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December 20, 2019

#### BY EMAIL

To: Regional Executive Directors

From: Allan Bennett, Director, Timber Pricing Branch

Re: Amendment No. 2 – December 23, 2019 Provincial Logging Residue and Waste Measurement Procedures Manual – Coast, Woodlot Licences, and Community Forest Agreements

**Timber Pricing Branch** 

I hereby approve Amendment No. 2 to the *Provincial Logging Residue and Waste Measurement Procedures Manual – Coast Woodlot Licences, and Community Forests*, and attached a copy for your use.

The purpose of this amendment is to add clarity on the application of the Fibre Recovery Zone waste rates.

Amendment No. 2 comes into effect December 23, 2019.

<u>Provincial Logging Residue and Waste Measurements Procedure Manual - Coast, Woodlot</u> Licenses and Community Forest Agreements

Allan W. Bennett, RPF

Director

**Timber Pricing Branch** 

pc: Jim Schafthuizen, Executive Director, Timber Operations and First Nations Division,

Keith Tudor, Manager, Timber Measurements

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# Amendment No. 2 - Provincial Logging Residue and Waste Procedures Manual - Coast, Woodlot Licences, and Community Forest Agreements Highlights

Section, Table or Appendix Number	Comment
1.2.3	Updated definition of Fibre Recovery
	Zone
2.4.2	Clarified that cutblock areas outside of
	FRZ must be sampled separately from
	areas inside FRZ
7.4.1.2	Added clarity on applicability of waste
	rates within Fibre Recovery Zones
Appendix 5	Clarified rounding requirement for
	benchmark calculation
Appendix 8	Updated flow chart

#### 1.2.2 Rationale

The right to harvest Crown timber is granted in the form of agreements under the *Forest Act*.

The licensee has the discretion of whether or not to harvest the timber from the agreement area subject to the forest management standards required.

Pursuant to the *Forest Act*, an agreement holder must pay stumpage for timber that was harvested.

Under the *Forest Act* and the agreements, the licensee must pay a waste assessment for merchantable timber not harvested and for timber deemed to be wasted.

#### 1.2.3 Definitions

"Waste" means timber, except timber reserved from cutting, whether standing or felled, which meets or exceeds the timber merchantability specifications described for the Coast and the Interior in this manual that was not removed from the cutting authority area.

"Unavoidable waste" means waste that:

- i. is inaccessible or physically obstructed;
- ii. could not be felled, bucked or removed due to safety or environmental reasons.

"Avoidable waste" means waste that does not fall within the definition of unavoidable waste.

"Fibre Recovery Zone" means the area that is within the geographic boundaries of a Fibre Recovery Zone established by the director of Forest Tenures Branch.

- i. Fibre Recovery Zones are subdivided into three units: Immature Crown Timber, Mature and Immature Crown Timber, and Mature Crown Timber.
- ii. The location(s) of Fibre Recovery Zone(s) may be found online at: <a href="https://www2.gov.bc.ca/gov/content/industry/forestry/competitive-forest-industry/timber-pricing/forest-residue-waste">https://www2.gov.bc.ca/gov/content/industry/forestry/competitive-forest-industry/timber-pricing/forest-residue-waste</a>
- iii. The map is provided as a general spatial representation of the Fibre Recovery Zone boundaries.
- iv. To determine if an area of interest falls within a Fibre Recovery Zone, please refer to the:
  WHSE ADMIN BOUNDARIES.FADM FIBRE RECOVERY ZONES
  SP layer located in the BC Geographic Warehouse.

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## 2.4 Reporting Unit Options

- 1. Blocks are reported in the Waste System using a 'Reporting Unit' that is unique to the license owner of the block(s). A Reporting Unit is a reporting mechanism to store and report waste information. Reporting Units can be created for the following reporting options:
  - a. the cutblock option used to report a waste assessment area.
  - b. the aggregate option used to report a group of blocks using the parent/child method or a Pre Harvest Waste Assessment.
  - c. the ocular estimate option used to report a group of blocks using only ocular estimate submissions.

#### 2.4.1 Waste Assessment Area

A waste assessment area can be either a cutblock, or a portion of a cutblock submitted in a waste assessment.

Cutblocks containing both helicopter and conventional harvest methods must be separated into two waste assessment areas and sampled separately in the Coast Area.

Waste assessments may be submitted as separate waste assessment areas for each year of harvest when the harvest of a cutblock has occurred over multiple years.

# 2.4.2 Fibre Recovery Zone Cutblocks

Waste assessments for cutblocks in which the portion of the block area is within a Fibre Recovery Zone must be surveyed as two waste assessment areas, with one assessment area within a Fibre Recovery Zone and the other assessment area outside of a Fibre Recovery Zone.

# 2.4.3 Cutblock Option

- 1. Where the holder of an agreement uses the cutblock option, each cutblock is a separate reporting unit.
- 2. Each cutblock must be sampled in accordance with the number of plots required to meet the approved sampling error objective that applies to that cutblock as required in Chapter 4 of this manual.

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- 3. Cutblocks with No Harvesting and No Harvesting has Occurred on the Cutting Authority
- 4. If there has been no harvesting on the cutblock, and there has been no harvesting on the cutting authority, then waste billings do not apply to cutblocks upon expiry, surrender, termination or cancellation of the cutting authority, as the case may be.

### 7.4.1.2 Waste Rate Within a Fibre Recovery Zone

1. Applicability of Waste Rates

Waste assessment areas with any portion of the harvest area located within a Fibre Recovery Zone (FRZ) will be billed using the waste rate derived in this section.

The items listed below are not subject to a Fibre Recovery Zone waste rate and are billed using the procedure in section 7.4.1.1:

- i. All avoidable cedar waste volume,
- ii. Areas within a Fibre Recovery Zone harvested using helicopter logging methods, and
- iii. Forestry licences to cut with stumpage rates determined under Chapter 7 of the *Coast Appraisal Manual*, master license to cut and occupant license to cut.
- 2. The Coast Fibre Recovery Zone has geographic boundaries for Immature, Mature and Immature, and Mature Crown Timber. The applicability of these boundaries is based on:
  - i. The FRZ boundaries in effect on the date the waste survey is initially submitted into the Waste System, and
  - ii. The maturity of the cutblock as assessed under the timber merchantability specifications in section 1.2.

For a waste assessment area to be considered within an FRZ, the maturity of the cutblock must be the same as the FRZ geographic boundaries it is contained within. For example:

- A mature cutblock in a mature FRZ is in the FRZ
- A mature cutblock in an immature FRZ is not in the FRZ
- iii. Refer to Appendix 8 Waste Benchmarks in the Coast Area and Fibre Recovery Zone (FRZ) Waste Rates for guidance on application.

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# 2. Waste Benchmarks for Mature Blocks in the Coast Area with More Than One Conventional Harvest Method

- a. Mature cutblocks in the Coast Area containing more than one conventional harvest method will receive a prorated benchmark. The benchmark will be based on the harvest method volumes submitted in an appraisal data submission as outlined in the *Coast Appraisal Manual*.
- b. For cutting authorities that do not require harvest method submission in the appraisal submission, the harvest method proration will be based on harvest method area, submitted with the waste assessment and signed off by a forest professional.
- c. The benchmark will be calculated as follows and rounded to the nearest whole number:

Where:

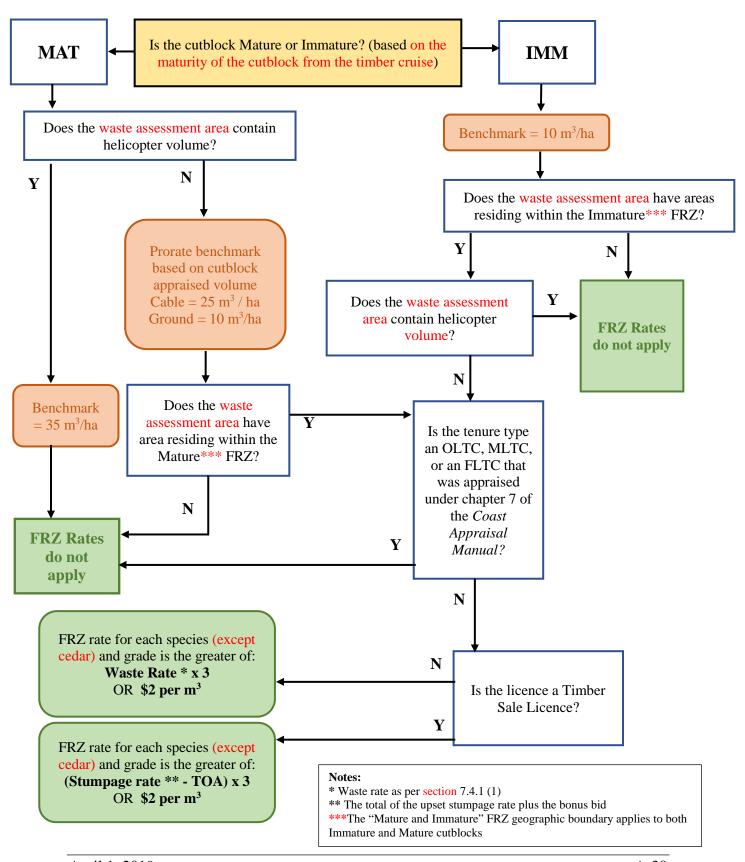
CY = cable yarding value

GS = ground skidding value

SL = Skyline Logging value

- d. Where only a portion of a cutblock is being surveyed and submitted, the proration will be based on the harvest values for the entire cutblock being surveyed regardless of which portions are harvested.
- e. Benchmark proration calculations must be attached in the waste system for each waste assessment area.

# Appendix 8 Waste Benchmarks in the Coast Area and Fibre Recovery Zone (FRZ) Waste Rates



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