

MINISTRY OF FORESTS, LANDS AND NATURAL RESOURCE OPERATIONS (FLNR)
FIBRE ACTION PLAN TO INCREASE USE OF WOOD RESIDUE

ACTION DESCRIPTION

1	Implement the Fibre Recovery Process	<p>The Fibre Recovery Process was a component of the work completed by the Forestry & Fibre Working Group (FFWG) and outlines various protocols to be followed by primary harvesters, secondary users' and FLNR staff that will lead to increased utilization of lower quality fibre that remains on a block after primary harvesting is complete. The Fibre Recovery Process largely relies on the close cooperation of primary harvester and secondary users. The overall objective is to increase the communication between and encourage business to business relationships between primary and secondary harvesters for the efficient removal of residual fibre. It also includes the potential use of existing regulatory and licencing tools. The aim is to ensure every effort is made to see that fibre is made available in those areas where the residual fibre is not being used by the primary harvester, there is a demand for the residual fibre from secondary users, and business to business relationships have not been established.</p> <p><i>Time Frame: Implement immediately</i> <i>Lead: Forest Tenures Branch</i></p>
2	Develop and Implement "Biomass Handling Guidelines"	<p>Formal Guidelines will developed that will provide details on how to conduct primary harvesting operations in a manner that will allow for the harvesting of residual fibre in the most cost-effective manner. The Guidelines will be operationally oriented and designed for planners and machine operators to implement best practices on the ground that support integrated planning and harvesting of the full range of timber and fibre. The guidelines will only be used and applied in situations where there is clear supply and demand for residual fibre that can be used in a cost-effective manner.</p> <p><i>Time Frame: Guidelines completed and Implemented within 6 month.</i> <i>Lead: Competitiveness and Innovation Branch</i></p>
3	Update and Maintain Timber Tenure Summary Information	<p>Timber Tenures Summary Information Papers are detailed summaries of the existing suite of tenure tools that are available to grant rights to various forms of timber including residual fibre. A communication strategy will be developed and implemented to ensure Regional Operations staff have a full understanding of the existing suite of legislative and tenure tools available to increase the utilization of residual fibre.</p> <p><i>Time Frame: Ongoing</i> <i>Lead: Forest Tenures Branch</i></p>

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4	<p>Monitor and Amend the Fibre Recovery Tenures (Road and Landing Tenures)</p>	<p>New fibre recovery tenures (Residual Forestry Licence to Cut and Fibre Supply Licence to Cut) were introduced in 2012 that allow for the rights to residual fibre left on roads and landings to be granted to secondary users where the primary harvester has given up the rights to the fibre. Staff will monitor and continuously improve the policies and procedures associated with the licences to ensure they are meeting their intended objectives.</p> <p><i>Time Frame: Ongoing and linked to Action Item #1</i> <i>Lead: Forest Tenures Branch</i></p>
5	<p>FLNR to advertise and enter into Supplemental Forest Licence where appropriate.</p>	<p><i>Forest Act's</i> Supplemental Forest Licences (SFLs) were put in place in the fall of 2014 to provide an alternate source of fibre on an infrequent basis - i.e. where the holder typically acquires fibre through the open market or traditional business to business arrangements, but for reasons beyond their control, those sources are not available.</p> <p>Mainly targeted towards new or ongoing opportunities for certain sectors (secondary manufacturing, bioenergy, OSB, pulp, value added, etc.)</p> <p>Time Frame: Ongoing. FLNR will ensure that secondary users understand the objectives and policies of the SFL, and will invite potential applicants to contact the appropriate FLNR office. FLNR will advertise SFL competitive opportunities where there is interest from qualified applicants, the opportunity would support the industry, and the volume and fibre profile is available for the term of the licence. SFL opportunities will be considered in all regional timber strategies, but not necessarily delayed until those strategies area completed, depending on the local situation. Component of Timber Tenure Summaries Information Package and Forest Tenures Branch knowledge distribution and transfer.</p> <p><i>Time Frame: Ongoing</i> <i>Lead: Forest Tenures Branch</i></p>
6	<p>Review the proposal to expand the use of Cruise-based billing.</p>	<p>As cruise-based billing does not require waste assessments or government scaling, this process has been identified as having the potential to increase efficiency and utilization. Timber Pricing Branch staff will conduct an in-depth review to assess the extent to which cruise-based billing increases utilization and make recommendations with respect to the possible expansion of the scope of its use.</p> <p><i>Time Frame: Ongoing</i> <i>Lead: Timber Pricing Branch</i></p>

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7	Grade 4 Cut accountability and Sustainable Cut Control Credit	<p>FLNR will finalize the policy for establishing the Sustainable Cut Control Credit. The cut control rules allow the holders of certain types of tenures in the B.C. interior to deliver “grade 4” timber to a non-sawlog facility without the volume being included towards the cut control of their licence. In 2014 the <i>Forest Act</i> and the cut control regulation were amended to allow the Minister to set a maximum volume limit (sustainability cap) on grade 4 timber that may be credited in a tree farm licence or timber supply area cut control statements. This allows for a continued incentive to utilize low grade fibre while ensuring sustainable forest practices. This maximum volume limit has not yet been put in place. Continue to encourage the utilization of grade 4 timber for non-lumber uses through the grade 4 credit. Implement the Sustainable Cut Control Credit in situations where sustainability and forest management are of a concern. Timing: Ongoing and Short term (< 4 months)</p> <p><i>Time Frame: Immediate</i> <i>Lead: Forest Tenures Branch</i></p>
8	Fibre Utilization Baseline	<p>Continue to explore and develop the use of GIS Inventory Depletion cut blocks to measure utilization. Establish a gross cruise to cut methodology and monitor utilization trends over time. Improving information regarding harvest residuals and utilization in the Interior is an ongoing challenge with respect to fully understanding the complexities associated with the elimination of barriers and the implementation of operational and forest policy initiatives to encourage fuller utilization.</p> <p><i>Time Frame: 1 year</i> <i>Lead: Competitiveness and Innovation Branch</i></p>
9	Operational Initiatives	<p>The following is a list of ongoing initiatives that help support the two objectives of generating more value from the forest resource and increasing fibre utilization from harvesting. These initiatives will continue to be supported by the FLNR.</p> <ul style="list-style-type: none"> • Complete the review of policies and procedures on the Coast leading to cost reductions for government and industry. • Salvage of dead or dying timber in the province. • Forests for Tomorrow • Forest Carbon Partnership Program • Fibre Recovery from Non-Forest Industrial Uses • Upstream Oil and Gas Fibre Recovery • FPIInnovations Forest Inventory Pilots • Regional and District Utilization Initiatives

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10	Review the Pricing of Lower Quality Fibre	<p>Timber Pricing Branch to assess and report on the best method for, and implications of, applying a Special Forest Product rate to residual fibre subsequent to a waste assessment that is delivered to a non-sawlog facility during primary harvesting operations.</p> <p>Time Frame: By the end of 2015, assess methods and implications of, applying a Special Forest Product rate to residual fibre subsequent to a waste assessment that is delivered to a non-sawlog facility during primary harvesting operations.</p> <p>Longer term - Review learnings to implement a longer term pricing feature consistent with the Market Pricing System.</p> <p><i>Lead: Timber Pricing Branch in conjunction with industry representation</i></p>
11	Review of Waste Benchmarks	<p>Waste benchmarks allow a volume of sawlog timber to be left on site by the primary harvester without being monetarily billed. They have been in place since 1999.</p> <p>Time Frame: Longer term - Work collaboratively with industry, over the balance of 2015 and by mid-2016, to implement a durable, long term benchmark policy.</p> <p><i>Lead: Timber Pricing Branch</i></p>

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12	<p>Conduct a review of the policies and procedures of Measuring Waste.</p> <p>FLNR to develop cost effective improvements to the waste measurement system. Recommendations regarding billing and cut accountability will be developed as a result of this work with consideration of cut control and take or pay policies.</p> <p><i>Time Frame:</i> Review how cruising, scaling, and residue measurements align with cut control, inventory and timber supply forecasting policies, and identify and design any changes that would improve policy and regulations related to waste measurement by mid-2016. <i>Longer term</i> - Building on this investigative work, identify and recommend cut control/ timber supply forecasting/ waste measurement policy changes for normal and catastrophically damaged forest conditions (by the end of 2016).</p> <p><i>Lead: Timber Pricing Branch (will form a government/industry group)</i></p>
13	<p>Review the proposal to move Waste Measurements Offsite to Secondary Uses Scale site.</p> <p>Timber Pricing Branch to work with industry to explore moving the waste assessment offsite to Secondary User’s scale site. A review of existing legislation (scale and waste) and policy is underway and nearing completion.</p> <p><i>Time Frame:</i> By the end of 2015, streamline residue measurements to utilize special forest product pricing, use of off-site scaling and other methods. Review learnings to implement durable waste measurement policy solutions (by mid-2016).</p> <p><i>Lead: Timber Pricing Branch (in consultation with industry representatives)</i></p>

Item #9 of the Minister’s 2014 Mandate letter specifically directs the Minister to “*Examine ways to enhance security of fibre supply for secondary and non-lumber users*”.

Item #7 of the Minister’s 2015 Mandate letter specifically directs the Minister to “*Examine ways to enhance security of fibre supply for secondary and non-lumber users and bring forward options that can be introduced in Spring 2016 Legislative Session*”