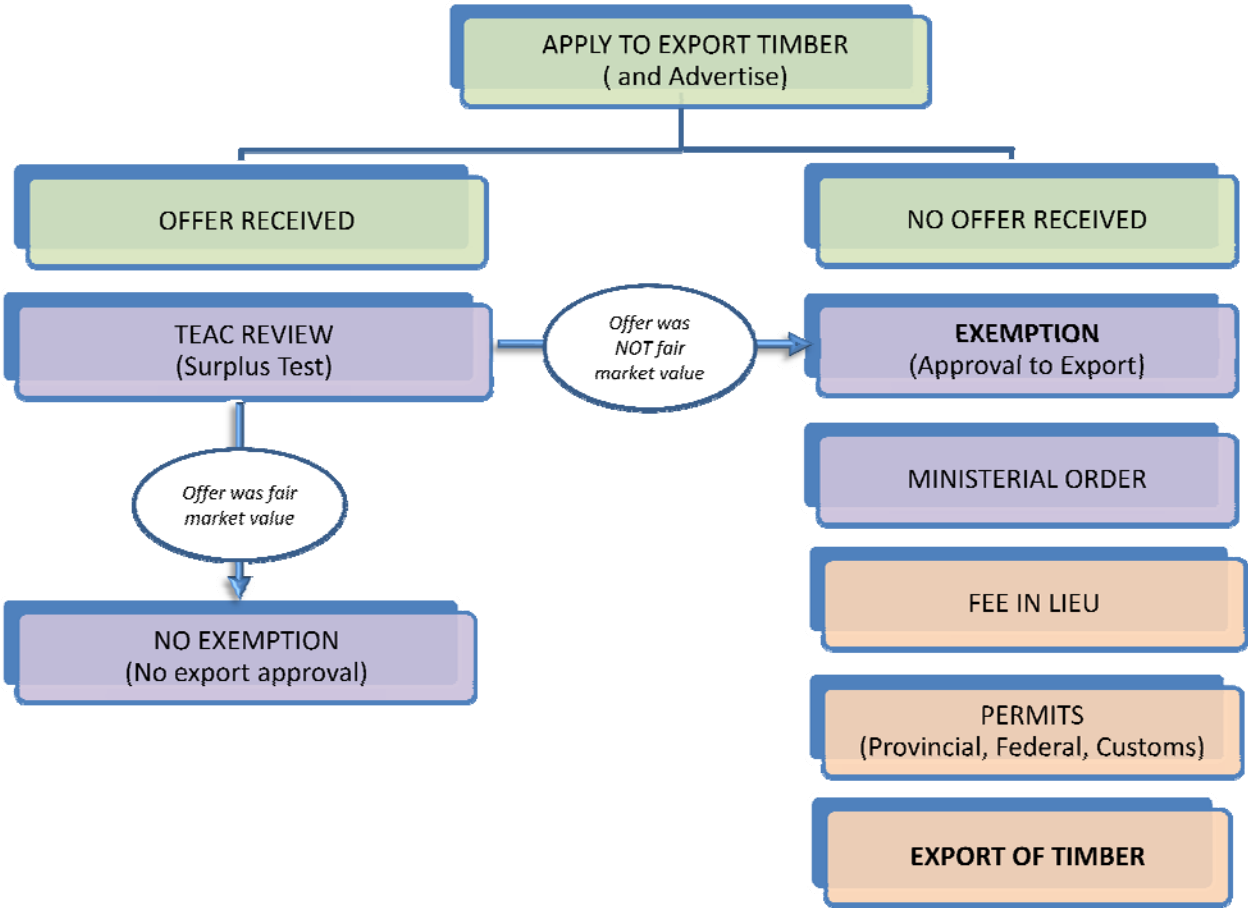
The Process for Exporting Unmanufactured Timber from British Columbia

The process to apply for and obtain timber export privileges includes 3 phases:

1. Applying for Exemption from Provincial Manufacturing and Advertising Timber
2. Exemption from Provincial Manufacturing
3. Fee Payments and Permitting



1: Applying for Exemption from Provincial Manufacturing and Advertising Timber

Applying for Exemption:

The first step in applying for an exemption from provincial manufacturing, regardless of the type of product, is the submission of an FS418 (Application for Exemption to Export Unmanufactured Timber Products):

- The FS418 form must be completed in all the appropriate sections and submitted to the region from which the timber was harvested; and,
- Documents to be included with the FS418 form will depend upon the type of products being applied for, as will the processing of the application, but as applicable will generally include a summary of scale for harvested timber.
- Starting in mid-May 2011, applicants will have the option to submit FS418 forms electronically using the LEXIS system.

There are restrictions on the exemption of certain species and grades of timber:

- Western red cedar or cypress (yellow cedar) applications will only be provided an exemption in special circumstances; and,
- Balsam*, Douglas fir, hemlock and spruce logs with a grade higher than H, pursuant to the Schedule of Coast Timber Grades (Coast only) will not be approved.

Advertising:

Surplus timber is advertised on the bi-weekly list according to the bi-weekly schedule of advertising.

- Information included in the FS418 application is the basis for advertising timber for surplus on the bi-weekly advertising list.

2: Exemption from Provincial Manufacturing

Surplus Test:

If no offer to purchase is made, an exemption for export will be issued without further review.
If an offer to purchase is received:

- The offer will be reviewed by the Timber Export Advisory Committee (TEAC), based on the market conditions prevailing at the time the offer was made.
- TEAC will advise on the quality of the offer and determine whether the offer was either:
  - Fair market value – resulting in no recommendation for exemption; OR,
  - Unfair market value – resulting in recommendation for exemption.

Exemption:

Once the application for exemption has been processed successfully, and if approval is recommended, an exemption may be issued:

- For harvested surplus timber not exceeding 15,000 m^3, a Ministerial Order signed by a regional executive director; and,
- For standing timber or harvested volumes over 15, 000 m^3, an Order in Council signed by the Lieutenant Governor in Council.

The exemption will specify the term, volume, fees and any conditions or restrictions under which export may proceed.

3: Fee Payments and Permitting

Applying for a Permit:

Once the exemption is approved and the timber is scaled and ready for transport, an FS38 (Application for Permit to Export Unmanufactured Timber) must be submitted to the Regional Office:

- The FS38 form specifies details of shipping, including the purchaser, the transport method, the destinations country, port of export and the particulars of the timber;
- Supporting scale documents, unless previously submitted, are mandatory; and,
- Starting in mid-May 2011, applicants will have the option to submit FS38 forms electronically using the LEXIS system.

Fee Payments:

Prior to the Ministry issuing an export permit, all dues owing to the Crown related to the timber under application for export must be paid.

A fee in lieu of manufacture will be charged based on rates approved by Government as applied to average domestic log prices, and will be in addition to any other charges such as outstanding stumpage:

- For fee in lieu rates and details see:
  - Fee in lieu rates; and,
  - Details concerning refund of fee in lieu payments.

Provincial Export Permit:

Upon the satisfaction of the regional executive director that all obligations have been met for the timber under application and all dues paid to the Crown (including stumpage) an FS 34 – Permit to Export Unmanufactured Timber will be issued from the regional office, completing the Provincial export permit requirements.

Federal Export Permit:

If the timber is leaving Canada, an export permit from the Federal Government must also be obtained:

- For federal websites see:
  - Export Controls Division, Department of Foreign Affairs and International Trade Canada (DFAIT) and Notice to Exporters, Serial No. 102 .