



February 27, 2009

research • analysis • solutions

*The following text is a reproduction of an on-line complaint filed with the BC Forest Practices Board by Ben Parfitt, resource policy analyst with the BC Office of the Canadian Centre for Policy Alternatives.*

*The complaint was filed on February 27, 2009.*

### **What is your complaint (nature of complaint)?**

My complaint rests with the adequacy or lack thereof of public accounting of usable wood left behind at logging operations throughout British Columbia. Current rules require the companies that log publicly owned forests to generate reports on the total volume of timber they log and the total volume of usable wood that they elect to leave behind at logging sites. These reports then serve as the basis for what the companies pay by way of provincial stumpage fees on the usable wood left behind.

In the case of BC's two interior forest regions, company reports on usable wood waste ("waste residue") are based on visual estimates only. In BC's coastal forest region, companies must physically measure a small portion of the usable wood left behind at logging sites. This then serves as a basis for estimating waste levels across larger areas. In both the interior and on the coast, companies pay stumpage on the usable wood they say is left behind.

To verify company reports, Ministry of Forests sets as a performance measure objective to audit one tenth of company waste surveys. In interior forest districts, MOF audits are generally "ocular" only. No physical measurements typically take place. In coastal districts, MOF auditors remeasure the same waste piles previously measured by the companies.

My complaint is that usable wood waste levels appear to be on the rise across British Columbia, with some areas reporting massive volumes of usable waste. For example, in the North Island/Central Coast Forest District in 2005 more than 1.3 million cubic metres of usable wood waste was reported, an amount greater than one fifth of everything logged that year. In 2008, in the North Coast Forest District, for every cubic metre of timber logged and taken to market, another cubic metre in usable waste was left on the ground. In addition to high waste levels in some forest districts, it is routine to see sharply diverging trends in terms of annual logging increases or decreases and usable wood waste increases or decreases. In many instances logging rates fall, while wood waste levels skyrocket

and vice versa. There is also no correlation in terms of MOF figures on the area of land logged per year and increases or decreases in reported wood waste levels.

The complainant can find no publicly available information to indicate that MOF personnel devote additional personnel to determining the accuracy of company waste reports in those districts where reported wood waste volumes or ratios are noticeably high, or where they are noticeably low (including districts where reported wood waste levels for an entire year are zero or statistically insignificant).

Given that most forestland in BC is publicly owned and that a severe downturn in available timber supplies looms, particularly in the interior as a result of the mountain pine beetle and all of the elevated logging activities in response to it, it is imperative that the public has confidence in the accuracy of wood waste data.

**Where and when did the problem occur (grounds for complaint)? When did you learn of the problem?**

I first began to have concerns about this problem when researching logging rates and practices in the interior in response to the mountain pine beetle. Some of those concerns were later published in *Over-cutting and Waste in BC's Interior: A Call to Rethink BC's Pine Beetle Logging Strategy* (June 2007). The report – co-published by the Canadian Centre for Policy Alternatives, a number of labour organizations including BC's three woodworking unions, and several environmental organizations, quantified wood waste levels at a broad regional scale and generally indicated that waste levels were tracking up in more recent years.

**What steps have you taken to try to solve the problem?**

I have taken no steps to try and solve the problem per se. Rather, I have attempted to quantify the extent of the problem by using a publicly available database (the Harvest Billing System) to track reported usable wood waste volumes over time. This includes identifying overall logging rates and usable wood waste figures in each forest district in the province for each year beginning in 2004. In addition, I isolated the lodgepole pine harvest and related pine wood waste in all interior forest districts over the same five years, as well as the western hemlock harvest and hemlock waste in all coastal districts. Based on reported logging volumes and waste volumes, I then calculated percentage increases and decreases from year to year in each district.

In December 2008 I went on a field visit outside of Port McNeil in the North Island Central Coast Forest District. The field tour, organized by MOF personnel in Port McNeil, included representatives from MOF's revenue branch in Victoria, staff from the Coast Forest Region's headquarters in Nanaimo, District staff from Port McNeil, and a member of the major forest company operating in the area – Western Forest Products. The tour was arranged to give me a sense of what actual usable wood waste looked like and how MOF auditors attempted to assess what was on the ground.

**What solution would you like? (relief requested)**

I would like the Forest Practices Board to address a number of things:

FIRST: Usable wood waste figures are generated by the companies that do the logging. The Ministry of Forests sets itself a goal of auditing one tenth of such reports to ensure their accuracy. Is this a reasonable level of auditing activity?

SECOND: Many company waste assessments and subsequent MOF audits are the result of visual assessments only. Typically, no hand measurements of waste wood volumes take place in the two forest regions in BC's interior. On the coast, by comparison, actual hand measurements are employed. Typically, these measurements apply only to a small percentage of waste on the ground or in piles, with the plots for such measurements randomly predetermined. The volumes obtained in such measurements are then used by the companies to generate an estimate of total usable wood waste on the overall area logged. MOF auditors then remeasure the same plots on about 10 per cent or so of logging sites. Is this sufficient to reliably determine what is left behind?

THIRD: Can the public be assured that in forest districts where waste levels are far higher than in other districts that increased auditing is done to ensure a full accounting of waste volumes? Conversely, in forest districts where waste levels are notably low as compared to others is increased effort made to ensure that company waste reports are reflective of actual waste volumes?

FOURTH: Is any effort made by MOF auditors to determine why there is no correlation between increases or decreases in logging rates and increases or decreases in usable wood waste levels, or no correlation between area of forest cleared and reported wood waste volumes?

FIFTH: Is the Board confident that logs characterized as firmwood rejects or dead and dry pulp logs are, in fact, that, and not usable wood waste upon which stumpage applies?

SIXTH: Is the Forest Practices Board confident with overall company reporting of usable wood waste and MOF oversight of waste wood reporting in the province?