January 19, 2011

BY EMAIL

To: Regional Executive Directors

From: Murray Stech
       Director
       Pricing Branch

Re: Amendment No. 18 to the Provincial Logging Residue and Waste Measurement Procedures Manual

I hereby approve Amendment No. 18 to the Provincial Logging Residue and Waste Measurement Procedures Manual, and attach a copy for your use.

The purpose of this amendment is to amend the Waste Assessments Policy to clarify that factors related to the licensee’s financial situation and economic circumstances are excluded from consideration of waste relief.

This amendment comes into force on January 13, 2011.

Murray Stech
Director
Pricing Branch

Attachment
FOR FURTHER INFORMATION OR IF YOU HAVE A CHANGE OF ADDRESS, PLEASE CONTACT:

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MANUAL TITLE  

AMENDMENT  
Amendment No. 18

ISSUE DATE  
January 13, 2011

MANUAL CO-ORDINATOR  
Judy Laton  
Publications/Administrative Co-ordinator

AUTHORIZATION (Name, Title)  
Murray Stech  
Director, Timber Pricing Branch

Please make the following changes to your copy of the above Ministry manual.

<table>
<thead>
<tr>
<th>ACTION (Remove/Insert)</th>
<th>(VOL.) CHAPTER-SECTION-SUBJECT</th>
<th>TABLE OF CONTENTS</th>
<th>PAGE(S)</th>
<th>COMMENTS</th>
</tr>
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<tbody>
<tr>
<td>REMOVE</td>
<td>Chapter 1</td>
<td></td>
<td>1 - 8</td>
<td>After Chapter 1 Tab</td>
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<td>INSERT</td>
<td></td>
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<td>1 - 8</td>
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<tr>
<td>INSERT</td>
<td>Letter from Murray Stech, Director Transmittal Sheet</td>
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<td>After Amendments Tab</td>
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</table>
1.1 Waste Assessment Policy

This policy, in concert with the Provincial Logging Residue and Waste Measurement Procedures Manual, supports the concept of “take or pay” to the utilization of Crown timber. It cancels and replaces the Waste Assessments Policy dated October 1, 2010.

Scope

Merchantable Crown timber, whether standing or felled, that is not reserved from cutting and remains on site upon the completion of primary logging of each cutblock or at the expiry of the agreement or cutting permit is waste. The ministry will issue waste assessments charging for this waste subject to exceptions set out in waste relief below.

Policy

Waste assessments will apply to all cutblocks in the cutting permit if timber harvesting has occurred on any cutblock.

If the timber relates to a cutting permit that was appraised under the Interior Appraisal Manual and was accepted for surrender by the Ministry as part of the Interior Market Pricing System July 1, 2010 transition provisions, the timber in cut blocks where harvesting has not commenced are eligible for waste billing relief in accordance with the May 12, 2010 all licensees letter.

Waste assessments will be carried out in accordance with the Provincial Logging Residue and Waste Measurement Procedures Manual, as amended from time to time.

Figure 1.1 Waste Assessment Policy.
Waste Relief

A licensee may submit a request for waste relief to the district manager or timber sale manager.

The ADM, Forest Tenures and Timber Pricing Division may direct that no waste assessment will be issued to a licensee where:

(A) (1) (a) No waste assessment has been issued to the licensee for the timber on the cutting authority area, and

(b) In the opinion of the ADM the licensee left the timber on the cutting authority area because of circumstances that were:

(i) beyond the control of the licensee, and

(ii) unrelated to the licensee's:

(aa) financial situation; and,

(bb) economic circumstances.

(2) Some examples of circumstances in (1)(b)(i) where it would be reasonable for the ADM to exercise his or her discretion in favour of the licensee are as follows:

(a) Where the licensee is prevented from removing the timber from the cutting authority area by an act of God,

(b) Where the licensee is prevented from removing the timber from the cutting authority area by a physical barrier or a man made blockade over which the licensee has no control,

(c) Where the licensee is prevented from concluding harvesting operations prior to expiration of the cutting authority because of misinformation that an employee of the government has provided to the licensee with respect to the cutting authority provisions or the harvesting operations,

(d) Where the licensee is prevented from concluding harvesting operations prior to expiration of the cutting authority because land from the cutting authority has been set aside by agreement between the licensee and the government.
(B) The licensee held a fixed rate timber sale licence and where,

(a) The licensee authorized the harvesting of timber

(i) in the Coast Region and was entered into prior to November 1, 2008 and expired after November 1, 2008, or

(ii) in one of the Interior Regions and was entered into prior to September 1, 2007 and expired after September 1, 2007,

(b) Merchandable crown timber that was authorized for harvest under the licence, at the agreement holder’s discretion was not cut and removed,

(c) The timber is standing,

(d) In the opinion of the ADM the timber is of sufficient quantity, quality and concentrations that can be marketed at a reasonable price,

(e) In the opinion of the ADM the licensee has exhausted all of the licensee’s rights under the Forest Act to extend the term of the licence, and,

(f) The ministry has not issued a waste assessment for the timber to the licensee.

(C) The licensee held a cutting authority that was issued prior to June 1, 2004 and where,

(a) Merchandable crown timber that was authorized for harvest under the cutting authority, at the agreement holder’s discretion was not cut and removed,

(b) The timber is standing,

(c) In the opinion of the ADM the timber is of sufficient quantity, quality and concentrations that can be marketed at a reasonable price,

(d) In the opinion of the ADM the licensee has exhausted all the licensee’s rights under the Forest Act to extend the term of the licence, and,

(e) The ministry has not issued waste assessment for the timber to the licensee.
### Definitions

“Merchantable Timber” means timber that meets or exceeds the timber merchantability specifications in the *Provincial Logging Residue and Waste Measurement Procedures Manual*. Timber that is graded dry Y or Z (Coast), dry Grade 4, Grade 6 or Z (Interior) is not merchantable.

“Primary Logging” means the cutting of timber and the yarding of that timber to a central landing, roadside or drop area in a logging operation.

“Reserved Trees” means merchantable timber left after completion of primary logging that is reserved from cutting for silviculture, biodiversity or other specific forest management reasons.

“Timber Harvesting” means the felling or removal of timber other than on road rights-of-way or landings on a cut block.

“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 the *Provincial Logging Residue and Waste Measurement Procedures Manual*, that was not removed from the cutting authority area.

### Authority

Waste assessments are authorized under:

- Forest Act, sections: 13(3)(b), 14(d)(ii), 20(3)(ii), 22(f)(ii), 33(5)(ii), 35(c)(ii), 43.3(d)(ii), 43.7(2)(c)(ii), 43.8(c)(ii), 45(1)(d)(ii), 47.5(1)(ii), 47.7(f)(ii), 103.1, 118(c)(ii).

- Provisions for waste assessments are made in the agreements and/or cutting authorities.


### Responsibility

The district manager is responsible for conducting waste assessments on forestry licences to cut, occupant licences to cut, timber sale licences (non BC Timber Sales) and for conducting waste assessment check surveys.

The timber sales manager is responsible for conducting waste assessments on timber sale licences, forestry licences to cut and permits issued by BC Timber Sales, unless the agreement specifies that the agreement holder is responsible.

Holders of a major licence, woodlot licence, community forest agreement, community salvage licence, road permit or timber sale licence, where so specified in that timber sale licence, are responsible for conducting waste assessments on their licence(s).
Methods

Only those methods described in the Provincial Logging Residue and Waste Measurement Procedures Manual are to be used for conducting waste assessments.

Waste Classification

Waste is classified as either unavoidable or avoidable.

Unavoidable waste means waste that:

- is inaccessible or physically obstructed; or
- 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.

Reporting

Waste assessments must be completed and reported within the time periods specified in the Provincial Logging Residue and Waste Measurement Procedures Manual.

Waste Benchmarks

Monetary billings will only be made on the avoidable waste volumes in excess of the waste benchmarks established in the Provincial Logging Residue and Waste Measurement Procedures Manual.

Monetary Billing

Avoidable waste will be assessed according to the species and log grades.

Coniferous saw logs (Grade U or better all species and hemlock and balsam Grade J (Coast)); Grade 1 and Grade 2 (Interior) will be billed at the waste rate pertaining to the timber mark and derived in a method described in the Provincial Logging Residue and Waste Measurement Procedures Manual.

Grade U hemlock and balsam, coniferous Grade X, coniferous and deciduous Grade Y (Coast), and Grade 4 (Interior) will be billed at the rates established for these grades in either the Coast or Interior Appraisal Manual plus any bonus or levies where applicable.

Deciduous species graded saw log will be assessed using the appraised stand as a whole rate or where not available, the fixed rate for the species as specified in the Coast or Interior Appraisal Manual, plus any bonus or levies where applicable.

Assessment Submissions

Unless otherwise provided in the manual, completed waste assessments must be submitted by:

- a registered professional forester (RPF) or a registered forest technologist (RFT) registered with the Association of BC Forest Professionals; or
- a logging residue surveyor or a scaler, licensed by the Ministry of Forests.
References

- *Forest Act*
- *Provincial Logging Residue and Waste Measurement Procedures Manual*
1.2 Purpose and Rationale

1.2.1 Purpose

Waste assessments are carried out to bill licensees monetarily for timber except reserved timber, whether standing or felled, that was not removed from the cutting authority area and which meets or exceeds the timber merchantability specifications described below.

Table 1-1 Coast Timber Merchantability Specifications

<table>
<thead>
<tr>
<th>Description</th>
<th>Mature*</th>
<th>Immature*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stumps**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• no higher than</td>
<td>30 cm</td>
<td>30 cm</td>
</tr>
<tr>
<td>Top diameter (inside bark)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• all timber that meets or exceeds</td>
<td>15 cm</td>
<td>10 cm</td>
</tr>
<tr>
<td>Slab thickness:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• all slabs that meet or exceed (cedar only)</td>
<td>15 cm</td>
<td>10 cm</td>
</tr>
<tr>
<td>• all slabs that meet or exceed (all other species)</td>
<td>10 cm</td>
<td>10 cm</td>
</tr>
<tr>
<td>Minimum length</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• log or slab</td>
<td>3 m</td>
<td>3 m</td>
</tr>
</tbody>
</table>

*The selection of Mature or Immature is based on the determination of maturity in a timber cruise of the cutblock. Once a cutblock is determined to be "mature" in a cruise compilation (based on 50 + % of coniferous timber having an average age of 121 years or older and deciduous timber having an average age of 41 years or older), the Mature Timber Merchantable Specifications shall be used for waste measurement of all coniferous and deciduous timber left within the cutblock. Conversely where a cutblock belongs to immature in a cruise, the Immature Timber Merchantable Specifications shall be used for waste measurement of all coniferous and deciduous timber left within the cutblock.