



**Pilot Pre Harvest Waste Assessment
Process Review and Requirements Summary**

Prepared by Timber Pricing Branch

Updated August 23, 2016

This paper has been updated to reflect feedback received during a number of presentations held across the interior during the week of August 8, 2016. Further information is available on a questions and answer document posted at [Forest Residue and Waste](#).

Purpose:

The purpose of this paper is to provide information to the FFWG: Sub Group on action item 13 “Review the proposal to move Waste Measurements Offsite to Secondary Users Scale site” described in the September 4, 2015 document “Increasing The Efficiency of Fibre Utilization in BC: Fibre Utilization Implementation Plan in Response to Minister Thomson’s 2015 [Forestry Fibre Action plan](#).” The specific action item is to review the proposal to augment existing Waste Measurement data with Secondary User offsite scale site data.

Background:

The general process outlined below was cooperatively developed by FLNR South Area, Kootenay Boundary District and Zellstoff Celgar and has been modified by Timber Pricing Branch (TPB) to meet legislated requirements and increase the consistency and efficiency in scale/waste data management involved in this initiative. This new model is being described as the pre-harvest waste assessment (PHWA) process and is being developed as a short term temporary measure to assist in meeting government’s commitment to increase fibre utilization until more durable policy solutions are developed. This process is being rolled out as a pilot and at this time only applies to the interior. The information contained in this paper is for general information only; the process is authorized in the *Provincial Logging Residue and Waste Measurements Procedures Manual*.

Allied with this initiative are the ongoing TPB commitments to:

Medium Term:

- Item 10: Review the Pricing of Lower Quality Fibre
- Item 11: Review of Waste Benchmarks
- Item 12: Conduct a review of the policies and procedures of Measuring Waste including the use of the dry grades in waste measurements
- Item 6: Review the proposal to expand the use of Cruise-based billing.

Long Term: Update legislation to support the increase in fibre utilization

Short Term: the FFWG Subgroup will lead work on this issue but with the technical components of this paper reviewed by the Interior Market Pricing Technical Committee (I-MPS Tech WG)

and the Coast Timber Pricing Advisory Committee (CTPAC). Medium and longer term solutions will be addressed by the I-MPS Tech WG and CTPAC with input from the FFWG.

General Overview:

In order to support item 13 Timber Pricing Branch (TPB) is initiating changes to the *Provincial Logging Residue and Waste Measurement Procedures Manual* and associated systems to support transitioning to ‘single pass’ harvesting for both sawlog and special forest products (SFP) as defined in this paper. “Single pass’ includes ‘multi-pass concurrent’ movement of sawlog and SFP fibre in the context that both types of fibre move on a cut block before primary harvesting is declared complete by the licensee.

Eligibility:

The process is available to all major licenses as defined under s.1 of the *Forest Act*, Section 20 Timber Sale Licences and Community Forest Agreements where no cutting has occurred on a cut block, or where cutting has occurred but timber has not been removed from a cut block. Other tenures may be considered for inclusion in the pilot after further review. Timber Sales Licences (TSL) that have elected cyclic billing are not eligible for the first term of this pilot.

Applications will only be accepted for new cutting authorities, blocks where no cutting has occurred, or blocks where cutting has occurred but timber has not been removed from the site where:

1. a waste survey is required under take or pay policy, and
2. upon application and approval for a special forest products rate the volume will be delivered to an authorized scale site. The site may be located at a secondary manufacturing facility (SMF) or primary manufacturing facility (PMF). All SFP authorized timber, irrespective of authorized site (Primary or Secondary) must be manufactured into one or more of the authorized SFPs and may not in any manner be re-inventoried, sorted or resold.

Process Overview:

Primary licensee reviews the PHWA requirements and determines there exists an opportunity to concurrently transport residual timber to a SMF while undertaking primary harvest operations.

The primary licensee will be required to submit an “historic waste assessment” into the waste system to fulfill the requirements of *Forest Act (94.1)* and thus allow concurrent harvest of both sawlogs and SFPs. The historic waste tables were developed from interior waste data by block from 2010-2015.

This means the licensee, upon application and approval of a PHWA SFP Authorization by the District Manager (DM) will submit a historic waste assessment into the waste system prior to harvesting the block. The PHWA SFP Authorization allows the licensee to concurrently transport SFP to a SMF or PMF subject to the conditions in the PHWA SFP authorization.

For this initiative SFP is defined as chip or hog fuel, or post and rail only and includes log form material that will be converted at the SMF/PMF into any of the authorized SFP products. Chips used to manufacture Oriented Strand Board are considered a SFP.

As per the current process licensees will contact Area Scaling staff to approve the stratum descriptions. As the current Harvest Billing System is unable to meet the stratification and billing requirements associated with the PHWA process, the normal weight scale population and stratum processes cannot be used at this time. In order to meet the business needs of industry and ministry billing administration, the number of strata must be limited in scope. The strata descriptions must also be designed so that different business practices are not penalized. 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). The final approval however lies with the Area Scaling staff.

The measurement and billing process for both conventional scale based billing and SFPs will remain unchanged; except that the SFP material delivered to an authorized site will be subject to the enhanced measurement procedures that will require reporting of the SFP material by grade and species, including dry timber. The load description slip must record the block identification that matches the waste block description.

The sample data process means recording grades 1, 2, 4, 6, Z and dry grade 4. This information will be collected on scale handhelds that will have to be modified by industry and TPB to accept grade code 5 as a surrogate for dry grade 4. Software vendors have been notified to include grade 5 in the grading table.

Sample data will be submitted to TPB using conventional scale data system protocols and will be used in the following manner:

1. the volumes and grade information will be used to better inform the volume and grade information used to manufacture SFP and may be used to update the historic waste tables and/or inform future waste benchmark policy.
2. the information will also be used to measure the volume of sawlog that is manufactured into a SFP. In order to limit the amount of sawlog that is manufactured into a SFP, the primary licensee will be subject to a cap on the volume of sawlog that will be billed at the SFP rate. This means that any sawlog volume above the cap will be subject to the SFP rate and in addition will be billed at the regular sawlog rate that is in effect at the time of delivery. The cap will be based on the existing waste benchmark values (4, 10 and 20m³/ha) as currently calculated for each block in the waste survey. As per the current policy the SFP volume (non-sawlog and sawlog grades below the cap) will not be applied to cut control, however any sawlog volume billed above the cap will be subject to cut control.

Volumes above the cap will be subject to annual billing procedures. This means that for the first year of this pilot TPB will calculate and issue a single invoice only, for all timber scaled as of April 30, 2017.

In addition, licensees will be required to complete and provide a final waste assessment when primary logging is complete and the SFP volume has been removed on the PHWA blocks as per the current waste standards. This information will not be submitted in the normal manner in the waste system, instead the licensee will submit the summary information directly to TPB using a template available on the TPB web site.

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The term for this initiative is from August 1, 2016 to and will run for three interior operational logging seasons until April 30, 2018. The information gathered will be assessed within the context of increasing utilization and will inform future timber utilization policy decisions. An effective start data for the coast is unknown at this time.