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May 1, 2019

**BY EMAIL**

To: Regional Executive Directors

**Re: Amendment No. 1 – May 1, 2019 Provincial Logging Residue and Waste Measurement Procedures Manual – Coast, Woodlot Licences, and Community Forest Agreements**

I hereby approve Amendment No. 1 to the *Provincial Logging Residue and Waste Measurement Procedures Manual – Coast Woodlot Licences, and Community Forest Agreements*. The following sections were amended.

Section, Table or Appendix Number	Comment
Section 1.2.3	Corrected typographical error
Section 7.4.1.2 (2)	Added clarity on applicability of cutblock maturity and the Fibre Recovery Zone
Section 7.4.1.2 (3)	Corrected typographical error
Appendix 3	Corrected typographical error
Appendix 5	Corrected typographical error
Appendix 8	Added clarity on applicability of cutblock maturity and the Fibre Recovery Zone

Amendment No. 1 comes into effect May 1, 2019, a copy is available at the following link:

[Provincial Logging Residue and Waste Measurements Procedure Manual - Coast, Woodlot Licenses and Community Forest Agreements](#)

Please contact Keith Tudor Manager, Timber Measurements, Timber Pricing Branch at 778-974-2462 if you have further questions.

Allan W. Bennett, RPF  
Director  
Timber Pricing Branch

## Regional Executive Directors

pc: Jim Schafthuizen, A/Executive Director, Forest Policy and Indigenous Relations Division  
Len Marsh, Director Pricing and Tenures, Regional Operations – South Area  
Jim Sayle, Director Pricing and Tenures, Regional Operations – North Area  
Jessica Ruskin, Director Pricing, Tenures and Administration – Coast Area  
Keith Tudor, Manager, Timber Measurements, Timber Pricing Branch  
Patrick Asante, Manager, Timber Pricing, Timber Pricing Branch  
Mary Mitchell, Provincial Residue and Log Salvage Policy Forester, Timber Pricing Branch  
Debbie Hartland, A/Provincial Waste Specialist, Timber Pricing Branch  
Carissa Logue A/Provincial Waste Specialist, Timber Pricing Branch

# TIMBER PRICING BRANCH

## Provincial Logging Residue and Waste Measurement Procedures Manual -Coast, Woodlot Licences, and Community Forest Agreements

Effective: April 1, 2019

**Includes Amendments**

**Amendment No. 1**

**Effective Dates**

**May 1, 2019**



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# **Amendment No. 1 - Provincial Logging Residue and Waste Procedures Manual - Coast, Woodlot Licences, and Community Forest Agreements Highlights**

<b>Section, Table or Appendix Number</b>	<b>Comment</b>
Section 1.2.3	Corrected typographical error
Section 7.4.1.2 (2)	Added clarity on applicability of cutblock maturity and the Fibre Recovery Zone
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## 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.

The location(s) of Fibre Recovery Zone(s) may be found online at:

<https://www2.gov.bc.ca/gov/content/industry/forestry/competitive-forest-industry/timber-pricing/forest-residue-waste>

The map is provided as a general spatial representation of the Fibre Recovery Zone boundaries. 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.

"Merchantable timber" means timber that meets or exceeds the timber merchantability specifications that are described in Table 1-1 for the Coast and in Table 1-2 for the Interior in this manual. Timber that is graded dry Y (5) or Z (Coast), graded dry 4, 6 or Z (Interior) is not merchantable.

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 will be billed using the waste rate derived in this section with the following exceptions:

- i. Areas within a Fibre Recovery Zone harvested using helicopter logging methods will not be subject to a Fibre Recovery Zone waste rate.
  - ii. 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 will not be subject to a Fibre Recovery Zone waste rate.
2. **The Coast Fibre Recovery Zone has both Mature and Immature geographic boundaries. The applicability of these boundaries is based on the maturity of the cutblock as assessed under the timber merchantability specifications in section 1.2. Refer to Appendix 8 Waste Benchmarks in the Coast Area and Fibre Recovery Zone (FRZ) Waste Rates for guidance on application.**

##### 3. Fibre Recovery Zone Waste Rate Calculation

The following rates will apply to waste from timber originating in a Fibre Recovery Zones:

- i. The avoidable conifer grade X, Y and grade U hemlock and balsam waste volumes will be billed at the rates applicable under section 1.2.4.1
- ii. Deciduous species within a Fibre Recovery Zone will be subject to the waste rate applicable under section 1.2.5
- iii. The waste rate for coniferous sawlog grades other than those listed in (i) for:
  - a. major licensees,
  - b. community forest agreements,
  - c. woodlot licenses,
  - d. road permits, and

- e. forestry licences to cut with stumpage rates **not** determined under Chapter 7 of the *Coast Appraisal Manual* will be the greater of:
  - \$2.00 per m3, or
  - the waste rate calculated for each species and grade under section **7.4.1.1** multiplied by 3.
  
- iv. The waste rate for timber sale licenses for coniferous sawlog grades other than those listed in (i) will be the greater of:
  - \$2.00 per m3, or
  - (Stumpage rate – obligation adjustment) x 3.

Where:

**Stumpage rate** = the total of the upset stumpage rate plus the bonus bid that must be paid by the licensee as per the *Coast Appraisal Manual* expressed in \$/m3

**Obligation adjustment** = the obligation adjustment \$/m3 for the district under Table 7-1 Timber Sales Licence Fibre Recovery Zone TOA adjustment values by district

Table 7-1. Timber Sales Licence Fibre Recovery Zone Obligation Adjustment Values by District

District	TOA adjustment \$/m3
DCK	28.23
DCR	25.06
DHG	32.14
DNC	42.24
DNI	25.29
DSC	23.98
DSI	24.78
DSQ	28.69

$$WR = ACASR$$

Where:

WR	=	Waste Rate for the cutblock.
ACASR	=	Average Cutting Authority Stumpage Rate over the four quarters preceding the expiry, surrender, termination or cancellation date.

Example 1

If Cutting Authority A (CP A) became effective on September 5, 2003, and expires on September 4, 2005, then the ACASR is the simple average of the four quarterly stumpage rates for CP A as at October 1, 2004, January 1, 2005, April 1, 2005 and July 1, 2005.

Example 2

If Cutting Authority B (CP B) became effective on April 20, 2005, and is surrendered on September 5, 2005, then the ACASR is the simple average of the April 20, 2005 and July 1, 2005 stumpage rates for CP B.

### A3.3 Coniferous Waste rates within a Fibre Recovery Zone

Refer to Section 7.4.1 of this manual.

### A3.4 Deciduous Waste Rate

1. Deciduous Waste Rate outside a Fibre Recovery Zone

For deciduous species, the waste rate is either the appraised rate, or if there is no appraised rate, use the specified fixed rate for the species in the *Coast or Interior Appraisal Manuals*, plus any bonus bid and levies where applicable.

2. Deciduous waste rate inside a Fibre Recovery Zone

The applicable waste rate is the rate under section 1.2.5.

### A3.5 Occupant Licence to Cut

For OLTCs that require the licensee to deck the timber but do not allow the licensee to remove the timber, the waste rate is based on the Average Sawlog Stumpage Rates by District and Species as per Section 7.1 of the *Coast Appraisal Manual* or Table 6-1, Average Sawlog Stumpage Rate by Forest Zone and Species in the *Interior Appraisal Manual*.



## 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:

$$\frac{(CY+SL)(25 \text{ m}^3/\text{ha}) + (GS)(10\text{m}^3/\text{ha})}{(CY+SL+GS)}$$

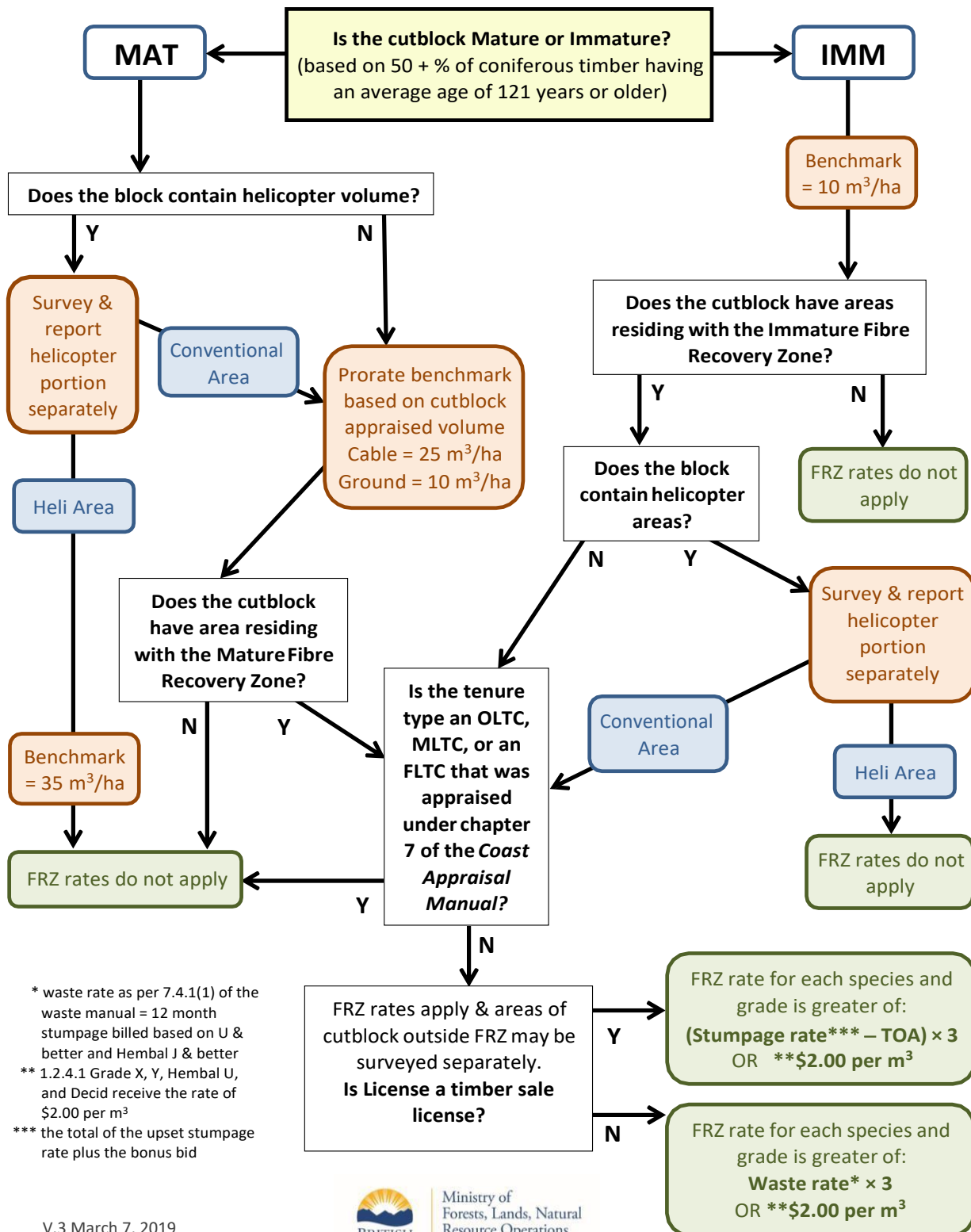
Where:

- 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



\* waste rate as per 7.4.1(1) of the waste manual = 12 month stumpage billed based on U & better and Hembal J & better  
 \*\* 1.2.4.1 Grade X, Y, Hembal U, and Decid receive the rate of \$2.00 per m³  
 \*\*\* the total of the upset stumpage rate plus the bonus bid

V.3 March 7, 2019



Note: The Immature and Mature FRZ geographic boundary applies to both Immature and Mature cutblocks