

SPECIAL FOREST PRODUCTS ADMINISTRATIVE GUIDE

Forest Tenures Branch

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1.0 Purpose of this Administrative Guide

The *Forest Act* (the Act) deals with authorizing and administering the harvesting of timber from Crown land. The majority of the Act focusses on the harvesting of timber in the form of logs. Subject to an approval under section 94.1 of the Act, the manufacturing of logs into other products (special forest products (SFP)) is prohibited prior to the logs being scaled and billed. SFP are defined under the Special Forest Products Regulation to include products such as firewood, shakes, woodchips and hog fuel, as well as other specified products.

Section 94.1 of the Act provides the framework for allowing timber to be manufactured into a SFP on-block or at a manufacturing facility prior to being scaled. This framework provides for the scaling of timber after the manufacturing into the SFP instead of requiring scaling of the timber while in log form.

The purpose of this paper is to provide a summary of the legislation and policies that guide the approval and administration of the manufacturing, scaling, and transporting SFPs.

2.0 Forest Act Provisions

Section 94 of the Act prohibits the manufacturing of or selling or transporting of timber cut from Crown land to a site other than a scale site before it is scaled, unless otherwise exempted.

Section 94.1 enables timber to be manufactured into a SFP at the site at which it has been felled and to be scaled and transported as a SFP if the following conditions have been met:

- 1. The person has been authorized by the Minister to process timber into a SPF.
- 2. A waste assessment for the timber has been approved by the Minister.
- 3. The SFP is scaled at a site designated by the Minister, which may be the site at which the timber is manufactured into the SFP.

In an authorization under this section, the Minister may attach conditions and may attach, remove or alter a condition on the authorization at any time.

Timber that is not authorized for scaling and manufacturing in accordance with this section must be scaled in log form as per section 94 of the Act.

3.0 Defining SFPs

SFPs are defined through the Special Forest Products Regulation.

Special Forest Products Regulation

The following products are designated as SFPs under the Regulation¹:

- (a) Christmas trees.
- (b) Firewood.
- (c) Mining timbers.
- (d) Stakes and sticks.
- (e) Cants.
- (f) Posts and rails (split and round).
- (g) Shake and shingle bolts, blocks, and blanks.
- (h) Shakes.
- (i) Woodchips.
- (j) Hogged tree material.

4.0 Tenure Considerations for SFPs

The authority to manufacture and transport of SFPs can be in accordance with:

- 1. Cutting authorities other than forestry licences to cut
- 2. Forestry licence to cut (FLTC)
- 3. Fibre recovery tenures

4.1 Cutting Authorities (other than Forestry Licences to Cut)

- Approval to manufacture SFPs can be part of a cutting authority that grants the right to harvest specific Crown timber.
- This includes cutting permits under all forms of agreements (i.e. tree farm licence; woodlot licence) or stand-alone licences such as a timber sale licence under which the holder does not require a cutting permit to harvest.
- Pursuant to section 94.1 of the Act, the Minister may approve a request of the holder of the cutting authority to manufacture SFP at the place where the timber is to be or was felled.
- An authorization under section 94.1 of the Act would enable the manufacture of SFP by the holder of the tenure, or a third party with whom the holder has contracted).
- An authorization may be part of the original cutting authority (see Appendix 1) or be issued as a separate approval to the holder of the tenure by the Minister.

¹ Current to February 22, 2022

• An authorization may apply to the whole or part of the cutting authority.

Some examples of how districts have been using SFPs to support business to business arrangements:

- North Island shake blocks and shingles
- Interior hog fuel operation

4.2 Forestry Licences to Cut

- A FLTC is used to cover a wide variety of purposes including but not limited to small scale salvage, decked timber and community wildfire fuel reduction purposes.
- A FLTC can grant the authority to do one or more of the following: harvest Crown timber; cut Crown timber; remove Crown timber or process and remove Crown timber.
- Therefore, certain FLTCs may include the authority to process Crown timber into certain products.
- The requirements established under section 94.1 of the Act should be addressed in the provisions of the FLTC otherwise a separate approval under section 94.1 of the Act will be required.
- Those products must then be scaled, marked, and priced accordingly as a SFP in accordance with the requirements set by the Minister.

4.3 Fibre Recovery Tenures

- A Fibre Recovery Tenure (FRT) refers to a Fibre Forestry Licence to Cut (section 47.6(2.11) of the Act) or a fibre recovery permit under a Fibre Supply Licence to Cut (section 47.71 of the Act).
- A FRT is issued over an existing or expired cutting authority.
- It is used in cases where residual fibre remains on a harvested cutblock; the primary harvester has given notice that is willing to abandon its rights to residual fibre; and the Minister has ordered that fibre as abandoned pursuant to section 79.1 of the Act (Fibre Recovery Process).
- An order by the Minister that the fibre is abandoned results in the rights held by the primary harvester to the fibre being cancelled.
- The FRT authorizes the holder to process felled timber into chips or other products and remove those products.
- Fibre approved for processing into a SFP under a FRT must be scaled, marked, and priced accordingly as a SFP in accordance with an approval under section 94.1 of the Act.

5.0 Requirement for Waste Assessment

One of the requirements that must be met to allow the manufacturing of SFPs is that a waste assessment on the harvested cutblock must have been approved. Section 12 of the Scaling Manual states that in order to facilitate the timely recovery of post-harvest material from accumulations for SFPs, the waste assessment requirement will be met if:

"the accumulations waste volume and grade data have been entered into the Ministry Waste System and accepted by the district manager including a map that identifies those accumulations that have been waste assessed."

This does not alter the requirements in the *Provincial Logging Residue and Waste Measurement Procedures Manual* and for the licensee to conduct assessments and meet timelines for submission.

If a waste assessment has not been completed on the timber left on the cutting authority area, the *BC Metric Scaling* rules apply, and any fibre being removed must be scaled and graded as timber.

6.0 Scaling

If the requirements of section 94.1(3) of the Act, including any conditions attached by the Minister, have been met, the Crown timber can be manufactured into, scaled, and transported as a SFP. All SFPs are required to be scaled and recorded by an authorized scaler. Manufacturing into SFP may occur at the harvest site or at another site authorized by the Minister.

Section 12 of the provincial <u>Timber Scaling Manual</u> includes detailed descriptions of the individual SFPs and outlines the scaling method to be used for that SFP. The Scaling Administration chapter of the Timber Scaling Manual provides more information on scaling authorizations.

The underlying objective of SFP measurement is to determine the net firmwood volume of the products. A notable exception is Christmas trees, which require a piece count by species and length category.

Recording the scale is a three step process:

- Scale results are recorded to a scaler's tally sheet,
- Tallies are summarized to a scale summary, and
- Documents are submitted to the ministry (See section 11 of the Provincial Scaling Manual for detailed information on forms completion and submission).

If it is considered necessary to avoid unreasonable delays or costs, the Minister may order that:

- A. timber that is required to be scaled by an official scaler or a forest service scaler may be scaled by a licensed scaler who is not an official scaler or a forest service scaler or by an acting scaler, and
- B. timber that is required to be scaled by a licensed scaler may be scaled by an acting scaler.

The ministry <u>Form FS222</u> is used for the record of scale for all SFP except Christmas trees. The ministry <u>Form FS200</u> is used for Christmas trees.

7.0 Timber Marking and Transportation

A single timber mark is issued for each cutting permit or licence and it is used to mark all Crown timber harvested under the authority as well as any SPFs manufactured from that timber.

Section 84 of the Act requires unscaled timber that is stored in decks or being transported to be marked in the prescribed manner. The Timber Marking and Transport Regulation specifies the marking requirements for transporting timber and SFPs.

The timber marking requirements for SFPs are the same as for timber. That is, all products must be conspicuously marked at the area of origin prior to any transportation off the area.

However, if the marking requirements are not practical in the circumstances, an exemption under section 84(5) of the Act may be granted which may include conditions such as the requirement to carry specific documentation (i.e. load slips; Record of Purchase of a SFP, FS200).

8.0 Pricing

The Act and regulations require stumpage to be paid on SFPs (see Part 7 of the Act and the Timber Definition Regulation).

Scaled volumes are processed through the ministry's harvest billing system and are billed accordingly.

For the interior of the Province, stumpage rates for SFP are identified in Table 6-7 of Section 6.6 of the Interior Appraisal Manual.

For the coastal regions of the Province, stumpage rates for SFP are identified in Table 7-2 of Section 7.9 of the <u>Coastal Appraisal Manual</u>.

9.0 Important Links

Forest Act Special Forest Product Regulation Timber Definition Regulation Provincial Timber Scaling Manual Forest Tenures Branch Timber Pricing Forest Residue and Waste Timber Marking and Transportation Regulation

Appendix 1: Authorizing the manufacture of special forest products

The following clauses should be included in the cutting authority or included in a separate memo from the district manager to the holder of the licence.

- 1. The holder of the licence is authorized to manufacture timber into the following special forest products:
 - А.
 - B.
 - C.
- 2. Any special forest product authorized for manufacture under this Cutting Authority must conform to the description for that special forest product under the Provincial Scaling Manual.
- 3. The holder of the licence may only manufacture timber into a special forest product after a waste assessment for the cutblock has been approved by the district manager in accordance with the Provincial Logging Residue and Waste Procedures Manual.
- 4. Special forest products may be scaled at the following locations (choose as applicable):
 - A. On any cutblock under this cutting authority (Exhibit A).
 - B. The following designated scale sites (need to specify).
 - C. At the location (to be specified) where the special forest products are being manufactured.
- 5. The authority granted under paragraph 4 is applicable to (choose):
 - A. The entire area under this cutting permit; or
 - B. Specify cutblock or an area of a cutblock (FTA cutblock identifier).
- 6. All special forest products must be scaled in accordance with the Provincial Scaling Manual.
- 7. (Choose if applicable) Pursuant to section 84(5) of the *Forest Act*, unscaled timber that is subject to this authorization is exempt from (section 84(1) or (3) (need to choose which one) on the following conditions:
 - A. A person transporting the special forest product must possess a written record of the material being transported (Load Description Slip) that includes all information set out in section 10 of the Timber Marketing and Transportation Regulation.

- B. When the special forest product is being transported, the holder of the timber mark, the transport operator and the receiver of the timber or the operator of the scale site to which the timber is being transported, are each required to ensure that the information on the Load Description Slip is accurate and complete.
- C. A person who is required by these conditions to carry or retain a copy of the written record must produce the record for inspection if requested to do so by a forest officer.
- 9. In accordance with section 94.1 of the *Forest Act*, the following conditions apply to the authorization to manufacture special forest products under this Cutting Permit:
 A. (include any additional conditions if any i.e. timeframes and location of fibre).
- 10. This approval may be cancelled at any time on written notice to the holder of the licence.