amended by adding the following sentence at the end of the second paragraph: “However, the guarantees and related juridical acts, including timber sales contracts and harvest agreements, may validly be entered into before that date.”

**61.** The Act is amended by replacing Division III of Chapter I of Title XI, comprising sections 344 to 346, by the following division:

### **“DIVISION III**

#### **“PROVISIONS GIVING ENTITLEMENT TO A PERMIT TO HARVEST TIMBER TO SUPPLY A WOOD PROCESSING PLANT OR TO A LOCAL FOREST MANAGEMENT DELEGATION AGREEMENT**

**“344.** The holder of a forest management agreement is entitled to obtain a permit to harvest timber to supply a wood processing plant for 1 April 2013, unless the holder waives such entitlement in writing before that date.

**“345.** The annual volumes of timber are set out in the permit by the Minister once the Minister has revised the volumes of timber provided for in the agreement holder’s agreement.

After giving the agreement holder an opportunity to submit observations, the Minister makes the revision, taking into account the factors mentioned in subparagraphs 4 to 6 of the second paragraph of section 339.

**“346.** Before 31 March 2015, the Minister must offer the permit holder an opportunity to replace all or part of the permit by an agreement to delegate to the permit holder the management of an area identified as a local forest.

The permit holder must inform the Minister of the holder’s desire to enter into such an agreement or to retain all or part of the permit. If applicable, the permit holder also informs the Minister of the areas the holder wishes to see identified as local forests.

**“346.1.** The identification of land areas as local forests is governed by subdivision 2 of Division II.2 of the Act respecting the Ministère des Ressources naturelles et de la Faune (chapter M-25.2).

The Minister makes a decision, taking into account how close the area is to the territory of the municipality or the Native community concerned.

The management delegation agreement is entered in accordance with subdivision 3 of Division II.2 of the Act respecting the Ministère des Ressources naturelles et de la Faune.”

### **LABOUR CODE**

**62.** Section 1 of the Labour Code (chapter C-27) is amended by replacing paragraph *n* by the following paragraph:

“(n) “logging operations”: all activities in the forest related to the felling and harvest of timber, including cutting, cross-cutting, barking, hauling, piling and loading, but excluding highway transportation of timber;”.

**63.** Sections 2, 7 and 8 of the Code are repealed.

**64.** The Code is amended by inserting the following after section 111.22:

## “CHAPTER V.2

### “SPECIAL PROVISIONS APPLICABLE TO LOGGING OPERATIONS

**“111.23.** For the purposes of Chapters II and III, a logging operator is deemed to be the employer of all the employees assigned to logging operations involving the volumes of standing timber that the logging operator purchased under the timber supply guarantee or, in the case of a forest producer that supplies a wood processing plant from a private woodlot, all employees assigned to logging operations on that woodlot.

Despite the first paragraph, where two or more holders of a timber supply guarantee must conclude an integration agreement under section 103.7 of the Sustainable Forest Development Act (chapter A-18.1), they must identify, by an accord and within the time period fixed by the Minister of Natural Resources and Wildlife to prove the existence of the integration agreement, the deemed employer or employers, for the purposes of Chapters II and III, of the employees assigned to logging operations involving the volumes of standing timber which the guarantee holders purchased under their respective supply guarantees for the forest operations zones covered by the integration agreement. To that end, they may allocate responsibilities by specific forest operations zones or by the logging operations for which they assume responsibility, as long as each employee is able to identify his deemed employer. In all cases, the deemed employer may be one of the guarantee holders designated to carry out the harvest, a group comprising some or all of the guarantee holders concerned, or an employers' association.

The accord referred to in the second paragraph must be sent, within the same time period, to the Minister of Natural Resources and Wildlife, the Minister of Labour, and the Commission. If the guarantee holders fail to reach such an accord or fail to send it to the proper authorities on time, the Minister of Natural Resources and Wildlife informs the Minister of Labour of the fact, who in turn submits the matter to the Commission so that it may designate a deemed employer after allowing the guarantee holders to make observations, in accordance with the procedure required by the Commission.

This section does not apply where it is not the logging operator who harvests the standing timber purchased, in accordance with section 103.5 or subparagraph 2 of the third paragraph of section 103.7 of the Sustainable Forest Development Act. Neither does it apply to employees who are members of a cooperative that carries out logging operations.

**“111.24.** A change in the deemed employer that is due to an accord or to a decision of the Commission under section 111.23 constitutes a transfer of part of the operation of the undertaking and entails the application of the first and second paragraphs of section 45.

Section 45.2 does not apply to such a transfer. However, a collective agreement that has not expired on the effective date of the transfer under the first paragraph expires on the date of its prescribed expiry or 24 months after the date of transfer, whichever occurs first.



Section 46 applies, with the necessary modifications, in cases of difficulties arising out of the application of this section.

**“111.25.** In logging operations, the premises set aside for employees’ meals are not considered places of employment and no meeting may be held in the premises set aside as employees’ living quarters.

**“111.26.** Subject to the Sustainable Forest Development Act (chapter A-18.1), the logging operator or the owner of any land where logging operations are carried on must allow any representative of an association of employees holding a permit issued by the Commission in accordance with the regulations made for such purpose under section 138 to enter on the land and to have access to the logging camp.

The operator must supply the representative with food and shelter at the price fixed for the employees by regulation under the Act respecting labour standards (chapter N-1.1).

On the written application of an employee, the logging operator shall advance to the employee the sum required as first dues to an association of employees, provided that the employee has that amount to his credit.

The written authorization given by an employee to withhold from his salary the above amount constitutes a payment within the meaning of subparagraph *c* of the first paragraph of section 36.1; the employer must remit to the association indicated, within the following month, the amounts so withheld accompanied with a memorandum of the list of names.

This section does not apply to logging operations carried on by a farm producer on his own property.”

**65.** Schedule I to the Code is amended by adding the following paragraph at the end:

“(31) section 71 of the Act to amend the Sustainable Forest Development Act and other legislative provisions (*insert the year and chapter number of this Act*).”

## ACT RESPECTING THE MINISTÈRE DES RESSOURCES NATURELLES ET DE LA FAUNE

**66.** Section 17.12.15 of the Act respecting the Ministère des Ressources naturelles et de la Faune (chapter M-25.2) is amended by inserting the following subparagraph after subparagraph 1 of the first paragraph:

“(1.1) the contributions from forest resource management delegates that are party to a management delegation agreement entered into under section 17.22, paid to the Minister under section 17.24.1;”.

**67.** Section 17.13 of the Act, amended by section 316 of chapter 3 of the statutes of 2010, is again amended by adding the following paragraph:

“Such a program identifies the regulatory powers assigned to the Government and provided for in the Act respecting the lands in the domain of the State (chapter T-8.1) and the Sustainable Forest Development Act (chapter A-18.1) that the Minister may, for the purposes of the implementation of the program, delegate to a municipality, in accordance with section 17.22.”

**68.** Section 17.22 of the Act is amended

(1) by striking out “and, in the case of a municipality, the exercise of regulatory powers” at the end of the first paragraph;

(2) by adding the following sentence at the end of the first paragraph: “Management delegated to a municipality may include the exercise of regulatory powers assigned to the Minister under the Acts under the responsibility of the Minister or assigned to the Government under the Act respecting the lands in the domain of the State (chapter T-8.1) or the Sustainable Forest Development Act (chapter A-18.1) but only, in the latter case, to the extent and in the manner provided for in a program prepared under section 17.13.”;

(3) by replacing the second paragraph by the following paragraph:

“The Minister may also delegate to those groups, by agreement, the management of a program the Minister devises under paragraph 3 or 16.6 of section 12. The same applies to a program the Minister prepares under section 17.13, to the extent and in the manner provided for in the program.”

**69.** Section 17.23 of the Act is amended by adding the following subparagraph after subparagraph 8 of the first paragraph:

“(9) if the delegatee is a regional county municipality, the delegated powers that may be subdelegated to a local municipality whose territory is included in that of the regional county municipality, as well as the terms governing the subdelegation.”

**70.** The Act is amended by adding the following sections after section 17.24:

**“17.24.1.** Forest resource management delegates must, in accordance with the terms determined by ministerial regulation, pay a contribution to the Minister for the funding of the goods and services available to them, in particular for activities related to the management or sustainable development of the area covered by the delegation or for other activities carried out in the area that may be financed by the sustainable forest development component of the Natural Resources Fund.

The contribution is established on the basis of a percentage of the revenues generated by the activities carried out in the area covered by the delegation,

minus management costs for the area, or on the basis of any other computation rule determined by ministerial regulation.

**“17.24.2.** The Minister may, by regulation,

(1) set the percentage of revenues generated by the activities carried out in an area covered by a delegation, on the basis of which the contribution to be paid by a forest resource management delegatee must be established, or determine any other computation rule to establish the contribution;

(2) determine the terms of payment of the contribution the forest resource management delegatee must make to the Minister, as well as the documents and information the manager must send to the Minister.”

#### TRANSITIONAL AND FINAL PROVISIONS

**71.** Any timber supply guarantee issued under section 338 of the Sustainable Forest Development Act (chapter A-18.1) to the holder of a timber supply and forest management agreement issued under the Forest Act (chapter F-4.1) entails the maintenance of the certified association and of the collective agreement in force on 1 April 2013.

The Commission des relations du travail may, on a motion, resolve any difficulty arising from the application of this section and, where necessary, from the application of sections 111.23 and 111.24 of the Labour Code (chapter C-27) that this section entails.

The provisions of the Labour Code having to do with the Commission des relations du travail, its commissioners, their decisions and the exercise of their functions apply, with the necessary modifications.

**72.** Unless the context indicates otherwise and subject to the necessary modifications, in any by-law, regulation, order in council, order, contract or other document, a reference to section 7 or 8 of the Labour Code is a reference, respectively, to section 111.25 or 111.26 of that Code.

**73.** This Act comes into force on (*insert the date of assent to this Act*), except sections 1, 2, 8 to 15, 39, 43 to 55, 62 to 68 and 70 to 72, which come into force on 1 April 2013 or on any earlier date or dates to be set by the Government.

