



Q&A #2 Pre Harvest Waste Assessment process and Special Forest Products

Background:

The purpose of this paper is to capture the questions received from industry and government staff regarding the administration of Pre Harvest Waste Assessment (PHWA) process and Special Forest Products (SFP) during a number of information sessions rolled out across the interior during the week of August, 8 2016 and answers to those questions where possible. As this file unfolds and as appropriate, further clarification of the process and answers to questions will be provided.

Objectives of the PHWA/SFP Process:

As referenced in previous documents the PHWA process is being implemented as per the direction of the Premier's mandate letter to Minister Thomson and the Forestry Fibre Working Group and the Fibre Action Plan (short term action items under actions #10 & 13). A copy of the plan and further information can be found at the following site.

<https://www.for.gov.bc.ca/hth/timber-tenures/forest-fibre-action-plan.htm>

This process has been developed with the following objectives:

- 1) Industry and government agreed to cooperatively implement a process to further facilitate increased utilization of lower quality timber. The intent of this policy is to realize less timber remaining on a site than would have otherwise occurred, had the PHWA/SFP process not been authorized.
- 2) The process is being provided as a new tool to both industry and government to increase low value timber utilization while not diminishing take or pay policy, cut control or stewardship objectives.
- 3) It is also understood that government, when reviewing the activities undertaken by industry to meet these objectives, will be administered in a way that balances the second objective above against this desire to achieve improved utilization.
- 4) The process is voluntary for industry.
- 5) The District Manager has the authority to approve or not approve a PHWA/SFP authorization and the authority to cancel the authorization or remove individual blocks from the authorization at any time, if in their view industry is not meeting the overall objectives as outlined in this paper.



6) No special forest products (SFP) authorized under this initiative will be manufactured into a product other than the product for which it has been authorized. (e.g. chip or post and rail SFP)

Questions/Answers:

1) The policy is predicated on supporting concurrent harvest. Concurrent harvest is not an issue for my operations; can I still apply for PHWA?

A: Yes.

2) Are there any timing constraints when harvest of the PHWA volume must occur once approval has been granted?

A: No, however if harvest of a block is declared completed without any SFP material being delivered to a secondary manufacturing facility (SMF) the licensee must contact the District Manager, request cancellation of the authorization for the block whereupon a waste survey is required to be completed using a method consistent with the Waste Manual not including the PHWA method.

3) How does the process provide for blocks to be added or removed from the authorization?

A: For blocks approved by the District Manager, the historic waste survey will be entered into the waste system and the district will review it for completeness in order to update the waste block status to approved. Once primary harvest has been reported as complete by the licensee to the District Manager and the SFP material has been delivered, the district can notify the regional staff that the block is ready to bill.

If the licensee or District Manager determines that an eligible block identified as a PHWA block will not meet the principles outlined above they must request cancellation of the block authorization, in which case the district will request that the waste block status be changed from approved to deactivated in the waste system. In which case the licensee completes a waste survey using a method consistent with the Waste Manual not including the PHWA method.

Licensees may request the District Manager add blocks to an authorization where they meet the objectives stated above. Bundling requests for block additions is requested for administrative efficiencies.

4) Currently it is proposed that only blocks where no cutting has occurred will be eligible to be included in an authorization. Can eligibility be the date of 'first delivery' from a block



to maximize the immediate residue fibre utilization benefit?

A: Yes blocks can be eligible if cutting has occurred but no timber has been removed from the block.

5) Under this new proposal Woodlots are not eligible for the first term of the pilot. I would like to grandfather Woodlots where they are already moving fibre in this fashion.

A: Yes, contact the District Manager. The annual volume harvested by a woodlot under the benchmarks is very low; for administrative reasons the ministry is limiting these tenures for the first term of the pilot, except for those tenures that have been grandfathered.

6 If after the licensee has reported primary logging complete on a block and the District Manager determines the objectives of the PHWA have not been met what actions could occur?

A: The District Manager may cancel the authorization for that block and depending on the circumstances, other blocks within the authorization. The historic waste survey in approved status would not be billed and the licensee would be instructed to complete a waste survey using a method consistent with the Waste Manual not including the PHWA method.

7) What happens if the Load description slip (LDS) on a Special Forest Products load is delivered without a correct cut block identifier?

The licensee scale site timber weigher is responsible for ensuring the LDS block description is consistent with the block description as identified on the cutting permit document. If this is not achieved the timber weigher will make the necessary inquiries to get the correct information just as with any load that is missing required information. If LDS slips are consistently submitted incorrectly, the District Manager will determine the scope of the missing block identification and may cancel the authorization for the block. Licensees should consider developing a process for the scaler to follow if there are loads delivered with an incorrect or missing block description.

8) What scaling methods are available to sample the PHWA material?

A: Any approved methods of scale, which include the efficiencies gained by sub-sampling such as grapple sampling.

9) Can licensees develop their own ratio (Chip /Hog fuel) instead of the using the provincial average.

A: Yes. See section 12.8 Woodchips and Hogged Tree Material in the scaling manual. Contact Area staff for review and approval.



10) How will the sample stratification process work?

A: During the initial phase of this pilot project TPB will determine the delivered incidental sawlog grade volume relative to the cap volume and implement billing processes in a largely non-automated manner. As such, the Ministry Area Scaling staff responsible for the administration of stratum plans will be requesting that licensees limit the number of stratum as much as possible in order to meet the business needs of both industry and government. The strata descriptions must also be designed so that different business practices are possible (eg: different bucking specifications) but those different business practices do not result in transfer of costs onto other operators (eg. incidental sawlog volumes above the cap due to those different bucking specifications). The objective is to create a limited number of strata per licensee which describes the profile of the SFP deliveries. One suggestion to achieve this balance is for 2 – 1 stratum for fine loads (small tops, Grades 6 and Z) and 1 stratum for coarse loads (pulp logs, Grades 4 and Z).

11) Can a block that is under a PHWA Authorization deliver loads into a non-SFP stratum and an SFP stratum?

A: Yes, contact Area Staff for approval of an appropriate sample plan.

12) How will the historic waste tables get updated?

A: At the end of first year of the pilot, TPB will lead a review of the process and determine next steps. One of those steps may be to add the PWHA/SFP data into the historic waste table dataset. Other Fibre Action Plan initiatives such as the review of waste benchmarks and the waste measurement standards will also be considered in any changes to the current PHWA/SFP process.

13) Under our current permits we deliver sawlog & pulp log grade volumes concurrently (eg: volume to a pulp mill and volume to an OSB mill) but do not enjoy the SFP rate on the volume of incidental sawlog under the benchmark. Why does this current operational process not simply provide the SFP rate rather than having to switch their entire operating plan into a PHWA Authorization?

A: The process to support this recommendation is under review.

14: I will be transporting SFP material to a single scale site that provides timber to both a primary sawmill and to one or more secondary fibre facilities (eg: OSB plant and bioenergy facility). How will I provide assurances to Ministry staff that SFP material is well managed to safeguard against possible mixing of SFP material into the saw mill?

As has been done for keeping grade 4 cut control credit volumes accounted for in sawmill log



yards Industry should develop a site plan that can be shared with Ministry staff that outlines their standard operating processes (SOPs) in safeguarding against processing any SFP material in the saw mill. Actions could be employed such as painting SFP loads, and separate decking procedures etc.

15) Can I apply for grade 4 cut control credits against the PHWA scale?

The Ministry has determined that as the timber reported in the historic waste survey will be charged to cut control and that traditionally special forest product timber is not charged to cut control, that timber authorized under the PHWA is not eligible for the cut control credit.

16) Can I apply this process to on-site grinding operations?

In principle this appears to be a viable opportunity, however before the Ministry can authorize this process, appropriate (on block) scaling and reporting guidelines need to be developed. The licensee should contact the appropriate Area scaling staff for further direction.

17) I have business need (i.e. pellet product) to allow low value residual material to remain on site for a period of time after completion of primary harvest (possibly several years) to dry (ie: not concurrent fibre movement). As long as the material is removed from the site within the time limits identified within the cutting authority, is this an acceptable practice for a PHWA authorization?

Yes.