

PROVINCE OF BRITISH COLUMBIA
PROCEDURES FOR EXPORT OF TIMBER
1999

VANCOUVER AND PRINCE RUPERT FOREST REGIONS

Note: This handout contains detailed information on the procedures to be followed for the export of *Coastal* timber that originates from within the Vancouver Forest Region and Prince Rupert Forest Region.

There is also general information covering the Interior Regions, however, it is recommended that the regional office where the timber is located be contacted for specific instructions.

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1. LEGISLATION: EXPORT OF TIMBER

FOREST ACT

PART 10

Manufacture in British Columbia

1.1

Crown Timber to be used in British Columbia

- 127** Unless exempted under this Part, timber that is harvested from Crown Land, from land granted by the government after March 12, 1906 or from land granted by the government on or before March 12, 1906 in a tree farm license area, and wood residue produced from the timber, must be
- (a) used in British Columbia; or
 - (b) manufactured in British Columbia into
 - (i) lumber,
 - (ii) sawn wood products, other than lumber, manufactured to an extent required by the minister,
 - (iii) shingles or fully manufactured shakes,
 - (iv) veneer, plywood or other wood-based panel products,
 - (v) pulp, newsprint or paper,
 - (vi) peeled poles and piles having top diameters less than 28 cm and fence posts,
 - (vii) Christmas trees, or
 - (viii) sticks and timbers having diameters less than 15 cm, ties and mining timbers.

1.2

Exemptions

- 128** (1) The Lieutenant Governor in Council may exempt from section 127
- (a) a species of timber or kind of wood residue and may limit the volume of a species of timber or kind of wood residue to which the exemption applies for a period or for successive periods of time, and
 - (b) a volume of timber, whether or not harvested, or a volume of wood residue, on receiving an application in a form required by the minister.
- (2) On receiving an application in the form required by the minister, he or she may exempt from section 127 a volume of timber that has been harvested, not exceeding 15 000 m³ for each application.

- 128 (3) An exemption must not be given under this section unless the Lieutenant Governor in Council or the minister, as the case may be, is satisfied that
- (a) the timber or wood residue will be surplus to requirements of timber processing facilities in British Columbia,
 - (b) the timber or wood residue cannot be processed economically in the vicinity of the land from which it is cut or produced, and cannot be transported economically to a processing facility located elsewhere in British Columbia,
 - (c) the exemption would prevent the waste of or improve the utilization of timber cut from Crown land.

1.3

Exemption conditions and permit

- 129 An exemption made under section 128 may
- (a) stipulate conditions to be met and fees to be paid to the government, and
 - (b) provide for the granting of a permit in respect of the timber or wood residue described in the exemption.

1.4

Timber NOT Covered by the Forest Act

Timber from tenures Crown granted prior to March 12, 1906 except when such land is in a tree farm license, is under **federal jurisdiction**. Federal authorities, however, require that such timber be surplus to the needs of the province and therefore, subject to the same procedures as provincial jurisdiction harvested surplus timber.

The “Federal Notice to Exporters” dated April 1, 1998, is available from the Department of Foreign Affairs and International Trade, Export Controls Division or Ministry of Forests regional offices.

This Notice should be referred to for the specific export procedures on timber that falls under Federal jurisdiction.

Timber originating from Indian Reserves and surrendered lands as defined in the *Indian Act* and the *Indian Timber Regulations* falls under the jurisdiction of the Department of Indian Affairs and Northern Development British Columbia Region as well as the Department of Foreign Affairs and International Trade. Refer to the ‘Federal Notice to Exporters’ for information on export procedures.

1.5 MANUFACTURED PRODUCTS

Pursuant to section 127 (b) of the *Forest Act*, the minister has established minimum standards in order for wood products to be considered manufactured to the degree that an export permit is not required. Appendix 10, 'Notice to Sawmill Operators and Exporters of Timber Products', provides the minimum manufacturing requirements. Appendix 11 provides interpretive notes relating to terms referenced in the Notice.

2. GENERAL PROCESS OVERVIEW

For Timber Subject To Part 10 of the *Forest Act*

2.1 Restrictions

Potential exporters should be aware that there are restrictions on the export of certain species, grades and tenures. (see section 3 for specific restrictions).

2.2 Application for Exemption

The first requirement in applying for an exemption, regardless of the type of product, is the submission of the prescribed form FS 418, (*Application for Exemption to Export Unmanufactured Timber Products*). It must be completed in all the appropriate sections and be submitted to the region from which the timber was harvested.

Documents to be included with this application will depend upon the type of product being applied for, as will the processing of the application, but generally include a summary of scale with a detailed log listing and a covering letter specifying the reasons for requesting the exemption.

2.3 Exemption

Once the application has been processed successfully and **if** approval is recommended, an exemption in the form of a *Ministerial Order* signed by the regional manager, or an *Order in Council* signed by the minister may be issued.

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

2.4 Application for Export Permit

After the exemption is granted and the timber is scaled and ready for export, an FS 38 (*Application for Permit to Export Unmanufactured Timber*) is required by the regional office. This form specifies details of the shipping: the purchaser, the transport method, the destination country and the particulars of the timber itself. Also, the form FS 38 must be notarized prior to submission.

Supporting scale documents, unless previously submitted, and export sales invoices are required, and a fee in lieu of manufacture, if applicable, must be paid prior to the issuance of a permit.

2.5 Export Permit

Upon the satisfaction of the regional manager that all obligations have been met, all dues paid to the Crown, including stumpage, for the timber under application, an FS 34 (*Permit to Export Unmanufactured Timber*) will be issued, completing the Provincial export permit requirements. All forms are available through the nearest regional office.

(See flowchart, Appendix 3)

3. APPLYING FOR EXEMPTION TO EXPORT TIMBER

HARVESTED SURPLUS EXEMPTION PROCESS

Timber under Provincial Jurisdiction

(Timber subject to Section 128 of the *Forest Act*)

3.1 Coast Harvested Surplus Timber Process (Coniferous)

Application of harvested Crown timber for exemption from manufacture within the province must be made to the regional office of the Forest Region in which the timber is located.

3.11 Restrictions

Applications which contain timber as listed below will not be given favourable consideration:

- a) Western red cedar or cypress (yellow cedar),
 - b) logs of the species balsam, fir, hemlock and spruce which grade higher than grade H pursuant to the Schedule of Coast Timber Grades,
 - c) where provisions of the cutting authority require the operation of processing facilities, or
 - d) timber that has been transported from the region of origin without prior written approval from the regional manager.
-

3.12 Applications

Harvested timber to be exported from the coast will be subject to surplus testing by inclusion in the Provincial Bi-Weekly Advertising List. For the purpose of inclusion in this list the FS 418 must be accompanied by a covering letter and the original of the metric stock scale by timber mark, computed and summarized in the FS 72 (*Summary of Scale*) format, with the detailed log listing included.

Applications that include timber previously advertised and rejected for export, will not be accepted.

3.13 Scale

The timber under application must have been piece scaled as provided under Part 6 of the *Forest Act* in accordance with the procedures contained in the *Scaling Regulation* and the *Scaling Manual*.

3.131 Scale On Timber To Be Barged

In all cases where a scale is conducted on timber and that timber will subsequently be barged to another location for advertising or where that timber is barged prior to obtaining an export permit it is mandatory that a bundle tag and individual log tag recovery system be utilized. The metric detailed log listing must record the tag number against each individual log.

Where this information is not available a new metric stock scale by timber mark will be required prior to acceptance of an application for exemption or an application for an export permit.

3.14 Sorts

Timber harvested must be sorted and boomed on land or water to conform to normal log market practices of not less than 90% of a single species and recognized domestic end use sort by volume (m³). Hemlock and balsam may be considered one species. For pulp log sort only, lodgepole pine and spruce may be included with hemlock and balsam.

(See *Appendix 8 for Domestic Market End Use Sort Descriptions*)

3.15 Timber Marking

Applications will only be considered for those logs bearing the registered timber mark which has been applied by hammer indenting. The timber mark must remain completely legible and discernible during all phases of the export process.

3.2 Application for Exemption to Export Unmanufactured Timber

The prescribed form FS 418 (*Application for Exemption to Export Unmanufactured Timber Products*) must be completed in **all** the appropriate sections and be submitted to the region from which the timber was harvested.

The FS 418 must indicate:

- a) name, address and telephone number of applicant and owner if not the same person or company,
- b) timber mark and origin,
- c) boom identification number(s),
- d) species and end-use sort,
- e) log average and total volumes,
- f) current location of timber, and
- g) age class, average length in metres and average top diameter in cm of radius.

In addition to the FS 418, the complete application package must include a cover letter, FS 72 (*Summary of Scale*) and detailed log listing.

3.21 Locations

Timber to be advertised must not be removed from the region of origin prior to application without prior written approval from the regional manager.

In remote areas a minimum of 2 800 m³ of logs must be applied for to be eligible for inclusion in the Bi-Weekly list. Volumes below this level must be transported to an established log marketing area before making application.

Log marketing areas for the Vancouver Forest Region are those locations which are readily accessible and do not require excessive expense or travel time to access. Contact the regional office for a ruling on locations you may be unsure of.

Log marketing areas for the Prince Rupert Forest Region are:

- i. Coastal: Prince Rupert, Stewart and Kitimat, and
- ii. Interior: Any location accessible by road.

In all cases, the timber must remain in the location specified on the FS 418 for the duration of the advertising period.

3.3 Coast Harvested Surplus Timber Process (Deciduous)

Applications for an exemption for hardwood timber must be in the same form as those of coniferous harvested applications. Depending on domestic needs, applications for hardwood species may be included in the Bi-Weekly list or if there is deemed to be no domestic demand for these species, inclusion on the Bi-Weekly list may be waived. Please consult the regional office for further advice as to current conditions.

3.4 Boomsticks

All boomsticks which are required for the transportation of exempted unmanufactured timber (logs) are subject to the same surplus testing and require the same document submission as the contents. Inclusion on the Bi-Weekly list may be waived, upon written request, under the following criteria:

- a) submission of a complete application package including the reasons for the request,
- b) the boomsticks are required to facilitate export of the parcel,
- c) confirmation of sale of the contents (export sales invoice), and
- d) the anticipated date of export does not allow sufficient time to include the boomsticks on the Bi-Weekly list.

It should be noted that exemptions granted for boomsticks contain a condition that the exemption is for the specific purpose of transport of the timber enclosed by the boomsticks. This means that the exemption terminates if the boomsticks are not used to export the original contents.

3.5 Processing the Exemption Application

Upon receipt of the application package, the regional office will review it for completeness, correctness, eligibility, and assign a Provincial reference number. The application will be published in a Bi-Weekly list giving name, address and telephone number of the owner and agent if applicable; species, sort, log average and volume in cubic metres; and the location of the logs. The deadlines for submitting applications, and for receiving offers are listed in the attached schedule for the Bi-Weekly List (Appendix 4).

All applications are subject to inspection prior to inclusion on the Bi-Weekly list; particularly those packages which, based on the scale details, do not appear to conform with sort requirements.

The Provincial Bi-Weekly list is distributed to clients on an export mailing list and is also available to the public at the regional office, as is the schedule for the Bi-Weekly List. Any interested party may contact the regional office to be added to the mailing list.

3.6 Re-Sort or Processing Subsequent to the Listing

Once included on a bi-weekly list, the logs must remain in the listed sort, configuration and location for the duration of the entire advertising period. After that period, a written request must be submitted to the regional office prior to commencement of any processing and will include: application reference number, boom number(s), name of the processing facility, what the processing will entail and the expected date of commencement.

If approved, the applicant will be notified in writing.

Upon completion of processing, the applicant must ensure that a processing report accompanied by the new scale is forwarded to the regional office.

Note: A metric stock scale by timber mark must be done on the export portion when the volume or piece count differs from that of the original parcel. In the event that the volume of the processed package exceeds the volume exempted, an export permit can not be issued.

3.7 Offers to Purchase

All offers to purchase logs must indicate application numbers, species, unit of measure on which prices are based, and on the coast, boom number and the statutory grades, and the offer FOB location. (Sample format is provided in Appendix 5). Offers must remain in effect for the term specified on the Bi-weekly List.

Any offers to purchase must be in the hands of the applicant and the appropriate regional office by 16:30 hours of the last day for receipt of offers.

If logs are sold locally, or withdrawn after inclusion on the Bi-Weekly list, the appropriate regional office must be notified in writing. This will stop further processing of the application.

If no offers have been made, an exemption **may** be granted at the regional managers discretion. The applicant will then be further advised in writing.

Any offers received will be reviewed by the **Timber Export Advisory Committee (TEAC)**, an independent committee appointed by the minister to evaluate the offer for fairness and make recommendation for approval or rejection of the application for export. The committee meets approximately every 4 - 6 weeks.

If a domestic need for the timber is determined at fair market value, rejection of the application will be recommended.

TEAC will assess the offer based on the market conditions prevailing at the time it was made.

If, however the offer is deemed to be unfair, approval will be recommended and the application may proceed towards exemption.

In considering offers the Timber Export Advisory Committee has the following policy:

The TEAC will not consider offers to purchase logs by any person who has exported logs directly or indirectly from British Columbia within the previous 90 days. The 90 day period covers the period between the day on which the FS 34 (*Permit to Export Unmanufactured Timber*) was issued and the day on which the offer to purchase is made.

Conversely, the TEAC will not consider any FS 418 (*Application for Exemption to Export Unmanufactured Timber Products*) from a company or individual who has submitted a valid offer for logs being advertised during the preceding 90 days. The 90 day period covers the period between the date on which the offer(s) was made and the date on which the FS 418 was received at the Regional office.

Applicants are reminded that all harvested timber must remain in the form and at the location indicated in the application during the advertising process. Any resorting, bucking or moving of the timber may disqualify the application.

The surplus testing process, with offers, can conceivably take up to three months before the applicant receives written notification of a decision.

3.8 Exemption - Ministerial Order

If the application is successful, an exemption in the form of a *Ministerial Order* may be granted at the regional managers discretion, for surplus harvested timber not exceeding 15 000 m³ in volume. The exemption will specify the term, volume, fees and any conditions or restrictions under which export may proceed.

All exempted timber also requires an export permit, which may be applied for as outlined in Section 5 once the signed exemption has been received.

3.9 STANDING TIMBER EXEMPTION PROCESS

All standing timber exemption applications will be reviewed as directed by the Timber Export Advisory Committee, and if approval is recommended, forwarded to Cabinet for final consideration.

3.91 Coniferous and Deciduous Timber, Coast and Interior

As specified in Part 10, Section 128 (3) of the *Forest Act*, a standing timber exemption application will be considered where the minister is satisfied that:

- a) the timber is surplus to the requirements of timber processing facilities in the Province, or
- b) the timber cannot be processed economically in the vicinity of the land from which it is cut or produced and cannot be transported economically to a processing facility located elsewhere in the Province, or
- c) it would prevent the waste of or improve the utilization of timber cut from Crown land.

Unusual circumstances may also warrant such an exemption.

Such applications should be made through the regional manager on the FS 418 form together with any and all information justifying the application request.

For further information on how to proceed, contact regional export staff. The standing timber application process is a lengthy one and may conceivably take up to a year for decision from Cabinet.

If successful, the resulting exemption will take the form of an *Order in Council*. This exemption will specify the term, volume, fees and any other conditions or restrictions under which export may proceed.

(See Appendix 9 for detailed instructions on preparing a standing timber application)

3.92 'Blanket' Standing Timber Exemptions

These are standing timber exemptions that are general in nature and are approved to address regional concerns. They usually specify volume, species and timber quality eligible for export but are not specific to an individual applicant. The exemption usually encompasses one or more geographic areas of the province such as a Timber Supply Area or a Forest Region and as such, are often referred to as "blanket" exemptions. Contact the local regional office for information on these exemptions.

All exempted timber requires an export permit as outlined in section 5.4.

4. INTERIOR TIMBER APPLICATIONS

Harvested timber applications will not normally be accepted in the interior. Where the region makes the exception, these applications will be subject to an appropriate surplus test. This will be in a format as directed by the regional manager.

Standing timber applications will be considered where the minister is convinced the timber is surplus to the needs of domestic timber processing facilities, or where unusual circumstances warrant such exemption.

Timber considered to be interior for appraisal purposes (east of the Cascade Mountain range) will be considered interior for export purposes. Stock scales for export may use either interior or coast statutory log grades.

Note: The species and grade restrictions as outlined in section 3, 'Restrictions', applies regardless of the grading procedure employed in the export scale.

Such applications should be made through the regional office in which the timber is located using the FS 418 form together with all information pertinent to the application.

(See Appendix 9 for detailed instructions on preparing a standing timber application)

5. APPLYING FOR AN EXPORT PERMIT

5.1 FS 38 Application for Permit to Export Unmanufactured Timber

After an exemption is granted and the timber is scaled and ready for export, the applicant or his agent must complete the Ministry of Forests form FS 38 and submit it to the regional office. This document must be notarized and any subsequent changes or corrections must be initialled by both the applicant and the Notary.

Exemption holders may designate in writing, to the ministry, another party to submit the export documents and sign on their behalf.

A valid export sales invoice, and scale documents (FS 72 and detailed log listing) if not previously submitted, must accompany the FS 38, and all fees must be paid before the regional manager will sign an export permit.

A valid *export sales invoice* is defined as a copy of the invoice from the seller (applicant) to the out-of-country customer and will represent the gross value of the logs on the export market alongside the ship or at the point of exit from the Province and Canada. The export sales invoice must reflect the real export market value of the timber to be exported and should include a description of the timber being purchased, including boom numbers, volume, the price paid for the timber indicated in U.S. or Canadian funds; the transaction date and terms of sale.

The regional manager may require a Statutory Declaration explaining the circumstances where the timber has been sold for less than normal export values. It may also be used in place of a final invoice in certain circumstances.

(see Appendix 6 for example)

A separate form FS 38 must be completed for logs exported under each of the following types of exemption:

1. Standing timber Orders in Council
2. Ministerial Orders (provincial harvested timber);
3. Boomsticks

Only one exemption number may be included on one FS 38.

Any shut out and weigh-scaled permit requests are to be on separate FS 38's as well. The form FS 38 accompanied by the summaries of scale and sales invoice must be received by the appropriate regional office a minimum of five working days for harvested surplus applications and ten working days for Order in Council timber prior to the estimated date of export.

If logs have been moved into another region for custom clearance, the FS 38 must be submitted to that region, with copies provided to:

- Department of Foreign Affairs and International Trade;
- Canada Customs; and
- the supercargo if the logs are loaded aboard ship; the tug master of a boom tow; or the driver if transported by truck.

All timber is subject to and must be available for inspection prior to the issuance of an FS 34 (Permit to Export Unmanufactured Timber). In all cases, timber exempted through an Order in Council will be inspected prior to issuance of an FS 34.

Timber must be scaled as provided under the *Forest Act* and 100% hammer indented with the registered timber mark, and must be sorted and boomed to conform to log market practices into single species and recognized domestic end-use sorts unless otherwise authorized in writing by the regional manager.

5.2

Summaries of Scale (form FS 72)

All parcels of timber must have been previously scaled for the purposes of Part 6 of the *Forest Act* and the scale submitted according to the procedures established by the local forest district. Whether an original scale or stock scale for export, the scale must be conducted in compliance with the *Scaling Regulation* and *Scaling Manual* and the forms completed pursuant to ministry standards. It is imperative that the notation “stock scale for export” be recorded in the remarks section of the summary of scale as well as on the tally sheet. No other scale format will be accepted.

The summary of scale must be supplemented by one of the following:

1. the original scaler's tally sheet (on ministry approved forms); or
2. a detailed log listing.

5.3

Fees

All dues owing to the Crown in respect to the timber under application for export must be paid prior to the ministry issuing an export permit. A fee in lieu of manufacture in the Province will be charged and will be in addition to any other charges, such as outstanding stumpage.

Calculations for the fee in lieu of manufacture will be completed by regional export staff. A standard format of calculation of the fee in lieu of manufacture for coniferous timber is:

1. Calculate the domestic sales value. The domestic sales value is the sum of the species/grade scale volumes, multiplied by the species/grade average three month log selling prices, as compiled by the ministry, and in effect the date the complete and accurate application for a permit is received by the regional office.
2. Calculate the increase in sales value as a result of export by subtracting the domestic sales value from the export market value as indicated on the submitted export sales invoice or declaration.
3. Calculate the fee in lieu of manufacture by applying the appropriate fee rate to the increase in sales value as calculated in Step 2. The fee in lieu rate varies depending on the criteria used and may be different at the discretion of the minister or Lieutenant Governor in Council.
(See Appendix 7 for the schedule of current fee rates)
4. Compare the calculated fee in lieu of manufacture with the minimum rate of \$1.00/m³ applied to the total volume exported. The greater of the two amounts is the fee in lieu applicable.
5. If the sales invoice is in U.S. funds, the regional office will apply the exchange rate in effect on the date on which the application (FS 38) was received by regional staff.

5.4 FS 34 Permit to Export Unmanufactured Timber Products

Upon satisfactory completion of form FS 38, the FS 34 will be issued by the regional office certifying that as far as the Ministry of Forests is concerned all legal requirements for export from British Columbia have been met. Together, these two forms complete provincial export requirements.

A Federal export permit is also required to approve export from Canada, and this form EXT1042 is available from the Department of Foreign Affairs and International Trade, Export Controls Division, or from a Ministry of Forests regional office.

5.5 Customs B13

A B13 (*Canada Customs Export Declaration*) is required, obtainable from a local customs office, for all timber being exported to any country **other** than the United States.

5.6 Shut Outs

All shut out parcels must be reported in writing to the regional manager within 72 hours of the decision to shut out the parcel from loading. Boom numbers, volume, piece count and permit number must be identified. Complete or partial shut out booms must remain intact as a separate parcel with original parcel identification and be available for inspection by ministry personnel.

All shut outs require submission of a new FS 38 which will reference the original permit number. A new sales invoice is required if the purchaser or price changes. The fee in lieu will be recalculated and any difference will be charged in addition to any other charges.

Note: Where the recalculation indicates a lower fee in lieu, the ministry will not provide a refund.

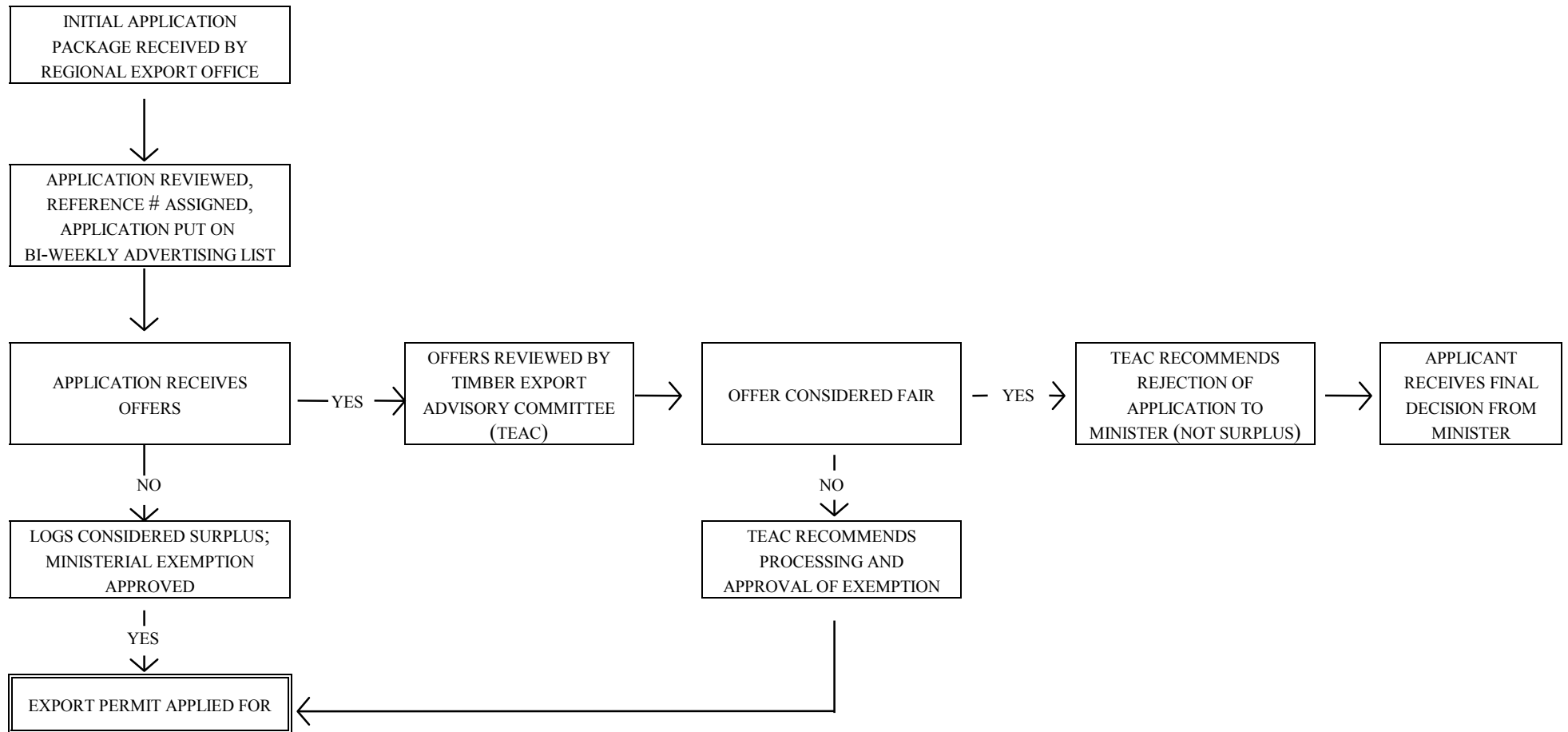
The ministry may ask for source documents, tag information, etc., or may require the exporter to have the shut out timber re-scaled in order to verify any information submitted on a shut out reapplication.

Once all shut out requirements have been met a new export permit will be issued.

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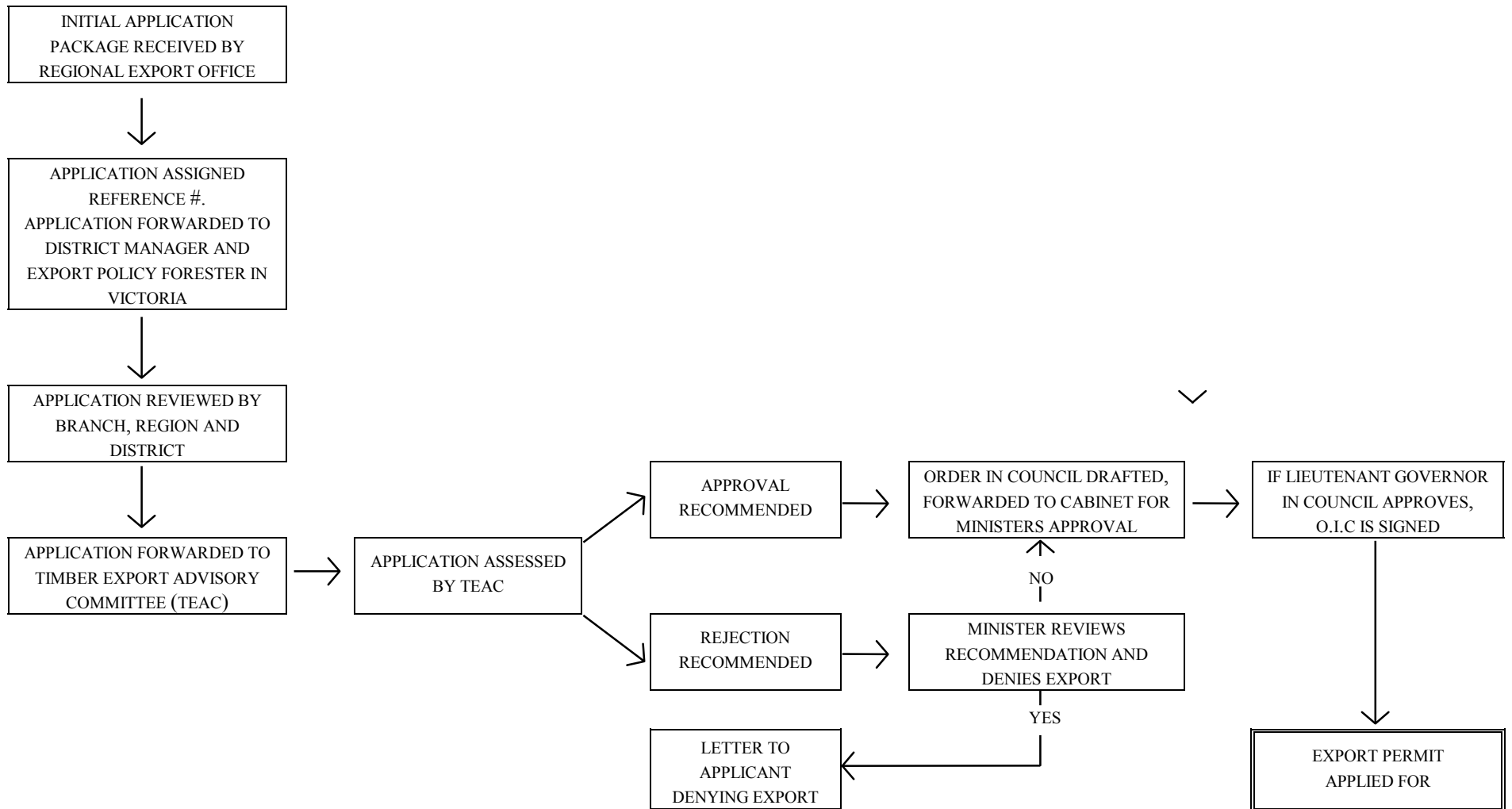
APPENDIX 1

PROVINCIAL HARVESTED SURPLUS PROCESS



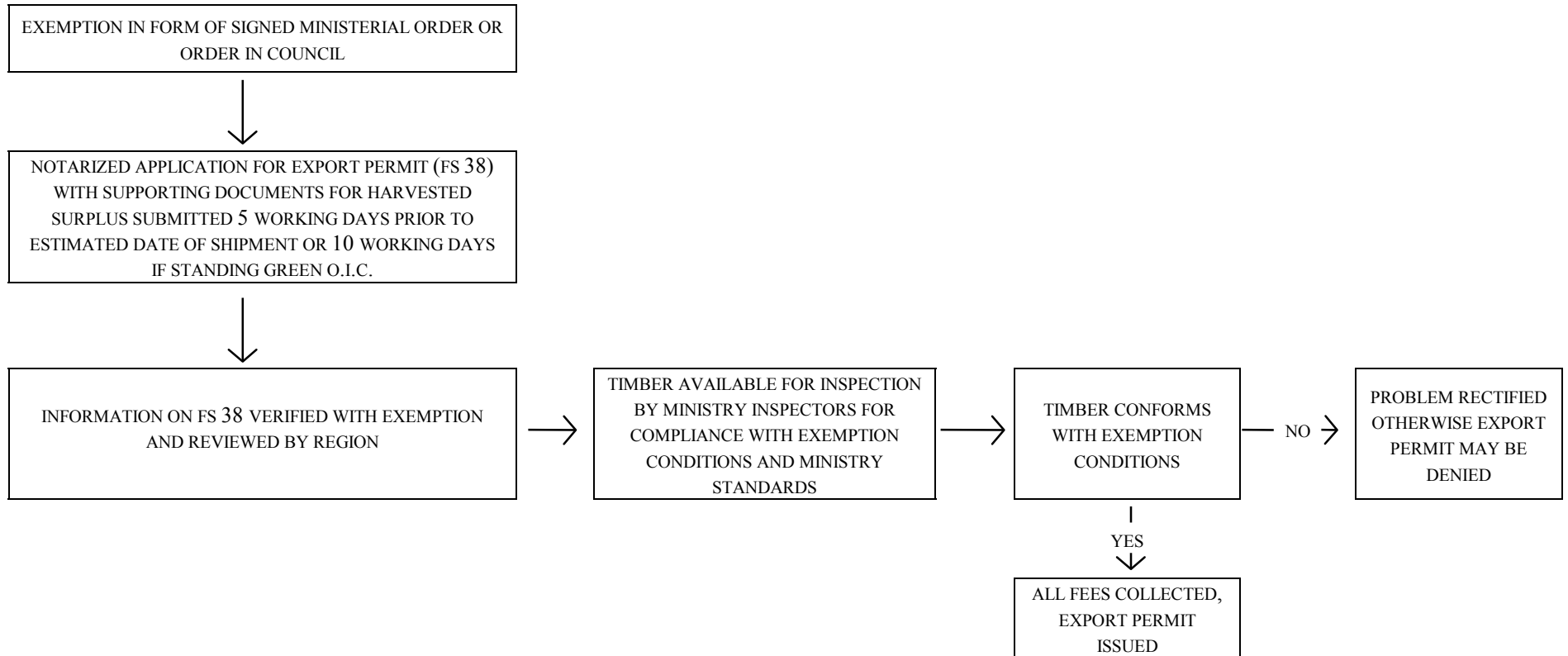
APPENDIX 2

STANDING TIMBER APPLICATION PROCESS



APPENDIX 3

EXPORT PERMITTING PROCESS



APPENDIX 4

EXPORTERS OF UNMANUFACTURED TIMBER

SAMPLE SCHEDULE FOR THE BI-WEEKLY ADVERTISING LIST

Final Day for Receipt of Apps	Advertising List Date	Final Day for Receipt of Offers	Offers in Effect Until
November 24/98 December 8/98	December 2/98 December 16/98	December 18/98 December 31/98	December 16/98 January 15/99
	<u>1999</u>		
January 12/99	January 20/99	February 5/99	March 5/99
January 26/99	February 3/99	February 19/99	March 5/99
February 9/99	February 17/99	March 5/99	April 6/99
February 23/99	March 3/99	March 19/99	April 6/99
March 9/99	March 17/99	*April 1/99	April 30/99
March 23/99	March 31/99	April 16/99	April 30/99
April 6/99	April 14/99	April 30/99	May 28/99
April 20/99	April 28/99	May 14/99	May 28/99
May 4/99	May 12/99	May 28/99	June 25/99
May 18/99	May 26/99	June 11/99	June 25/99
June 1/99	June 9/99	June 25/99	July 23/99
June 15/99	June 23/99	July 9/99	July 23/99
June 29/99	July 7/99	July 23/99	August 20/99
July 13/99	July 21/99	*August 5/99	August 20/99
July 27/99	August 4/99	August 20/99	September 17/99
August 10/99	August 18/99	September 3/99	September 17/99
August 24/99	September 1/99	September 17/99	October 15/99
September 7/99	September 15/99	October 1/99	October 15/99
September 21/99	September 29/99	October 15/99	November 12/99
October 5/99	October 13/99	October 29/99	November 12/99
October 19/99	October 27/99	November 12/99	December 10/99
November 2/99	November 10/99	November 26/99	December 10/99
November 16/99	November 24/99	December 10/99	January 14/00
November 30/99	December 8/99	December 23/99	January 14/00

- **Thursdays**

APPENDIX 5

SAMPLE FORMAT of information required.

OFFER TO PURCHASE TIMBER

(on Company Letterhead)

Date of Offer: _____

Date(s) of Advertising: _____

Advertising Company: _____

Address: _____

	Parcel ID or boom numbers	Application Numbers	Description	Offer \$/m³
(for Interior)	balsam peelers	P12345		\$80.00
(for Coast)	ILQC-98-05	P67890	spruce standard	\$85.00

Parcel Inspected: _____
NO YES DATE INSPECTED

Name/Address of Intended Processing Facility:

This offer expires on: _____

Other Conditions (if applicable):

Name: _____
(Please Print)

Signature: _____

Title: _____

APPENDIX 6

STATUTORY DECLARATION

1. I am _____ (comptroller for) _____ and as such have been authorized to write this declaration.
2. I have had an appraisal done on the timber detailed in the export application attached hereto.
3. The sum of _____ is the true value on the export market of all timber described in the application for a permit to export unmanufactured timber.
4. (Here state reason why export sales invoice value is different from export market value).

APPENDIX 7

FEE IN LIEU OF MANUFACTURE

RATE SCHEDULE FOR PROVINCIAL TIMBER SINCE JANUARY 1990

The rate shown below as a percentage is to be applied to the difference between the export market value and the domestic value as calculated from the Three Month Average Domestic Log Selling Prices in effect on the date the export permit application is received.

The minimum fee in lieu rate shall be \$1.00 per cubic metre.

CATEGORY	RATE
Coniferous Timber:	
Surplus Criteria Sawlogs - all tenures	100%
Surplus Criteria Pulp Logs - all tenures	40%
Surplus Criteria Boomsticks - all	40%
Economic Criteria - all	15%
Utilization Criteria - all	15%
Deciduous Timber:	
All Categories	\$1.00/m ³

APPENDIX 8

DOMESTIC MARKET END USE SORT DESCRIPTIONS

Species / Sort Name	General Parameters
Fir Oversize (FI O/S)	Top ≥ 60 r and log avg. (L/A) ≥ 8.0 m ³ .
Fir High Grade (FI H/G)	Mainly grades D & F with some high end H grade. Usually ≥ 40 r.
Fir Peeler	Predominently grades B & C. Usually 30 r to 40 r range.
Fir Peelable (large)	Predominently grade C with fair % of grade H (19 r - 29 r).
Fir Standard Sawlog (FI Std. S/L)	Mainly grades H, I, & J and ≥ 15 r and L/A ≥ 1.4 m ³ OR Mainly grades H & I and ≥ 19 r and L/A ≥ 1.7 m ³ .
Fir Gang (and peelable gang)	Mainly grade J. Either 10 r to 14 r (L/A ≥ 0.7 m ³) OR 10 r to 18 r (L/A ≥ 0.9 m ³).
Fir Chip & Saw	Mainly grades J & U. ≤ 10 r and L/A < 0.4 m ³ .
Fir Pulp	Mainly grades U, X, & Y.
He/Ba Oversize (He/Ba O/S)	Top ≥ 60 r and L/A ≥ 8.0 m ³ . (Uncommon sort)
He/Ba High Grade (He/Ba H/G)	Mainly grades D & F with some high end H grade. At least ≥ 30 r however more commonly ≥ 35 r.
He/Ba Standard Sawlog (He/Ba Std. S/L)	Mainly grades H, I, & J and ≥ 15 r and L/A ≥ 1.4 m ³ OR Mainly grades H & I and ≥ 19 r and L/A ≥ 1.7 m ³ .
Hemlock/Balsam Gang (He/Ba Gang)	Mainly grade J. Either 10 r to 14 r (L/A ≥ 0.7 m ³) OR 10 r to 18 r (L/A ≥ 0.9 m ³).
He/Ba Chip & Saw	Mainly grades J & U. ≤ 10 r and L/A < 0.4 m ³ .
He/Ba/Spruce Pulp	Mainly grades U, X, & Y.
Spruce Oversize (SP O/S)	Top ≥ 60 r and L/A ≥ 8.0 m ³ .
Spruce High Grade (SP H/G)	Mainly grades D, E, F, & G with some high end H grade.
Spruce Standard Sawlog (SP Std. S/L)	Mainly grades H, I, & J and ≥ 15 r and L/A ≥ 1.4 m ³ OR Mainly grades H & I and ≥ 19 r and L/A ≥ 1.7 m ³ .
Spruce Gang	Mainly grade J. Either 10 r to 14 r (L/A ≥ 0.7 m ³) OR 10 r to 18 r (L/A ≥ 0.9 m ³).
Spruce Chip & Saw	Mainly grades J & U. ≤ 10 r and L/A < 0.4 m ³ .
Spruce/He/Ba Pulp	Mainly grades U, X, & Y.

APPENDIX 8 cont'd

DOMESTIC MARKET END USE SORT DESCRIPTIONS

Species / Sort Name	General Parameters
Cypress Oversize (CY O/S)	Top ≥ 60 r and L/A ≥ 8.0 m ³ . (Uncommon sort)
Cypress High Grade (CY H/G)	Mainly grades D & F with some high end H grade.
Cypress Standard Sawlog (CY Std. S/L)	Mainly grades H, I, & J and ≥ 15 r and L/A ≥ 1.4 m ³ OR Mainly grades H & I and ≥ 19 r and L/A ≥ 1.7 m ³ .
Cypress Gang (Cy Gang)	Mainly grade J. Either 10 r to 14 r (L/A ≥ 0.7 m ³) OR 10 r to 18 r (L/A ≥ 0.9 m ³).
Cypress Chip & Saw	Mainly grades J & U. ≤ 10 r and L/A < 0.4 m ³ .
Cypress Pulp	Mainly grades U, X, & Y.
Cedar Oversize (CE O/S)	Top ≥ 60 r and L/A ≥ 8.0 m ³ .
Cedar Lumber (CE Lbr.)	Grades D & F ($> 75\%$) plus high end grade H ($< 25\%$).
Cedar Peelable	Mainly grades H & J. ≥ 15 r.
Cedar Merch	Mainly grades H, I, & J and ≥ 15 r and L/A ≥ 1.4 m ³ OR Mainly grades H & I and ≥ 19 r and L/A ≥ 1.7 m ³ .
Cedar Shingle	Mainly grades K, L, & M.
Cedar Gang	Mainly grade J. Either 10 r to 14 r (L/A ≥ 0.7 m ³) OR 10 r to 18 r (L/A ≥ 0.9 m ³).
Cedar Chip & Saw	Mainly grades J & U. ≤ 10 r and L/A < 0.4 m ³ .
Cedar/Cypress Pulp (Ce/Cy Pulp)	Mainly grades U, X, & Y.
Pine Sawlogs (WH or LO S/L)	Grade J and higher.
Pine Pulp (WH or LO Pulp)	Grade U and lower.
Hardwood Sawlogs (AL; MA; BI; etc. S/L)	Grade Code Blank
Hardwood Pulp (AL; MA; BI; etc. Pulp)	Grade Y & Z.

Notes:

- All percentages are volume based.
- Diameter measurements are the top diameter in cm of radius (r).
- Log averages used are for reasonably long logs (≥ 11.4 m) and will be less for shorter length logs.
- The general parameter column is meant to be a basic guideline only, bearing in mind that there is the potential for some acceptable variations.

APPENDIX 9

INSTRUCTIONS FOR COMPLETING COASTAL AND INTERIOR STANDING TIMBER APPLICATIONS

Applications for exemption of standing timber from use or manufacture within the province shall be submitted to the regional manager (Attention: revenue officer) within whose region the timber originates. An application shall consist of:

- 3 copies of form F.S. 418, "Application for Exemption to Export Unmanufactured Timber Products".
- 3 copies of "Supplementary Information" as outlined below.
- a covering letter.

Within tenures subject to issuance of cutting permits, applications shall cover not more than one cutting permit. Similarly, there shall be only one timber sale licence not subject to issuance of cutting permits per application.

SUPPLEMENTARY INFORMATION

Submit all information in order of, and with reference to, the following system. Any appendices to applications must also relate to this system. If any requested information is not available or not applicable, note this in the application and provide an explanation.

1. State the number of the Crown harvesting tenure and the *currently issued* cutting permits, or describe the legal identity of Crown-granted lands. Applications covering cutting permits or timber sales not yet issued will not be processed unless accepted by the district and region.
2. Supply a map locating that area under application at a scale of approximately 1:250,000 and an operations map of the logging area.
3. Using the cruise as a basis, estimate standing timber metric volumes, including felled and bucked timber, remaining on the application area, by species and grade, for each cut block. Where cutting is subject to the prior approval of a five-year development plan, the cutting sequence by block must be shown in accordance with the plan.

APPENDIX 9 cont'd

4. State the total operating cost estimate to deliver logs to the domestic market area, as calculated in an *appraisal estimate* approved by the Forest Service, using the current applicable Forest Service Appraisal Manual. The appraisal data shall be produced using volume information collected in a cruise acceptable to the Forest Service. Also, supply both the appraised and actual domestic log delivery destinations. Note that phase cost estimates will be supplied to the Timber Export Advisory Committee (TEAC) by the Forest Service.
5. Supply a detailed listing of estimated additional costs to deliver export logs to shipside. Similarly, estimate and anticipated reductions in domestic log delivery costs as a result of export (eg: elimination of barging).
6. State the most recent stumpage rates by species, complete with their effective date. Alternately, royalty rates should be given for royalty bearing lands.
7. Give the applicant's best estimate of domestic log prices per m³, stating the effective date. This estimate is not to be confused with the Forest Service Three-month AMV's. Supportive documentation such as recent invoices or buyers estimates should be included if available. Invoices must be accompanied by a metric scale.
8. Give the applicant's best estimate of export log prices per m³, stating the effective date. Supportive documentation such as recent invoices or buyers estimates should be included if available, and must be expressed in Canadian dollars and metric scale.
9. Calculate the value of production if all remaining timber, including felled and bucked timber, is sold domestically, as well as the value of production with a percentage of export. The value of production shall be calculated on an individual species basis, and shall consider:
 - export prices (point 8).
 - operating costs (point 4).
 - stumpage and royalty charges (point 6).
 - domestic log prices from two or more milling facilities (point 7).

Note: The above instructions are subject to change at any time. Please check with the applicable regional office for current information.

***FAILURE TO PROVIDE ALL OF THE REQUESTED INFORMATION WILL
DELAY THE PROCESSING OF AN APPLICATION***

APPENDIX 10

TO SAWMILL OPERATORS AND EXPORTERS OF TIMBER PRODUCTS

Pursuant to Section 127 (b) of the *Forest Act*, the following are considered manufactured products:

- i) lumber,
- ii) sawn wood products, other than lumber, manufactured to an extent required by the minister; defined as follows: (*July 27, 1998*)
 - boards, shiplap, paneling, decking and flooring;
 - siding (rough or planed and may have natural or manufactured waney edges);
 - mouldings;
 - timbers (rough or planed, square or rectangular, with not more than **0.20 m²** cross sectional area);
 - temple components originating from a recognized temple component manufacturer which have been manufactured for a specific temple, shrine or similar religious structure or design; and
 - building logs (completely debarked, round or partially round logs, notched and cut to precise length for a specific building or building design or logs sawn and machine shaped or doveled so their diameter remains constant throughout their lengths).
- iii) shingles or fully manufactured shakes,
- iv) veneer, plywood or other wood-based panel products,
- v) pulp, newsprint or paper,
- vi) peeled poles or piles having top diameters less than 28 cm and fence posts,
- vii) Christmas trees, or
- viii) sticks and timbers having diameters less than 15 cm, ties and mining timbers.

“Wane” denotes that part of the edge of a piece of wood where bark or the sapwood surface are still present and, with respect of sawn wood products, shall be permitted as follows:

1. Wane is permitted to any degree on the edge in lumber up to but not including 50 mm in thickness.
2. On lumber 50 mm up to but not including 125 mm in thickness, wane 3/4 the width not completely through the thickness is permitted full length. Wane full width and/or thickness is permitted for a maximum 1/4 the length.
3. On sawn wood products 125 mm or thicker, wane shall not exceed 1/3 the width and 1/3 the thickness full length, or the equivalent on 2 or more edges.

APPENDIX 11

Interpretive Notes re: Section 127 (b)

Section 127 (b)(ii)

“timbers”

There is no leeway granted to the maximum cross sectional area and/or wane allowance restrictions.

Wane is not permitted to exceed $\frac{2}{3}$ the thickness or width of any face at any point on the piece. A minimum of $\frac{1}{3}$ of each face must be sawn. In all cases, the average wane for the full length of the piece shall not exceed $\frac{1}{3}$ of any face.

Taper sawn cants (a sawn timber with different end dimensions) are considered to be unmanufactured and are therefore non-exportable unless covered by a provincial exemption pursuant to Section 128 of the *Forest Act*.

Timbers must be square or rectangular. Prior to cutting any other shape you should contact the local regional office and obtain a ruling.

“temple components”

Applies only to those processors that register with the ministry and have been deemed to be a recognized temple component manufacturer.

Section 127 (b)(vi)

“peeled poles or piles”

Applies only to those products with a **top diameter less than 28 cm** manufactured to meet the Canadian Standards Association (CSA) standards for:

i) Peeled Poles - Peeled Utility Poles

Peeled utility poles shall have the bark completely removed and shall be shaved in a manner acceptable to meet the Wood Utility Poles and Reinforcing Stubs CSA standard CAN/CSA-015-90. In addition, all poles shall be manufactured to meet the standard as to species, dimensions, length, trim, sawing and marking and shall be classified using CSA classification procedures. Length and class shall be identified on the butt of each pole in the prescribed manner.

ii) Peeled Piles

Peeled piles shall be rough peeled, that is, all of the outer bark must be removed (the bark outside of the cambium layer) as defined in CSA standard CAN3-056-M79 for Round Wood Piles. In addition, all piles shall be manufactured to meet the standard as to species, taper, trimming, sawing and marking, dimensions, length and size designations.

APPENDIX 11 (cont'd)

Interpretive Notes

Section 127 (b)(vi)

“fence posts”

Applies only to those products which meet the description and dimensions of a round or split fence post pursuant to sections 8.2.6 or 8.2.7 of the *Scaling Manual*.

Section 127 (b)(viii)

“sticks and timbers”

The diameter specified is interpreted as meaning that the diameter shall not exceed 15 cm at any point on the piece.

APPENDIX 12

MINISTRY OF FORESTS REGIONAL OFFICES

Vancouver Forest Region

2100 Labieux Road
Nanaimo, B.C. V9T 6E9
phone: (250) 751-7001
fax: (250) 751-7197

Kamloops Forest Region

515 Columbia Street
Kamloops, B.C. V2C 2T7
phone: (250) 828-4131
fax: (250) 828-4154

Prince Rupert Forest Region

Bag 5000
3726 Alfred Street
Smithers, B.C. V0J 2N0
phone: (250) 847-7500
fax: (250) 847-7217

Prince George Forest Region

1011 4th Avenue
Prince George, B.C. V2L 3H9
phone: (250) 565-6100
fax: (250) 565-6671

Cariboo Forest Region

640 Borland Street
Williams Lake, B.C. V2G 1R8
phone: (250) 398-4345
fax: (250) 398-4380

Nelson Forest Region

518 Lake Street
Nelson, B.C. V1L 4C6
phone: (250) 354-6200
fax: (250) 354-6250