

PROCEDURES FOR EXPORT OF TIMBER

February 2005

NORTHERN INTERIOR FOREST REGION



Note: This handout contains detailed information on the procedures to be followed for the export of timber that originates from within the Northern Interior Forest Region (NIFR)

The Southern Interior and Coastal Forest Regions have their own detailed procedures. The appropriate regional office must also be contacted if the timber was harvested in the NIFR but is located in another region at the time the export permit is applied for. Timber transported through another region prior to being exported from the province must comply with the transport and export requirements of that regional office and all forest districts along the way.

TABLE OF CONTENTS

1. LEGISLATION ADDRESSING EXPORT OF TIMBER

1.1	The <i>Forest Act</i> Part 10, section 127	Page	1
1.2	The <i>Forest Act</i> Part 10, section 128	Page	2
1.3	The <i>Forest Act</i> Part 10, section 129	Page	2
1.4	Timber NOT covered by the <i>Forest Act</i>	Page	2
1.5	Manufactured Products	Page	3

2. GENERAL PROCESS OVERVIEW

2.1	Restrictions	Page	3
2.2	Application for Exemption	Page	3
2.3	Exemption	Page	3
2.4	Application for Export Permit	Page	4
2.5	Export Permit	Page	4

3. APPLYING FOR AN EXEMPTION TO EXPORT TIMBER

3.1	Harvested Surplus Timber Process (Coniferous)	Page	4
3.11	Restrictions	Page	4
3.12	Applications	Page	5
3.13	Scale	Page	5
3.131	Scale on timber to be barged	Page	5
3.14	Sorts	Page	5
3.15	Timber marking	Page	5
3.2	Application for Exemption	Page	6
3.21	Locations	Page	6
3.3	Harvested Surplus Timber Process (Deciduous)	Page	7
3.4	Processing the Exemption Application	Page	7
3.5	Re-Sort or Processing	Page	7
3.6	Offers to Purchase	Page	8
3.7	Exemption - Ministerial Order	Page	9
3.8	Standing Timber Exemption Process	Page	10
3.81	Coniferous and Deciduous, Coast and Interior	Page	10
3.82	'Blanket' Exemptions	Page	10

TABLE OF CONTENTS

4.	INTERIOR TIMBER EXPORT PROCESSING	Page 11
5.	APPLYING FOR AN EXPORT PERMIT	
5.1	FS 38 - Application for Permit	Page 11
5.2	Summaries of Scale	Page 12
5.2.1	Using a weight scaling as a basis of stock scale for Export	Page 13
5.3	Fees	Page 14
5.4	FS 34 - Permit to Export	Page 15
5.5	Canada Customs	Page 15
5.6	Shut outs	Page 15
6.	APPENDICES	

Table of Appendices

Appendix 1. Harvested Surplus Flowchart	Page 16
Appendix 2. Standing Timber Flowchart	Page 17
Appendix 3. Export Permit Flowchart	Page 18
Appendix 4. Schedule for Bi-Weekly Advertising List	Page 19
Appendix 5. Samples of Offers to Purchase	Page 20
Appendix 6. Statutory Declaration	Page 21
Appendix 7. Rate Schedule, Fee in Lieu of Manufacture	Page 22
Appendix 8. Domestic Market Sort Descriptions	Pages 23-26
Appendix 9. Completing Standing Timber Applications	Pages 27-28
Appendix 10. Manufactured Products	Pages 29-30
Appendix 11. Addresses of Regional Offices	Page 31
Appendix 12 FS 418 Example	Pages 32-33
Appendix 13 FS 38 Example	Page 34
Appendix 14 Blanket Exemption Example O.I.C. 121	Page 35
Appendix 15 FS 72 Summary of Scale Example	Page 36
Appendix 16 Federal Notice to Exporters	Pages 37-42

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. (Attached as pages 37-42)

Also available at: <http://www.dfait-maeci.gc.ca/trade/eicb/notices/ser102-en.asp>

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, provides the Manufactured Forest Products Regulation as amended effective November 1, 2003.

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. (Cedar and Cypress normally restricted, 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. (FS 418 Form Attached as pages 32 & 33)

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 it is then forwarded with comments to either the regional manager, or Economics and Trade Branch for consideration by the Technical Export Advisory Committee (TEAC), whichever is appropriate for the type of exemption required. Green standing timber and harvested timber exceeding 15,000 M³ must be approved by Order in Council (OIC). If approval is recommended, an exemption in the form of a Ministerial Order signed by the regional manager, or an OIC 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. (FS 38 Form Attached as page 34)

This form specifies details of the shipping: the purchaser, the transport method, the destination country and the particulars of the timber itself.

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

*(see section 5.3 Fees and 5.6 ShutOuts for exceptions to this non-refundable condition)

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 provincial forms are available through the nearest regional office.

(See flowchart, Appendix 3)

Federal export forms may be obtained through:

DFAIT E.P.E. Division
125 Sussex Drive
Ottawa, Ontario
K1A 0G2

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 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 originated.

3.11 Restrictions

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

- a) timber that was previously rejected from exemption of manufacture,
- b) logs obtained by beechcomb where the origin of the timber is not clear (unmarked)
- 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 region will be subject to surplus testing by inclusion in the Provincial Bi-Weekly Advertising List, prior to being moved from the local area. For the purpose of inclusion in this list the FS 418 must be accompanied by a covering letter and the original of the scale information by timber mark, computed and summarized in the FS 72 (Summary of Scale) format, with the detailed log listing included.(FS 72 Form Attached as Page 36)

3.13 Scale

The timber under application must have been piece scaled by timber mark 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 Details of Timber to be Barged (may also apply when export is by truck)

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) Attached as pages: 23 to 26.

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 transport and 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. (FS 418 Form Attached as pages 32 & 33)

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 coastal areas a minimum of 2800 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. The marketing areas are Kitamat, Prince Rupert, and Stewart. The timber must remain in the location specified on the FS 418 for the duration of the advertising period. The timber must be easily identified and accessible for potential purchasers and the Ministry of Forests to inspect.

3.3 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 Processing the Exemption Application

Upon receipt of the application package, the regional office will review it 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). The list is available on the internet at:

http://www.for.gov.bc.ca/ftp/Het/external/!publish/web/log_prices/interiorlist.pdf

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. Coastal list is available at:

http://www.for.gov.bc.ca/ftp/Het/external/!publish/web/log_prices/coastallistlist.pdf

3.5 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.

3.6

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. Volumes under 15000 may not require TEAC assesment.

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.

3.7

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.

Example:

EXEMPTION FOR TIMBER EXPORT

Subject to the conditions below, exemption from Section 135 of the *Forest Act* is hereby grant for the unmanufactured volumes and species of timber listed below, as applied for by:

Company Name

Application Number
Total

Volume m³

Species Sort

1. Timber exempted must be exported by the applicant.
2. Before any timber exempted under this order is exported:
 - a) a copy of the export sales invoice for the timber delivered for loading and transportation from Canada is to be provided to a regional manager; and
 - b) an application on form FS38 for an export permit is to be submitted and an export permit FS34 obtained from a Regional Manager.
3. In addition to any other sums payable to the Crown, a fee in lieu of manufacture within the province shall be paid which shall be the rate of \$#.## per cubic metre.
4. Unless sooner terminated, this exemption expires _____ being 120 days after the approval date. (Other conditions that may apply to the specific circumstances of the FS 418 application)

Approval Date:

Regional Manager
Northern Interior Forest Region

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.

Example:



BRITISH COLUMBIA



PERMIT TO EXPORT UNMANUFACTURED TIMBER

Any person or company exporting from the province must be in possession of this permit before allowing unmanufactured forest products to be loaded aboard ship, towed to international waters or otherwise transported from British Columbia.

Authorization to Export is Granted to: (Complete name and address)		Permit No:
Destination: (Complete name and address)		Under Exemption No:
Name and Type of Transport:		Customs Port of Export:
Subject to the conditions hereinafter enumerated, the Permittee is hereby authorized to _____ (loads or pieces) of timber having a combined scale measurement of _____ m ³ as detailed on the accompanying Application for Permit to Export Unmanufactured Timber (FS 38). THIS PERMIT IS VALID UNDER THE FOLLOWING CONDITIONS: 1. All fees and charges payable under the forest Act, including the fee in lieu of manufacture within the province, must be paid prior to export unless other arrangements have been approved by the Regional Manager. 2. This permit must be accompanied by an application to export unmanufactured timber (FS 38) of a corresponding number. 3. This permit, when issued for international trade, is subject to the provisions of Federal Exports and Import Permits Act. 4. Other:		Issue Date: Y - M - D Expiry Date: Y - M - D Region:
Signature of Regional Manager:		Printed Name of Regional Manager:

3.8 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.

3.81 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)

3.82 '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. (An example of OIC121 is attached as page 35)

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

4. INTERIOR TIMBER APPLICATIONS

Harvested timber applications may also include dead and dry standing timber. Ministerial exemptions for volumes under 15000m³ may be approved by the regional manager. These applications will be subject to an appropriate surplus test.

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. (FS 38 Form Attached as page 34)

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);

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.

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. (FS 72 Form attached as page 36)

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.

5.2.1 Procedures for using a weight scaling as a Basis of stock scale for Export

This procedure gives guidance relative to using weight scaling as a basis for determining the summary of scale, when application is made for an export permit under part 10 of the *Forest Act*. Traditionally there has been limited use of weight scaling when collecting export scale data. This is because the majority of export exemptions specify timber-mark, species, grade specific volumes or other conditions such as size and product type. The weight scaling method may not meet the requirements of the exemption.

Export procedures indicate that a copy of summary of scale (also called stock scale) is one of the items that must be submitted along with any export application. If the weight scale system is used as the basis of scale it must ensure that the timber being exported meets the same definition as the timber that was exempted from manufacturing. If the export permit application is sought under the jurisdiction of a standing Order in Council it must also meet the specific conditions that are listed.

The use of weight scaling must be pre-approved by the Forest Region to which the permit application (FS38) has been made. The Regional Executive Director will likely ask for further information to give him reasonable assurance of scale integrity including a proposed sample plan. The Forest District where the intended weight scale is located will also be consulted to provide information about any associated risks or issues, regarding the particular weight scale site.

There may be some potential to use original weight scale information as the basis of the stock scale if the individual loads can be kept intact without being altered in any way. If the loads being exported are left on the truck after the original scale then the maximum distance to the reload yard is 15 km, so that an accurate tare weight can be attained.

General procedures for using weight scaling as a basis of the summary of scale are:

- 1) Separate strata must be set up and used for the exported timber, segregating it from primary scale and other strata. Depending on the nature of the export application more than one strata may be set up.
- 2) A minimum of 10 samples must be taken in each strata. The Forest Region that the export application is made to will determine the sampling frequency.
- 3) The appropriate region/ district must be informed when a sample is taken for the purpose of inspection.
- 4) Timber to be exported must be segregated (decked) at the weight scale site by timber-mark. The original marks must be left on the timber in the decks.
- 5) Timber must be marked to the standard required by the Regional Executive Director, using the timber mark of origin, for volumes being exported.
- 6) Each logging truck must carry a copy of an approved export permit and a load description slip.

Logging trucks are subject to inspection by a Forest Officer. Inspected samples or logging trucks carrying timber contrary to the description of the approved export permit are subject to enforcement measures under the *Forest Act* (such as forfeiture of the timber). The export permit is also subject to cancellation.

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 * non-refundable fee in lieu of manufacture in the Province will be charged and will be in addition to any other charges, such as outstanding stumpage.

* (refunds applications may be considered when fee exceeds \$1.50 per meter³)

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. (Attached as pages 27 to 42)
FAX orders to :Claude Champoux at 613-996-9933.

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. When 72 hours notice has not been supplied an additional fee in lieu of \$1.00 may be required at the discretion of the regional revenue officer. 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.

Applications for fee in lieu of manufacture refunds will only be considered when:

- The 72 hour notice has been given, or
- The fee in lieu is in excess of \$1.50/Meter³.

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.

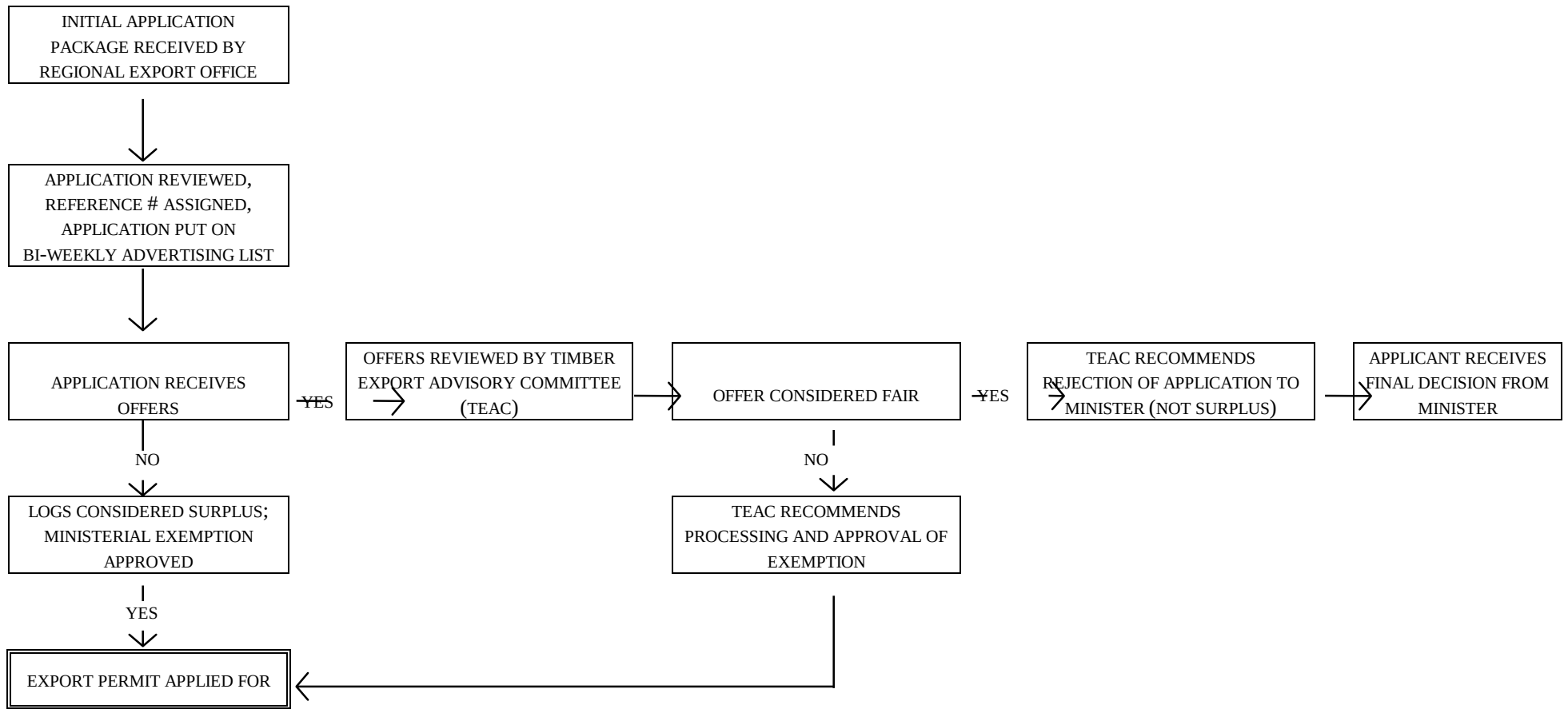
Once all shut out requirements have been met a new export permit will be issued.

6.**APPENDICES**

Appendix 1. Harvested Surplus Flowchart	Page 16
Appendix 2. Standing Timber Flowchart	Page 17
Appendix 3. Export Permit Flowchart	Page 18
Appendix 4. Schedule for Bi-Weekly Advertising List	Page 19
Appendix 5. Samples of Offers to Purchase	Page 20
Appendix 6. Statutory Declaration	Page 21
Appendix 7. Rate Schedule, Fee in Lieu of Manufacture	Page 22
Appendix 8. Domestic Market Sort Descriptions	Pages 23-26
Appendix 9. Completing Standing Timber Applications	Pages 27-28
Appendix 10. Manufactured Products	Pages 29-30
Appendix 11. Addresses of Regional Offices	Page 31
Appendix 12. FS 418 Example	Pages 32-33
Appendix 13. FS 38 Example	Page 34
Appendix 14. Blanket Exemption Example O.I.C. 121	Page 35
Appendix 15. FS 72 Summary of Scale Example	Page 36
Appendix 16. Federal Notice to Exporters	Pages 37-42

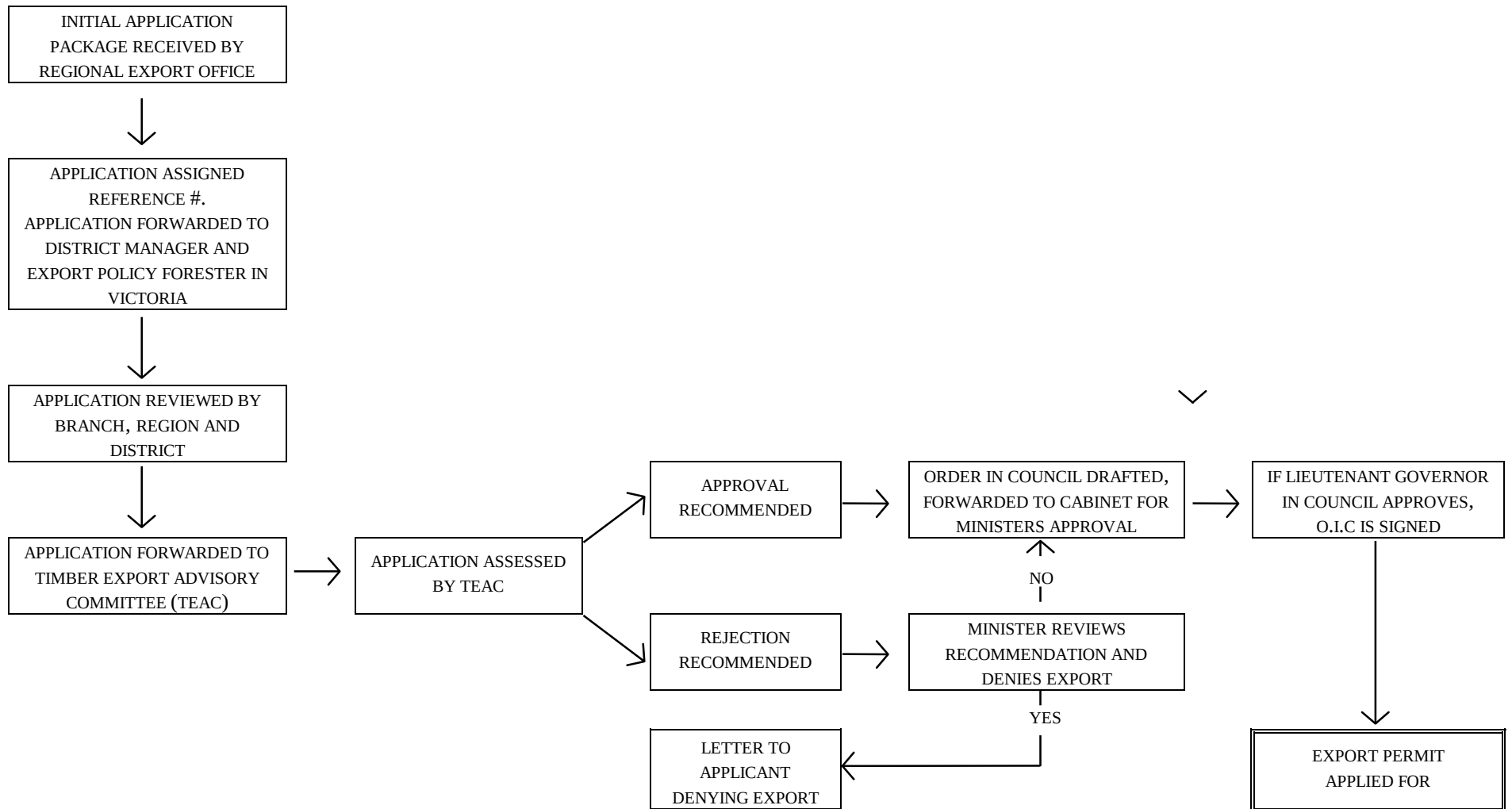
APPENDIX 1

PROVINCIAL HARVESTED SURPLUS PROCESS



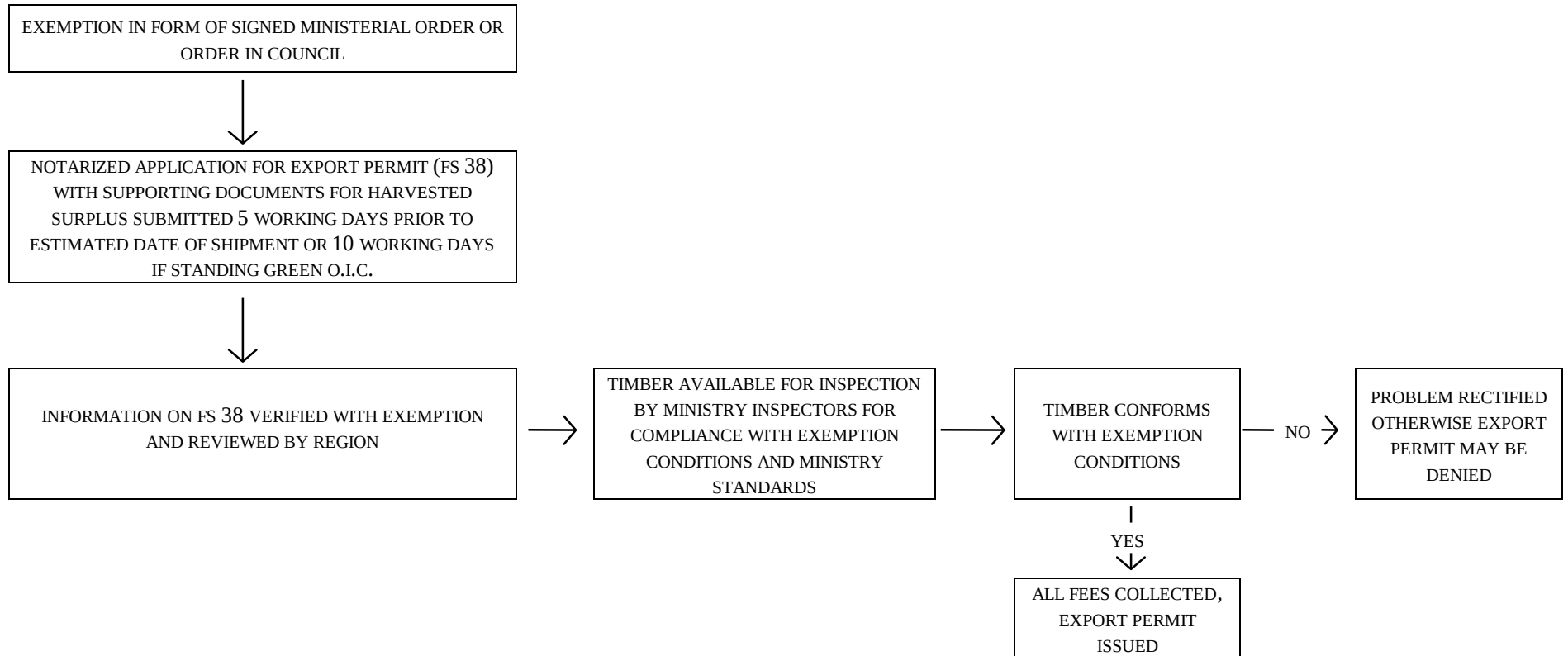
APPENDIX 2

STANDING TIMBER APPLICATION PROCESS



APPENDIX 3

EXPORT PERMITTING PROCESS



APPENDIX 4

SCHEDULE FOR THE 2005 ADVERTISING LIST			
Final Day for Receipt of Applications	Bi-Weekly Advertising List Date	Final Date for Receipt of Offers	Offers must be in effect until -
January 4	January 14	January 28	February 18
January 18	January 28	February 11	March 4
February 1	February 11	February 25	March 18
February 15	February 25	March 11	April 1
March 1	March 11	March 24*	April 8
March 15	March 24*	April 8	April 29
March 29	April 8	April 22	May 13
April 12	April 22	May 6	May 27
April 26	May 6	May 20	June 10
May 10	May 20	June 3	June 24
May 24	June 3	June 17	July 8
June 7	June 17	June 30*	July 22
June 21	June 30*	July 15	August 5
July 5	July 15	July 29	August 19
July 19	July 29	August 12	September 2
August 2	August 12	August 26	September 16
August 16	August 26	September 9	September 30
August 30	September 9	September 23	October 14
September 13	September 23	October 7	October 28
September 27	October 7	October 21	November 11
October 11	October 21	November 4	November 25
October 25	November 4	November 18	December 9
November 8	November 18	December 2	December 23
November 22	December 2	December 16	January 6, 2006
December 6	December 16	January 13, 2006	February 3, 2005
No List Over Christmas			
January 3, 2006	January 13, 2006	January 27, 2006	February 17, 2006
Tuesdays	Fridays	Fridays	Fridays

Note: * dates adjusted due to stat holidays

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 average (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	Predominantly grades B & C. Usually 30 r to 40 r range.
Fir Peelable	Predominantly grade C with fair % of grade H and a small % of J grade. 17 r to 28 r (L/A 2.2 m ³ to 2.8 m ³).
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) (FI Gang)	Mainly grade J. Either 8 r to 14 r (L/A ≥ 0.6 m ³) OR 8 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 Utility Sawlog	≥ 4.2 m and ≥ 19 r. H grade $\leq 10\%$, I grade $\leq 40\%$. Log average 1.5 m ³ to 2.2 m ³ .
Fir Utility Gang	≥ 3.8 m and 8 r to 18 r. J grade $\leq 40\%$ if O.G and $\leq 60\%$ if 2 nd growth. Log average 0.5 m ³ to 0.9 m ³ .
Fir/Pine Pulp	Mainly grades U, X, & Y.
He/Ba Oversize (He/Ba O/S)	Top ≥ 50 r and L/A ≥ 7.0 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 ≥ 0.6 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 Utility Sawlog	≥ 4.2 m and ≥ 19 r. H grade $\leq 15\%$, I grade $\leq 45\%$. Log average 1.5 m ³ to 2.2 m ³ .
He/Ba Utility Gang	≥ 3.8 m and 8 r to 18 r. J grade $\leq 40\%$ if O.G and $\leq 60\%$ if 2 nd growth. Log average 0.5 m ³ to 0.9 m ³ .
He/Ba/Spruce Pulp	Mainly grades U, X, & Y.

Appendix 8 cont'd

DOMESTIC MARKET END USE SORT DESCRIPTIONS

Species / Sort Name	General Parameters
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 ≥ 0.6 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.
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 ≥ 0.6 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 Utility Sawlog	≥ 4.2 m and ≥ 8 r. H grade $\leq 10\%$, I grade $\leq 25\%$, J grade $\leq 20\%$. Log average 0.8 m ³ to 1.8 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 (CE 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 8 r to 14 r (L/A ≥ 0.5 m ³) OR 8 r to 18 r (L/A ≥ 0.7 m ³).
Cedar Chip & Saw	Mainly grades J & U. ≤ 10 r and L/A < 0.4 m ³ .
Cedar Utility	Lower in quality than merch & gang; Higher in quality than pulp.
Cedar/Cypress Pulp (Ce/Cy Pulp)	Mainly grades U, X, & Y.

Appendix 8 cont'd

DOMESTIC MARKET END USE SORT DESCRIPTIONS

Species / Sort Name	<i>General Parameters</i>
Pine Sawlogs (WH or LO S/L)	Grade J and higher.
Pine/Fir Pulp (WH or LO Pulp)	Mainly grades U, X, & Y.
Hardwood Sawlogs (AL; MA; BI; etc. S/L)	Grade Code Blank. (Must be sorted separately by species)
Hardwood Pulp (AL; MA; BI; etc. Pulp)	Grade Y & Z.. (Must be sorted separately by species)

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.
- Contact the regional office for a ruling prior to producing packages that do not conform with the sorts listed.

Appendix 8 (cont) RECOGNIZED DOMESTIC END USE SORT DESCRIPTIONS

A request by industry to expand the list of recognized domestic end use sort descriptions has been reviewed by the ministry and the Timber Export Advisory Committee (TEAC). This review has concluded that timber sorted to the following specifications will be considered a recognized domestic sort and accepted for inclusion on the bi-weekly list:

Fir Utility Sawlog: Minimum length of 4.2 m and minimum top diameter of 19 rads. The grade distribution will be H grade and lower with a maximum 10% H grade and 40% I grade by volume. Average log volume between 1.5 m³ and 2.2 m³.

Fir Utility Gang: Minimum length of 3.8 m with a top diameter between 8 rads and 18 rads. The grade distribution will be J grade and lower with a maximum 40% J grade by volume for old growth timber and 60% J grade by volume for second growth timber. Average log volume between 0.5 m³ and 0.9 m³.

He/Ba Utility Sawlog: Minimum length of 4.2 m and minimum top diameter of 19 rads. The grade distribution will be H grade and lower with a maximum 15% H grade and 45% I grade by volume. Average log volume between 1.5 m³ and 2.3 m³.

He/Ba Utility Gang: Minimum length of 3.8 m with a top diameter between 8 rads and 18 rads. The grade distribution will be J grade and lower with a maximum 40% J grade by volume for old growth timber and 60% J grade by volume for second growth timber. Average log volume between 0.5 m³ and 0.9 m³.

Cypress Utility Sawlog: Minimum length of 4.2 m and minimum top diameter of 8 rads. The grade distribution will be H grade and lower with a maximum 10% H grade, 25% I grade and 20% J grade by volume. Average log volume between 0.8 m³ and 1.5 m³.

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

Manufactured Forest Products Regulation

Manufactured wood products

- 1 For the purposes of section 127 (b) of the *Forest Act*, timber must be manufactured into the following wood products:
 - (a) lumber,
 - (b) pulp, newsprint or paper;
 - (c) veneer, plywood or other wood based panel products;
 - (d) the following sawn wood products:
 - (i) boards, shiplap, paneling, decking and flooring;
 - (ii) rough or planed siding which may have natural or manufactured waney edges;
 - (iii) moldings;
 - (iv) engineered wood products;
 - (v) rough or planed, square or rectangular timbers no greater than 0.20m^2 in cross-section area meeting the following wane requirements:
 - (A) for lumber up to but not including 50 mm in thickness, wane is permitted to run the full length of the lumber, and the wane may be up to the full width and thickness of the lumber;
 - (B) for lumber 50 mm and up to but not including 125 mm in thickness,
 - (I) wane may be up to the full width and the full thickness of the lumber for a maximum of $\frac{1}{4}$ the length of the lumber, or
 - (II) wane for the full length of the lumber is permitted provided that the width of the wane does not exceed $\frac{3}{4}$ the width of the lumber, and the thickness of the wane is less than the thickness of the lumber;
 - (C) for lumber 125 mm in thickness or more,
 - (I) uniform wane for the full length of the lumber is permitted provided that at least $\frac{2}{3}$ of the width and at least $\frac{2}{3}$ of the thickness of each face of the lumber is sawn; or
 - (II) tapering wane not to exceed $\frac{2}{3}$ the width at any point on the lumber and not to exceed $\frac{2}{3}$ the thickness at any

point on the lumber is permitted provided at least 66 2/3% of the surface area of each face is sawn;

- (e) components for a religious or public structure or design ordered from a recognized provincial manufacturer who has the specialized equipment and expertise to make said components. Provincial manufacturers may become recognized by applying to a region forest office;
- (f) shingles and fully manufactured shakes;
- (g) Log home packages which have been fully manufactured and assembled within the province, then disassembled for shipment from the province;
- (h) Log home components, five metres or longer “dowelled” or machine-shaped so their diameter is consistent throughout their length;
- (i) peeled utility poles manufactured in a recognized provincial utility pole manufacturing plant having top diameters less than 28 cm and meeting the standards for utility poles of the Canadian Standards Association, American National Standards Institute, or other similar recognized Standards Association;
- (j) fence posts that are round or split and that have a maximum diameter less than 21 cm and a length not exceeding 2.4 m;
- (k) sticks, stakes and firewood as defined in the current British Columbia Scaling Manual and having diameters less than 15 cm throughout their length;
- (l) boomsticks meeting industry standards and used in the containment and transport of logs already approved for export in boom form.

2 Christmas trees are deemed to be manufactured for the purposes of section 127(b) of the *Forest Act*.

APPENDIX 11

MINISTRY OF FORESTS REGIONAL OFFICES

Coast Forest Region

2100 Labieux Road
Nanaimo, B.C. V9T 6E9
phone: (250) 751-7090
fax: (250) 751-7197

Northern Interior Forest Region

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

Southern Interior Forest Region

515 Columbia Street
Kamloops, B.C. V2C 2T7
phone: (250) 828-4907
fax: (250) 828-4154



APPLICATION FOR EXEMPTION TO EXPORT
UNMANUFACTURED TIMBER PRODUCTS
UNDER PART 10, SECTION 127, FOREST ACT



Application is hereby made for exemption from manufacture in the province by:

Name of company or person making application: _____

Full address: _____

_____ Phone: _____ Fax: _____

Name of owner (if different from above): _____

Full address: _____

_____ Phone: _____ Fax: _____

For the following described product: (check only **one** per application):

Timber:

___Harvested Timber ___Standing Timber **Volume:** _____ m³ Average log volume: _____ m³

Residuals:

___Wood Chips ___Sawdust/Shavings **Volume:** _____ GPU _____ BDU _____ Tonnes

___Hog Fuel

___Other (specify)

Volume:

Term: (all) _____ Days _____ Months _____ Years

TIMBER (STANDING, HARVESTED, SPECIAL FOREST PRODUCTS, ETC.)

Species and end use sort or description of product: _____

Location of timber: _____

Timber mark(s): _____

Decked: _____ **or** Boomed: Flat _____ **or** Bundles _____

Boom number(s) or parcel identifier: _____

Coastal Timber Only:

Estimated Age: (years) _____ Average top diameter: (rads) _____ Average length: (m) _____

Attach Stock Scale Summaries to substantiate volume of **harvested** timber.

Attach letter describing tenure and reasons for application for **standing** timber. See reverse.

WOOD RESIDUE (CHIPS, SLABS, EDGINGS, SAWDUST, SHAVINGS, AND HOG FUEL)

Attach letter detailing reasons for proposed export and listing producer/supplier mill(s) and species. See reverse.

Name (please print): _____ Signature: _____ Date: _____

Contact phone number: _____ Position: _____

OFFICE USE ONLY: _____

Application Number: **P** _____

INSTRUCTIONS

Application for Exemption (FS418) is to be completed as indicated for the proposed export of timber or wood residue produced from timber originating from Crown land, from land granted by the Crown after March 12, 1906 or from land granted by the Crown on or before March 12, 1906 in a Tree Farm Licence area.

TIMBER: Includes trees whether standing, fallen, living, dead, limbed, bucked or not, defined as manufactured under Part 10, Section 127(b) of the *Forest Act*.
One application is to be submitted as instructed to the Regional Manager's office concerned.

WOOD RESIDUE: Includes wood chips, slabs, edgings, sawdust, shavings and hog fuel.
One copy of the application is to be submitted to the Regional Manager as listed below in which the residue originates, with a detailed letter supporting the export.

A copy of the application is to be forwarded to:

Chip Export Advisory Committee (CEAC)
c/o Export Policy Forester
Ministry of Forests
Economics and Trade Branch
P O Box 9514 Stn Prov Gov
Victoria BC V8W 9C2
or fax to (250) 387-5050.

Addresses of Regional Managers, Ministry of Forests:

Coast Forest Region

2100 Labieux Road
Nanaimo BC V9T 6E9
Phone: (250) 751-7090
Fax: (250) 751-7197

Northern Interior Forest Region

1011 Fourth Avenue
Prince George BC V2L 3H9
Phone: (250) 565-6100
Fax: (250) 565-6671

Southern Interior Forest Region

515 Columbia Street
Kamloops BC V2C 2T7
Phone: (250) 828-4907
Fax: (250) 828-4154



PERMIT NO.

APPLICATION IS HEREBY MADE for a permit to export the following described unmanufactured timber:

DESTINATION
NAME AND
ADDRESS

CUSTOMS PORT OF EXPORT

RAFT, BOOM OR PARCEL NO.(s)	MARKS ON TIMBER	APPLICATION OR APPROVED EXEMPTION NO.(s)	NUMBER OF PIECES	DESCRIPTION OF TIMBER	SCALE MEASUREMENT m ³
TOTAL			0	TOTAL	0.0

THIS STATUTORY DECLARATION MUST BE MADE BEFORE A NOTARY PUBLIC, POLICE JUSTICE OF THE PEACE OR COMMISSIONER FOR TAKING AFFIDAVITS.

1. I am the applicant or person authorized to make this application on behalf of the applicant.
2. An exemption for Section 127 of the *Forest Act* has been granted in respect of the above-noted timber.
3. The export sales invoice or declaration of true export market value attached is the full export log market value for the timber indicated thereon.
4. The particulars shown above in this application are true and correct.

And I make this solemn declaration knowing that it is of the same force and effect as if made under oath and by virtue of the *Canada Evidence Act*.

Title

SIGNATURE

GREEN - EXPORTER

PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. 121, Approved and Ordered FEB 13 2002

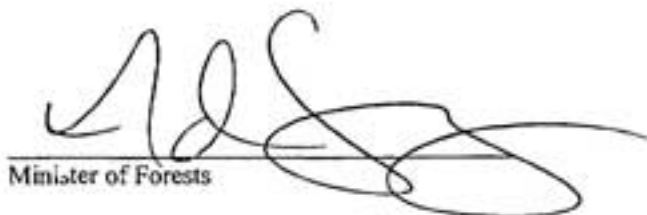

Lieutenant Governor

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that

as timber originating within the boundaries of the North Coast, Kalum and Kispiox Forest Districts is considered surplus to the requirements of timber processing facilities in the province, it is exempted from section 127 of the *Forest Act* on the condition that:

- a) this exemption expires three years from the date of this order;
- b) within each calendar year, the annual volume of timber approved for export under export permits for each tenure does not exceed 35% of the total annual volume harvested on each tenure, as determined by billings;
- c) before any timber exempted under this order is exported a copy of the export sales invoice for the timber delivered for loading and transportation from Canada and an application on Form FS 38 for an export permit are to be submitted to, and an export permit obtained from, a regional manager;
- d) in addition to any other sum payable to the Crown a fee in lieu of manufacture of \$1.00 per cubic metre shall be paid on the date the export permit application is received;
- e) western red cedar and cypress are excluded from this exemption.


Minister of Forests
Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section:

Forest Act - Sections 128 and 129

Other (specify):

(QP 401)

19/02



BRITISH
COLUMBIA



SUMMARY OF SCALE

STUMPAGE INVOICE NO.

SCALING ORDER NO.

TO BE COMPLETED BY THE SCALER TO SUMMARIZE A TALLY SHEET (FS 244) OR BY A CLERK TO CONSOLIDATE A RECORD OF PURCHASE..... (FS 222) AND FORWARDED FOR PROCESSING. SEE SECTION 7A.1 OF MANUAL.

PAGE	SEQ.	TYPE	SCALER'S NUMBER	RETURN NUMBER	PREDOMINANT MARK	NUMBER OF CHAINS	CAMP BOOM NUMBER						
0	0	0	0										
1	2	4	5	12	19	33							
			NO. OF SEC-TIONS		DATE OF SCALING	PAYABLE BY	SECOND COPY TO	EXPENSES	TIME CHARGE	LAUNCH	SCALER'S SIGNATURE		
			51		54	60	65	70	75	80			
SEQ.	TYPE	F R S	N S F	F R I	SCALER'S LOG COUNT	SCALING STATION NUMBER	PLACE OF SCALING						
0	0	1	1										
1	2	4	12	15	19	22	31	41					
			PLACE OF SCALING (cont.)										
			51				62	68	80				
SEQ.	TYPE	MARK			PAINT	N M V	NUMBER OF PIECES	SPECIES	GRADE	OTHER DESC.	QUANTITY m ³	RATE	
1	2	4	12		19	21	22	27	29	30	33	40	
0	0	2											
0	0	3											
0	0	4											
0	0	5											
0	0	6											
0	0	7											
0	0	8											
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REMARKS

CLERICAL

KEYED BY

VERIFIED BY

1.0 General **1.1** This Notice replaces Notice to Exporters, Serial No. 23 of January 1, 1986, entitled "Export of Logs from British Columbia

1.2 a) While all logs exported from Canada require Federal export permits for all destinations, this Notice provides information with respect to the export of logs from British Columbia. Log exports are controlled for the purposes set out in Section 3(e) of the *Export and Import Permits Act* (EIPA):

"3(e) to ensure that there is an adequate supply and distribution of the article in Canada for defence or other needs."

1.2 b) Logs are included in Item 5101 of Canada's Export Control List (ECL), as follows:

"5101. Logs of all species of wood (All destinations)".

1.3 In order to determine adequate supply, forest products defined in Group 5 of the ECL and proposed for export from British Columbia undergo a surplus testing procedure in consultation with the Provincial government.

1.4 In remote areas of the Coast, applications may be made for a minimum export of 2800 m³ of logs. Volumes below this level will not be accepted and must be transported to the established log marketing areas before making applications. Normally, volumes above 15,000 m³ from any area will not be considered.

1.5 Only harvested logs will be considered for export. Logs must be sorted, boomed or decked to conform to normal log market practices of not less than 90% of a single species and recognized domestic end use sort by volume. Hemlock and balsam may be considered one species. For pulp log sort only, lodgepole pine and spruce may be included with hemlock and balsam.

1.6 All timber is subject to, and must be available for, inspection by the B.C. Ministry of Forests (BCMOF).

Note: All parcels of logs scaled for export purposes whether original scale for export or stock scale for export must be scaled by timber mark using the B.C. metric scale. In the case of stock scales it is imperative that the notation stock scale for export by mark be recorded in the remark section of the summary of scale as well as on the tally sheet. No other scale format will be acceptable.

1.7 Exporters moving logs, in-transit, through the Province of British Columbia with logs harvested from places other than B.C. should contact the B.C. Ministry of Forests in Nanaimo, B.C. at (250)751-7089 for information regarding supporting documentation required for in-transit shipments through B.C..

2.0 Procedures for Federal/Private Lands

2.1 Exporters wishing to export logs harvested from Federal or private lands not subject to control under Part 10 of the B.C. *Forest Act*¹ must apply to the Export Controls Division (ECD) of the Department of Foreign Affairs and International Trade (DFAIT) at the address noted in Section 7 of this Notice. Initially, one form must be submitted to ECD/DFAIT: an "**Application to Advertise Logs on the B.C. Federal Bi-Weekly List**" (EXT1718) which is available from ECD/DFAIT or from any of the B.C. Ministry of Forests (BCMOF) offices (see Section 8). This form must be accompanied by a metric stock scale by timber mark (Summary of Scale or **FS 72**) or a computer generated Summary of Scale (Scale detail by length and diameter must also accompany the Scale Summary). Copies of both the "Application" and the "Summary" must also be sent to the Regional BCMOF office where the logs will be advertised at the same time the originals are submitted to ECD/DFAIT.

1. Booms or parcels containing any logs subject to Part 10 will not be accepted for export consideration.

2.2 Upon receipt and review of the **EXT1718**, the ECD/DFAIT will request the B.C. Ministry of Forests (BCMOF) to notify potential domestic purchasers that the logs are available for domestic sale and that they may place written bids/offers on the logs, normally within fourteen days (14) of notification date. [Appendix 1](#) contains a sample letter of an "Offer to Purchase".

2.3 Information on Applications/Advertised Listings

Detailed information on individual applications will not be supplied over the telephone by the ECD/DFAIT or Provincial Ministry staff. However, a copy of the Bi-Weekly List is available to the public at the Provincial Regional Office where a copy of the application was sent, and directly from the Vancouver Regional Office located in Nanaimo (see Section 8 for addresses).

2.4 Offers to Purchase

a) Offers to purchase (see [Appendix 1](#)) must be in writing, on company letterhead, dated and signed by an official of the company/person making the offer. All offers must be sent to the Applicant (vendor), with copies to the ECD/DFAIT and BCMOF and must include:

- 1)** application number(s);
- 2)** species;
- 3)** unit of measure on which prices are based, and on the coast, the boom number;
- 4)** the offer FOB location;
- 5)** expiry date of offer;*
- 6)** name/address of anticipated/intended processing facility; and
- 7)** any other conditions of sale between the buyer and the seller.

*** Each Bi-Weekly List will specify the period during which offers must remain valid.**

b) In the case of Vancouver and the Coast, the last day of receipt of offers to purchase is noted in the Bi-Weekly List. For the Interior, the applicable Regional Manager will advise as to the last day for receipt of offers.

c) i) Once offers to purchase are made, they cannot be withdrawn unless notification is provided by the offeror(s), in writing, to the ECD/DFAIT and the appropriate Provincial Regional Office setting out the reason why the offer(s) is being withdrawn.

c) ii) If the logs were sold locally, the Applicant must notify, in writing, the ECD/DFAIT and the appropriate Provincial Regional Office. Such notification will stop further processing of the application.

d) In those cases where offers are made, the offers, together with the pertinent details, will be forwarded by the ECD/DFAIT and/or the BCMOF to the Federal Timber Export Advisory Committee (FTEAC).

2.5 Re-Sort or Processing Subsequent to Advertising

a) Once the logs have been advertised for sale, they may not be re-sorted or moved to another place or location until the advertising period has expired. Where logs are moved or re-sorted before the expiry of the advertising period, such logs will no longer be considered for that particular advertising period.

b) After expiry of the advertising period, where re-sorting is required, the Applicant must submit a written request to, and receive written approval to do so from the Provincial Regional Office prior to re-sorting the logs. Upon completion of the re-sorting, the applicant must ensure that a processing report is forwarded to the Provincial Regional Office where a copy of the application was first sent, as well as to the ECD/DFAIT.

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.

3.0 When No Offers are Received

If no offer to purchase the logs is submitted within the required time period, the ECD/DFAIT will consider this and any other factors before informing the Exporter/Applicant as to whether or not the logs are surplus to domestic requirements. If the logs are determined to be surplus, the exporter will be requested to submit two forms: An **"Application for Permit to Export Goods" (EXT 1042)** and the form **"Information on Logs in Support of Federal Application EXT 1042" (EXT1719)** to the ECD/DFAIT with copies to the BCMOF. Upon receipt of this documentation, the ECD/DFAIT will undertake to process the Federal export permit application.

4.0 When Offers are Received

4.1 As indicated in **2.4.b)**, offers to purchase the logs must be received within the required time period as determined by the Regional BCMOF office. This

period is normally 14 days from date of notification.

4.2 Each Bi-Weekly List will specify the period during which offers must remain valid.

4.3 When considering offers, FTEAC proceeds as follows:

a) The FTEAC will not consider offers to purchase logs by any person who has exported logs directly or indirectly from Canada within the previous 90 days. The 90 day period covers the period between the day on which the export took place and the day on which the offer to purchase is made.

b) Conversely, the FTEAC will not consider any Application 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 Federal Form, **"Application to Advertise Logs on the B.C. Federal Bi-Weekly List"** (EXT1718), was submitted.

c) For the purposes of surplus testing, normally the FTEAC will consider offers only from persons who are involved in log processing. That is, those persons who own or operate log processing facilities.

d) Incomplete offers to purchase may be considered invalid by FTEAC.

4.4 Logs Deemed Surplus/Not Surplus

a) Once FTEAC has completed its review as to whether or not offers were fair, it will inform the ECD/DFAIT. The ECD/DFAIT will review the FTEAC recommendation and other relevant factors in determining whether or not adequate supply exists. The Minister will then decide on whether a permit will be issued and the ECD/DFAIT will notify both the Exporter/Applicant and the offeror(s), in writing, of the decision.

b) Where the Minister finds that the logs are surplus, the Exporter/Applicant will be requested to submit the two Federal application forms, EXT 1042 and EXT1719 to the ECD/DFAIT with a copy to the BCMOF. Upon receipt of this documentation, the ECD/DFAIT will process the Federal export permit application.

4.5 Expiry Dates/Amendments

Once a Federal permit has expired it cannot be amended. However, a permit holder may request an extension (amendment) to an existing permit. The request must be in writing, addressed to the Director, Export Controls Division. This should be done at least two weeks prior to the expiry date.

5.0 Logs from Indian Reserves

5.1 For logs harvested from Indian Reserves and surrendered lands as defined in the *Indian Act* and the *Indian Timber Regulations*, the applicant must apply to

the B.C. Ministry of Forests Provincial Regional Office and submit the following documents:

- (a) The Federal form, "**Information on Logs in Support of Federal Application EXT-1042**" (EXT1719);
- (b) Written letter of consent from DIAND; and
- (c) A stock scale in approved format.

5.2 Pursuant to the Department of Indian Affairs and Northern Development (DIAND) British Columbia Region export policy for unmanufactured forest products, the Exporter must obtain a written letter of consent from DIAND in Vancouver. Once the letter of consent is issued by DIAND, it is sent by DIAND to the ECD/DFAIT at the address noted in Section G, with copies to the BC Ministry of Forests (BCMOF) and the applicable Indian Band. For information contact:

Department of Indian Affairs and Northern Development (DIAND)
Lands and Trust Services
B.C. Region
340 - 1550 Alberni Street
Vancouver, B.C.
Telephone: (604) 666-6320
Facsimile: (604) 666-6474

Note: All parcels of logs scaled for export purposes, whether original scale for export or stock scale for export must be scaled by timber mark using the B.C. metric scale. In the case of stock scales it is imperative that the notation stock scale for export by mark be recorded in the remark section of the summary of scale as well as on the tally sheet. No other scale format will be acceptable.

5.3 Upon receipt of the documentation noted above, the BCMOF Provincial Regional Office will return copies of the documents to the Applicant. The Applicant must then apply for a Federal export permit by completing an "**Application For Permit To Export Goods**" (EXT-1042) and submitting it to the ECD/DFAIT together with copies of all documents noted in paragraph 5.1.

5.4 Upon receipt of the documents noted in paragraph 5.1 above, the ECD/DFAIT will undertake to process the Federal export permit application.

5.5 All timber is subject to, and must be available for, inspection by the BCMOF. As well, all logs must be marked to identify their origin.

6.0 Procedures for Provincial Land

6.1 Exporters wishing to export logs harvested from Provincial lands located in B.C. and subject to control under Part 10 of the B.C. *Forest Act* must follow the procedures as detailed in "*Province of B.C. Procedures for the Export of Timber*". These Procedures are available from any of the offices noted in Section 8.

7.0 Export Permit and Certificate Fees

7.1 Exporters are advised that under the authority of the *Export and Import Permits and Certificates Fees Order*, a fee of \$14.00 will be levied for each Federal export permit for the export of goods included on the [Export Control List](#) (ECL) under Group 5 except Items 5400, 5401 and 5500. Exporters applying for permits are required to submit with their Federal application a cheque or bank money order, payable to the Receiver General for Canada (no cash) in the amount of \$14.00 for each permit requested.

7.2 Exporters wanting to submit their applications by facsimile may do so on the understanding that the original application must be sent immediately by mail together with a cheque or money order in the amount of \$14.00. Exporters who do not include the cheque or money order with their original applications will be placed on monthly billing.

7.3 Federal export permit applications and supporting documentation, as well as all enquiries, should be directed to:

The Department of Foreign Affairs and International Trade (DFAIT)
Export Controls Division (EPE)
125 Sussex Drive
Ottawa, Ontario K1A 0G2
TEL: (613)995-0268
FAX: (613)944-2491

8.0 Addresses/Contacts of Provincial Regional Offices

Coast Forest Region 2100 Labieux Road Nanaimo, B.C. V9T 6E9 TEL (250) 751-7090 FAX (250) 751-7197	Northern Interior Forest Region 1011 Fourth Avenue Prince George, B.C. V2L 3H9 TEL (250) 565-4111 FAX (250) 565-6671	
	Southern Interior Forest Region 515 Columbia St. Kamloops, B.C. V2C 2T7 TEL (250) 828-4131 FAX (250) 828-4154	