PRICING BRANCH

Interior Appraisal Manual

Effective July 1, 2010

BRITISH COLUMBIA
The Best Place on Earth

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Introduction 1

1.1 Definitions

In this manual:

"Act" means *Forest Act*;

"Agreement" means a form of agreement granting rights to harvest crown timber referred to in section 12 of the *Act,* or a pulpwood agreement;

"Anniversary date" means the annual recurrence of the month and day when the term of the cutting authority began;

"Applicable Volume" means:

a. Except as provided in section 2.2.1(d) and 4.3.1(4)(d), and subject to paragraph (b) of this definition, where the harvesting is authorized on a cutting authority area under an agreement other than a BCTS licence, applicable volume means the total net coniferous volume,
b. Where the cutting authority or the agreement under which the cutting authority is issued requires harvesting in deciduous stands and the deciduous timber has not been reserved, applicable volume means the sum of the total net coniferous volume and the total net deciduous volume,
c. Where the harvesting is authorized on a cutting authority area under a BCTS licence, applicable volume means the sum of the total net coniferous volume and the total net deciduous volume;

"**Appraisal Data Submission (ADS)"** means the information required by the person who determines the stumpage rate to determine that rate including the appraisal map, cruise information (including the required reports and the ASCII cruise data files unless otherwise specified by the director of Pricing Branch) and any other information required by the regional manager or district manager, in the form required by the director, or the Interior Stumpage Rate Request Form, signed by a registered professional forester (RPF) or registered forest technologist (RFT), registered with the Association of British Columbia Forest Professionals;

"BCTS" means British Columbia Timber Sales;

"BCTS licence" means a timber sale licence entered into under Section 20 of the *Act* or Section 21 as it was before it was repealed;

"Billing history record" means a record of log scale data derived from a record kept by Pricing Branch of log scale data reported on stumpage invoices issued by the Pricing Branch for timber scaled under section 94 of the *Act*;

"Bonus Bid" means a bonus bid described in section 103(1)(d) of the *Act*;

"Bonus Offer" means a bonus offer described in section 103(2) of the *Act*;

"Chipped" means having been cut into small pieces by a chipper;

"Coniferous cruise volume" means that part of the total net cruise volume which is coniferous timber;

"Controlled Recreation Area" means controlled recreation area as defined in the *Resort Timber Administration Act*;

"Cruise Based" means a cutting authority that is approved under section 106 of the *Act* and the stumpage payable is calculated using information provided by a cruise of the timber conducted before the timber is cut;

"Cutting Authority" means:

1. A cutting permit issued under:
    a. a forest licence,
    b. a timber sale licence that provides for cutting permits,
    c. a tree farm licence,
    d. a community forest agreement,
    e. a woodlot licence,
    f. a timber licence,
    g. a community salvage licence,
    h. a master licence to cut,
    i. a forestry licence to cut, or
    j. a woodland licence,
2. A timber sale licence under which cutting permits have not or will not be issued,
3. All other licences to cut,
4. A road permit;

"Cutting Authority Area" means the area where timber may be harvested under a cutting authority, which has a unique timber mark;

"Deciduous timber" means timber that is not of a coniferous species;

"Decked timber" means timber that has been 100% decked at roadside;

"Director" means director of Pricing Branch of the Ministry of Forests and Range;

"District Manager" means:

a. Except as provided in paragraph (b) of this definition, the district manager or district manager's designate,

b. Where the cutting authority area being appraised or reappraised is located in a controlled recreation area designated under the *Resort Timber Administration Act*, (RTAA) then district manager means an employee of the Ministry of Tourism, Culture and the Arts to whom the minister of that ministry has delegated the minister's powers and duties under section 2 of the RTAA;

"Effective Date" means, unless otherwise specified in the manual:

i. the date the stumpage rate is determined when required for advertising for competitive award, or

ii. the effective date of the cutting authority when the stumpage rate is determined for a cutting permit or a direct award licence;

"Executive Director, Field Operations" means Executive Director, Field Operations or Executive Director, Field Operations designate;

"F.O.B." means 'free on board'. The specified destination point at which ownership of the goods transfers from the seller to the buyer. 'F.O.B. origin' would mean the buyer assumes responsibility for the goods, shipping costs and insurance once the goods leave the seller's premises.

"Fully Appraised" means stand data (site specific or borrowed) has been used by the general appraisal system to calculate an indicated stumpage rate or has been included in an appraisal for a BCTS cutting authority including appraisals where the upset rate was set at the variable cost to prepare the timber for sale;

"Hogged Tree Material" means tree residues or by-products that have been shredded into smaller fragments by mechanical action;

"Licensee" means the holder of a cutting authority;

"Manual" means *Interior Appraisal Manual*;

"Minister" means Minister of Forests and Range;

"Ministry" means Ministry of Forests and Range;

"Net Merchantable Volume" means the post reduction coniferous cruise volume compiled to the Interior Standard Merchantable Specifications in Table 1-1 of this manual;

"New Construction" means the following construction phases: subgrade construction, placement of additional stabilizing material and the construction and installation of drainage and other pertinent structures;

"Partially Harvested Timber" means timber that has been felled and/or bucked and not yet forwarded to roadside;

"Prescribed Minimum Stumpage Rate" means the minimum stumpage rate prescribed by the *Minimum Stumpage Rate Regulation* (BC Regulation 354/87);

"Pricing Branch" means the Pricing Branch of the Ministry;

"Reconstruction and Replacement" means replacement or structural repair of a major drainage structure (e.g., replacing stringers, cross ties, or cribbing), or major resurfacing, which means resurfacing sections of more than 0.3 km in length that were initially surfaced but have deteriorated due to long term wear and tear, where stabilizing material was not previously used, or major reconstruction, which means restoring at least 0.1 km of road (per occurrence) that requires complete rebuilding of the subgrade;

"Regional Manager" means regional executive director or except for section 1.2.1(1)(a), the regional executive director's designate;

"Regulations" means regulations under the *Act*;

"Remedial Fence and Wing Fence" means a fence that is required to remedy, reduce or manage the impact of timber harvesting activities on range management;

"Road Permit" means road permit or road timber mark;

"Salvage" except as provided in section 6.4, means a cutting authority area where greater than one-third of the net coniferous cruise volume is attacked by mountain pine beetle or other pests;

"Scale Based" means the stumpage payable is based on a scale of the timber in accordance with Part 6 of the *Act*;

"Single Unit" means a cutblock has one continuous boundary and it is not made up of two or more pieces separated by timber that is not within the gross area of the cutblock from the Cruise Appraisal Summary Report;

"Species Net Volume" is the species net volume reported in the appraisal summary report from the cruise compilation for the cutting authority area;

"Stand as a Whole (SAAW) Pricing" means that one stumpage rate is determined for all of the net merchantable timber on the cutting authority area. In a cruise based cutting authority, the single stumpage rate applies to all of the net merchantable volume identified in the cruise conducted in accordance with the *Cruising Manual*,

"Stud Log Percent" means the net volume of 5 m logs with top diameters under 20 cm expressed as a percentage of the total net cruise volume. The stud log percent is rounded to the nearest whole percentage point;

"Stumpage Appraisal Parameter" means:

a. Interior average market price,
b. Interior base rate,
c. Interior mean value index,
d. BC Consumer Price Index,
e. US Dollar Exchange rate,
f. Lumber and Chip Average Market Values,
g. Interior Basic Silviculture Costs by Species,
e. Final Neutrality Adjustment.

"Suitable Secondary Stand Structure Survey" means a suitable secondary stand structure survey as defined in Section 1(4) of the *Forest Planning and Practices Regulation*;

"Timber Harvesting" means the felling or removal of timber other than on road rights-of-way or landings on a cutblock;

"Timber Sales Manager" means the Timber Sales Manager or the Timber Sales Manager's designate;

"Total Net Coniferous Volume" is the total of the species net volumes for all coniferous species on the cutting authority area;

"Total Net Cruise Volume" means the sum of the species net cruise volumes reported in the appraisal summary report from the cruise compilation for the cutting authority area;

"Total Net Deciduous Volume" is the total of the species net volumes for all deciduous species on the cutting authority area,

"Tributary Cutting Authority Area" means a cutting authority area from which timber must be transported over the road that is developed, or a cutting authority area to which bulk fuels, supplies, equipment and harvesting crews necessary to carry out the day-to-day harvesting activities on that area must be taken on a regular basis over the road that is developed.

1.2 Terms of Reference

1. Pursuant to section 105 of the *Forest Act* the provisions of this manual are policies and procedures to be used in the determination, redetermination and variance of stumpage rates in the Northern Interior Forest Region and in the Southern Interior Forest Region and Manning Park.

1.2.1 Responsibility for Stumpage Determination

1. The following employees of the ministry are authorized to determine, redetermine and vary rates of stumpage:

    a. regional managers, regional timber pricing co-ordinators, and employees of the regional revenue sections, and

    b. director and employees of Pricing Branch.

1.2.2 Stumpage Appraisal Parameters

1. The stumpage appraisal parameters are compiled, calculated, and/or adopted by Pricing Branch.

2. Once approved by the director they become an integral part of this manual.

3. The parameters are published by Pricing Branch.

4. Current and historical parameters may be found at the following web site:

http://www.for.gov.bc.ca/hva/

1.2.3 Minimum Stumpage Rate

A stumpage rate determined using this manual shall not be less than the prescribed minimum stumpage rate.

1.3 Numbering and Calculation Conventions

1. The following exemplifies the numbering system used in this manual:

1. =	Chapter.
1.1 or 1.1.1. =	Section.
1.1.1 (2) =	Section with subsection.
1.1.1(2)(a) =	Section with subsection and paragraph.
Table 4-2 =	Table 2 within chapter 4.

2. The calculation of the Interior Average Market Price must be performed in accordance with the specifications contained in the documents titled: "*Specification: Calculation of the Interior Average Market Price*" dated July 1, 2006, and "Interior Market Pricing System Update – 2007".

3. The calculation of the stand value index, mean value index and the base rate must be performed in accordance with the specifications in the document titled: "*Specifications: Calculation of Interior Stumpage Rates*" dated July 1, 2006.

4. Where a value is specified as a limit, for example a constraint or a requirement for an equation,

   a. The value will be treated as an absolute value, and

   b. An actual measurement or record will not be rounded before use unless otherwise specified in this manual.

5. Each calculation of a tenure obligation adjustment or specified operation expressed in dollars per cubic metre will be rounded to the nearest cent.

1.4 Cutblocks within a Cutting Authority Area

1. Cutblocks within a cutting authority area must:

    a. Constitute a single unit,

    b. Be within the same forest district,

    c. Be tributary to a common point of appraisal (unless included in a blanket salvage permit),

    d. Must not exceed a maximum distance of ten kilometres between the furthest boundaries of the furthest cutblocks, except when required for blanket salvage.

2. A cutting authority shall not include both an authorization to harvest on a cutblock where 35% or more of the net merchantable timber is red and grey mountain pine beetle attacked Lodgepole pine and an authorization to harvest on a cutblock that does not have those same characteristics.

1.5 Appraisal Data Requirements

1. The cruise and all other pertinent information required for the appraisal must be submitted by the licensee or BC Timber Sales with the appraisal data submission to the district manager.

2. Unless otherwise specified by the Director, cruise data must be gathered and compiled according to the approved interior standard timber merchantability specifications in Table 1-1 below and in accordance with the following Ministry publications:

   a. *Cruising Manual* web site:

      http://www.for.gov.bc.ca/hva/manuals/cruising.htm

   b. *Cruise Compilation Manual*.

3. When requested by the district manager, a copy of the original field data must be supplied by the licensee.

Table 1-1 Interior Standard Timber Merchantability Specifications

Description	
The following standard timber merchantability specifications must be used for all appraisals.	
Stumps (Measured on the side of the stump adjacent to the highest ground.)	
no higher than	30.0 cm
Diameter (outside bark) at stump height	
lodgepole pine: all timber that meets or exceeds	15.0 cm
all other species: all timber that meets or exceeds	20.0 cm
Top diameter (inside bark or slab thickness)	
for all species and ages, except cedar older than 141 years, all timber that meets or exceeds	10.0 cm
Top diameter (inside bark or slab thickness)	
for cedar older than 141 years, all timber that meets or exceeds	15.0 cm
Minimum length	
log or slab	3.0 m

1.5.1 Comparative Cruise Data

1. Comparative cruise data is cruise data from an existing cutting authority area with similar stand and terrain characteristics that is used in the appraisal of a new cutting authority area.

2. The district manager may require the selection of a comparable cutting authority to be in accordance with procedures set out in section 2.10 of the *Cruising Manual*.

3. Except for subsection (5), if there is time to perform a full cruise, then the timber will be cruised.

4. If there is insufficient time to perform a full cruise then comparative cruise data may be utilized:

    a. For cutting authorities with volumes greater than 5 000 m^3 if:

        i. the area is in an approved Emergency Bark Beetle Management Area (EBBMA) as designated by the Minister of Forests and within an approved Emergency Management Unit (EMU) as designated by the beetle management coordinator,

        ii. the licensee has previously harvested comparative cutting authorities in a timely manner, and

        iii. the regional manager has determined that the requirement to perform a full operational cruise will delay expeditious harvesting and result in further damage.

    b. When the stumpage rate is determined according to section 6.2(5).

5. Comparative cruise data may be utilized when the stumpage rate is determined according to section 6.2.1(1)(c)(ii) and 6.7(4).

1.5.2 Appraisal Data Submission

The form as required by the director may be found at:

http://www.for.gov.bc.ca/hva/ECAS/index.htm

For the Interior Stumpage Rate Request Form, contact the appropriate Regional office.

1.5.3 Appraisal Map

The appraisal map must be completed in accordance with the requirements of Appendix IV.

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Appraisals, Reappraisals and Stumpage Adjustments 2

2.1 Appraisals

1. Except where the sawlog stumpage rate or an upset stumpage rate is determined in section 5.1 or chapter 6:

    a. an appraisal is a process used to determine a stumpage rate for a cutting authority area using the manual in effect on the effective date of the cutting authority.

    b. the appraisal is effective on the effective date of the cutting authority.

2. A licensee or BCTS shall submit an appraisal data submission to the district manager when the licensee or BCTS makes an application for a cutting authority.

3. The district manager may review the appraisal data submission of the licensee or BCTS, and may inform the licensee or BCTS, of any omissions, errors or provisions of the manual that, in the opinion of the district manager, the signing RPF or RFT may not have considered. The licensee or BCTS signing RPF or RFT may consider the district manager's information and may revise the appraisal data submission.

4. The district manager shall give any information supplied by the licensee or BCTS under this section to the person who determines the stumpage rate together with any other information that the district manager considers relevant to the appraisal.

5. The person who determines the stumpage rate may review the appraisal data submission of the licensee or BCTS, and information supplied by the district manager and may inform the licensee or BCTS, of any omissions, errors or provisions of the manual that, in the opinion of the person who determines the stumpage rate, the signing RPF or RFT may not have considered. The licensee or BCTS signing RPF or RFT may consider the notification and may revise the appraisal data submission.

6. The person who determines the stumpage rate shall consider:

    a. the information provided by the licensee or BCTS and the district manager, and

    b. any information available to the person who determines the stumpage rate that is relevant to the appraisal.

7. Regional revenue staff will notify the licensee of the stumpage determination.

8. Regional revenue staff will notify BCTS of the upset rate determination.

2.2 Reappraisals

1. Where these policies and procedures require a reappraisal to be performed, the stumpage rate must be redetermined in accordance with the relevant policies and procedures that are or were in effect as the case may be on the effective date of the reappraisal.

2. Except as provided in sections 2.2.1(1)(e), and 2.2.3 or otherwise directed by the Minister in section 2.2.2.1, a reappraisal is based on a complete reassessment of the cutting authority area at the time of the reappraisal, as if the area has been returned to the condition it was in prior to development or harvesting.

3. At the time of a reappraisal, initial detailed engineering cost estimates may be re-estimated once after construction in accordance with section 4.3.3.

2.2.1 Changed Circumstances

1. In this manual a changed circumstance means a circumstance where:

    a. i. the licensee has used or will use a harvest method to harvest at least fifteen percent of the volume of timber in the cutting authority area that is different from the method used in the most recent appraisal or reappraisal of the cutting authority area, and

        ii. the different harvest method that has been used or will be used when used in the changed circumstance reappraisal will produce the highest stumpage rate.

    b. There will be a difference of at least fifteen percent between the total appraised development cost estimate in the changed circumstance reappraisal and the total appraised development cost estimate that was used in the most recent appraisal or reappraisal where the change is caused by circumstances other than a change in the manual or a change as a result of a stumpage adjustment.

    c. Land containing merchantable timber has been either added to or deleted from the cutting authority area since the most recent cruise compilation or recompilation was used in an appraisal or reappraisal that exceeds the lesser of:

        i. fifteen hectares, or

        ii. fifteen percent of the area of the cutting authority area as it was prior to the addition or deletion of the land.

d. The stumpage payable on timber harvested on a cutting authority area is calculated using the information provided by a cruise of the timber before the timber is cut, and land containing merchantable timber has been added to or deleted from the cutting authority area that exceeds the lesser of:

   i. five hectares, or

   ii. five percent of the area of the cutting authority area as it was prior to the addition or deletion of the land.

e. i. except where timber on a cutting authority area has been damaged by a fire for which the licensee was responsible and the licensee failed to comply with the *Wildfire Act* or *Wildfire Regulations*, where timber is authorized for harvest under a cutting authority that has either a fixed stumpage rate or a stumpage rate that is adjusted quarterly and at least fifteen percent of the volume of the timber that was considered in the appraisal of the cutting authority area authorized for harvest under that cutting authority has been suddenly and severely damaged.

   ii. where the cutting authority area is reappraised because of sudden and severe damage the only timber that can be considered in the reappraisal is the standing timber remaining on the cutting authority area after the sudden and severe damage.

f. A cutting permit authorizing the harvesting of timber was issued before June 1, 2010 and surrendered on or after June 1, 2010, because of the planned Interior pricing policy changes July 1, 2010, and

   i. the volume of all of the timber in all of the cutblocks where harvesting has not started, hereinafter referred to as the remaining timber, is greater than twenty-five percent of the volume of timber that was on the cutting authority area when the cutting permit was issued, and

   ii. the District Manager is satisfied that the remaining timber or harvest method is significantly different from the timber that has been harvested under the cutting permit.

g. A cutting permit authorizing the harvesting of timber on the cutting authority area was issued before June 1, 2010, timber harvesting has started on the cutting authority area, and

   i. the right to harvest timber remaining on the cutting authority area hereinafter referred to as the remaining timber has been transferred by the timber sales manager after June 1, 2010 on behalf of the licensee to whom the cutting permit had been issued, and

   ii. the district manager is satisfied that the remaining timber or harvest

method is significantly different from the timber that was harvested on the cutting authority area prior to the transfer of the right to harvest the remaining timber.

2. Except as provided in subsections 3 or 4 of this section, where a changed circumstance has occurred with respect to a cutting authority area, other than a cutting authority area that is subject of a road permit or a cutting authority area with a non-adjusting stumpage rate, the cutting authority area must be reappraised in accordance with section 2.2.1.1.

3. Where a licensee has notified the ministry in writing that a changed circumstance has occurred and the indicated stumpage rate for the cutting authority area has been less than $\$0.25/m^3$ since the cutting authority area was first appraised, and the indicated stumpage rate that would be calculated in a changed circumstance reappraisal would remain less than $\$0.25/m^3$, a changed circumstance reappraisal is not required.

4. Where a licensee has notified the ministry in writing that a changed circumstance has occurred, log transportation activities have been completed on the cutting authority area and the amount of stumpage payable as a result of a changed circumstance reappraisal under section 2.2.1.1 would be reduced, the changed circumstance reappraisal must be done only at the licensee's request.

5. Where a cutting authority is reappraised because of a changed circumstance, any bonus bid in existence does not change and remains in effect.

2.2.1.1 Changed Circumstance Reappraisal Procedure

1. Where the cutting authority was issued prior to August 1, 2005, the licensee must submit an appraisal data submission to the district manager immediately if a changed circumstance has occurred.

2. The licensee must submit to the district manager within thirty days of the completion of log transportation activities on the cutting authority area or thirty days prior to the expiry of the cutting permit whichever comes first, an appraisal data submission if the cutting authority area must be reappraised because of a changed circumstance under section 2.2.1. Thereafter the changed circumstance reappraisal procedure is the same procedure as that required by section 2.1(2) through 2.1(7).

3. Where the district manager believes that a changed circumstance has occurred under subsections (1) or (2) of section 2.2.1, and the licensee fails to provide the district manager with an appraisal data submission as described in subsection (1) of this section, the district manager may initiate a changed circumstance reappraisal using information that is available to the district manager and may notify the licensee of that action. Thereafter the changed circumstance reappraisal procedure is the same procedure as that required by section 2.1(6) through 2.1(7).

2.2.1.2 Effective Date of a Changed Circumstance Reappraisal

1. Except as otherwise provided in this section, a reappraisal because of a changed circumstance is effective on the day after the effective date of the most recent appraisal or reappraisal of the cutting authority area prior to the changed circumstance reappraisal.

2. Where the cutting authority to which the reappraisal pertains was issued prior to August 1, 2005, and the date of the changed circumstance is on or after July 1, 2010, a reappraisal because of the changed circumstance is effective on the day after the date of the reappraisal.

3. Where the changed circumstance is a result of sudden and severe damage referred to in subsection 2.2.1(1)(e), the effective date of the reappraisal is the first day of the month following the date when the event that caused the sudden and severe damage stopped on the cutting authority area.

4. Where:

    a. the most recent appraisal or reappraisal is a changed circumstance reappraisal under section 2.2.3, the reappraisal shall be effective on the day after the effective date of the most recent appraisal or reappraisal of the cutting authority area that is not a reappraisal under section 2.2.3, or

    b. the most recent appraisal or reappraisal is a Minister's directed reappraisal under section 2.2.2, the effective date of a reappraisal under sections 2.2.1(1)(f) or 2.2.1(1)(g) is effective on the day after the date of the most recent appraisal or reappraisal of the cutting authority area that is not a reappraisal under section 2.2.2 dated July 1, 2010 or a reappraisal under section 2.2.3.

2.2.2 Minister's Direction

1. The Minister may at anytime direct the determination, redetermination or variance of a stumpage rate and that,

   a. a determined, redetermined or varied stumpage rate be effective on any future date, and that,

   b. the determination, redetermination or variance be made in accordance with any other directions that the Minister may direct.

2.2.2.1 Minister's Direction Procedure

1. The licensee shall submit to the district manager an interior appraisal data submission, if requested by the district manager within forty-five days of the minister's direction.

2. Thereafter, the procedure for determining, redetermining or varying a stumpage rate under section 2.2.2 shall be the same procedure as that required by subsections 2.1(3) through 2.1(7) except as may otherwise be directed by the minister.

2.2.3 Reappraisals Due to Insect Damage

1. a. A cutting authority with an adjustable stumpage rate or a cutting authority issued under a licence entered into under Section 21 of the *Act* as it was before it was repealed may be reappraised on or after April 1, 2006 only twice under this section during the term and all extensions of the cutting authority on the basis of a revised appraisal data submission if the licensee submits a revised appraisal data submission to the District Manager.

   b. The revised appraisal data submission is the appraisal data submission that was used in the most recent appraisal or reappraisal of the cutting authority area prior to the revision, hereinafter referred to in this section as the original ADS, with changes permitted only to the cruise data in the original ADS in accordance with the paragraphs (c) and (d) of this subsection.

   c. The licensee may either:

      i. update the insect attack code information from the field for each species of timber in the cruise data for codes 1, 2, 3, 5, 6, 7 and 8 as defined in the *Cruising Manual* and recompile the cruise for the cutting authority area by using the cruise data from the cruise in the original ADS for the plots in that part of the cutting authority area where timber has been harvested and combining that with the cruise data with updated insect attack codes for the plots in that part of the cutting authority area where timber has not been harvested, or

      ii. recompile the cruise data that was in the cruise in the original ADS.

d. If a cutting authority area is reappraised in accordance with section 2.2.1.1 and the effective date of the changed circumstance reappraisal is prior to a reappraisal for that cutting authority area under section 2.2.3, then cutting authority area shall be reappraised subsequent to the changed circumstance reappraisal using only the same information and effective date as the original reappraisal under section 2.2.3 (except for information that has changed as a result of the changed circumstance reappraisal under section 2.2.1).

e. Notwithstanding any other paragraph of this section, other data must be changed if it is required by the manual in effect at the time of the reappraisal and was not submitted in the original ADS.

2.2.3.1 Insect Damage Reappraisal Procedure

1. The insect damage reappraisal procedure is the procedure required by section 2.1(2) through 2.1(7).

2.2.3.2 Effective Date of an Insect Damage Reappraisal

1. The effective date of an insect damage reappraisal is the first day of the month following the month in which the District Manager receives the revised appraisal data submission.

2.3 Stumpage Adjustments

1. Unless otherwise specified by this manual or by the Minister, and subject to section 6.6, a stumpage rate must be adjusted quarterly on each of January 1, April 1, July 1 and October 1, of each year.

2. The adjustment will be the recalculation of the stumpage rate that was determined in the most recent appraisal or reappraisal by using:

   a. the appraisal data used in the most recent appraisal or reappraisal,

   b. the manual in effect on the effective date of the most recent appraisal or reappraisal, and

   c. the stumpage appraisal parameters that the Director approves for use in the recalculation of stumpage rates for that quarter.

3. Woodlot Adjustable Stumpage Rates:

   a. The stumpage rate for a cutting authority issued under a woodlot licence shall be an adjusting stumpage rate unless:

      i. the stumpage rate for the cutting authority is changed to a non-adjusting stumpage rate under this subsection, or

      ii. the cutting authority is a road permit, or blanket salvage cutting permit, or

      iii. the stumpage rate has been determined under sections 6.1.2, or 6.6.

   b. A licensee may choose to have an adjusting stumpage rate changed to a non-adjusting stumpage rate under this subsection by giving written notice to the regional timber pricing co-ordinator.

   c. Where the licensee gives written notice to the regional timber pricing co-ordinator of that choice, the adjusting stumpage rate shall become a non-adjusting stumpage rate three (3) weeks after the regional timber pricing co-ordinator receives the notice.

   d. On the date that the stumpage rate becomes a non-adjusting stumpage rate, the stumpage rate for the cutting authority continues to be the stumpage rate that was in effect on that date.

   e. Where a stumpage rate is changed from an adjusting stumpage rate to a non-adjusting stumpage rate, the stumpage rate for the cutting authority shall not change for the term of the cutting authority and all extensions from the date that the stumpage rate is changed to a non-adjusting stumpage rate, except where the cutting authority area is reappraised under section 2.2.1(1)(e) or under section 2.2.2.

2.4 Correctable Errors

1. In this section, a correctable error means:

    a. an error in transcribing or compiling approved cruise field data or in the application of approved loss factor and taper equations,

    b. an error in a calculation made as part of the appraisal data submission,

    c. an error in transcribing the data from an appraisal data submission or in performing the calculations specified in the manual, or

    d. an error in the application of published appraisal parameters.

2. Where a person believes that a correctable error has been made in a stumpage determination, that person shall give written notice of the correctable error as follows:

    a. in the case of an appraisal or a reappraisal, the notice shall be given to the regional manager, and in the case of a quarterly adjustment, the notice shall be given to the director, and

    b. the notice shall identify the stumpage determination, the correctable error, and the cause of the correctable error to the extent reasonably possible.

3. The regional manager or the director, upon receipt of the notice shall determine whether or not a correctable error was made.

4. Where the regional manager or the director determines that a correctable error has not been made, the person who determined the stumpage rate or director shall notify the person who gave the notice of the correctable error.

5. Where the regional manager or the director determines that a correctable error has been made, then:

    a. the regional manager or the director will notify the person who gave the notice of the correctable error,

    b. the regional manager or the director will take reasonable steps to ensure that all licensees who may have been affected by the error are informed of the decision, and

    c. i. where the regional manager determines that a correctable error has been made in an appraisal or a reappraisal the cutting authority area shall be reappraised to correct the error by the person who determined the stumpage rate, using the procedure under subsections 2.1(2) to 2.1(7), and,

        ii. the effective date of the reappraisal shall be the first day of the month following the date on which the notice of the correctable error was received

by the regional manager.

d. i. where the director has determined that a correctable error has been made in the calculation of a quarterly stumpage adjustment, the adjustment must be correctly recalculated unless the cutting authority, the appraisal manual or the application and tender for a timber sale licence specifies that the stumpage rate is fixed, and

ii. the effective date of the redetermined rate shall be the first day of the month following the date on which the notice of the correctable error was received by the director.

2.5 Redetermination of Stumpage Rate by Agreement

1. Where, within twenty-one days of the date of a Stumpage Advisory Notice, the person to whom the Notice has been sent and an employee of the Ministry of Forests and Range authorized to redetermine a stumpage rate under section 1.2.1 of this manual agree, the stumpage rate set out in the Notice, hereinafter referred to as the original stumpage rate, may be redetermined by the employee in accordance with manual in effect on the effective date of the original stumpage rate, and the redetermined stumpage rate shall be effective on the effective date of the original stumpage rate.

2. The twenty-one day period referred to in subsection (1) of this section may be extended by agreement between the person to whom the Notice has been sent and the employee.

Final Estimated Winning Bid 3

3.1 Appraisal Methodology

1. Except as provided in section 5.1 and chapter 6 of this manual, the licensee must submit an appraisal data submission that is capable of being used by the person who determines the stumpage rate for the cutting authority area in a manner that will produce the highest stumpage rate.

2. Except as provided in section 5.1 and chapter 6, the person who determines the stumpage rate must estimate the stumpage rate for a cutting authority area in a manner that will produce the highest stumpage rate for the cutting authority area.

3. For each part of the cutting authority area, the person who determines the stumpage rate must use the procedures in this manual that must be used for the harvest method that produces the highest stumpage rate other than a method that the district manager states is unsuitable for that part of the cutting authority area.

4. Regardless of the harvest method that the holder of a cutting authority uses or intends to use on the cutting authority area or a part of the cutting authority area, or any other fact or law pertaining to the harvest method to be used, the district manager when deciding whether a harvest method is unsuitable may only consider:

    a. the physical features and terrain stability of the cutting authority area and the areas through which access to the cutting authority area may be gained,

    b. the physical features of the areas outside of the cutting authority area that may be affected by the harvesting in or the transportation of the timber from the cutting authority area,

    c. visual quality objectives.

3.2 MPS Lumber Selling Prices

1. Selling prices for MPS are based on three-month averages of lumber market values reported by licensees and published monthly by Pricing Branch. They are aggregated by zone based on Points of Appraisal in Table 3-4. When the average market values (AMVs) are approved by the Director they become an integral part of this manual.

3.2.1 Lumber AMVs

1. Unless otherwise specified in this section, the species lumber AMVs are based on a three month average of lumber selling prices two (2) months prior to the date of publication. They are derived by dividing the total sales value by the total sales volume.

2. If there is insufficient data reported the AMVs for a species may be determined using a procedure approved by the Director.

3. The volume that is manufactured to Canadian Lumber Standard/American Lumber Standard (CLS/ALS) sizes is reported in foot board measure (fbm). Lumber manufactured in non-CLS/ALS sizes is adjusted to equivalent CLS/ALS sizes. The total volume for each species includes all sizes and grades of rough and dressed lumber in the green and dried state. Also included is finger-jointed lumber and machine stress rated lumber.

4. The total net sales value for each species or species group is reported in Canadian dollars (FOB) mill.

3.2.2 Calculation of the Real Stand Selling Price (RSP)

1. The total lumber selling price (SP) in $\$/m^3$ is determined for each coniferous species using lumber recovery factors (LRF) from the cruise compilation summary, LRF update add-ons and the current applicable lumber AMV for the species and zone.

    a. Zonal LRF update add-ons are found in Table 3-1, by species.

    b. Lumber AMVs as published every month.

    c. Calculation of total species lumber selling price.

        i. If the cruise LRF for Lodgepole pine (LO) has been reduced for Mountain Pine Beetle volume, the reduction must be added back as follows:

            Final LO Cruise LRF = LO Cruise LRF + (LO green attack volume * 3 + LO red attack volume * 33 + LO grey attack volume * 83) ÷ LO pine volume.

        ii. Species Appraisal LRF = Species Cruise LRF + Species LRF update add-on.

        iii. Species SP ($/m3) = Species AMV($/mbm)/1000 * Species Appraisal LRF.

d. The stand SP is the volume-prorated sum of the species SP.

e. The real stand SP (RSP) is the stand SP divided by the CPIF, as defined in section 3.3.

Table 3-1 LRF Update Add-ons for MPS

Species	**Zone 5** (Northern Interior)	**Zone 6** (Skeena)	**Zone 7** (Southern Interior)	**Zone 8** (Southern Cariboo)	**Zone 9** (Ft. Nelson-Peace)
Lodgepole Pine	106	80	89	96	88
Spruce	127	106	113	117	106
Balsam	119	100	102	110	97
Douglas Fir	96	-	76	86	-
Larch	92	-	76	86	-
Cedar	71	51	58	62	-
Hemlock	73	54	61	67	-
White Pine	90	-	74	82	-
Yellow Pine	-	-	77	90	-

3.3 Estimated Winning Bid Variables

Where volume data is used in the calculation of the variable that calculation must include the total net deciduous volume unless otherwise indicated in the description of that variable below.

RSP = Real Stand Selling Price for coniferous species ($/m^3). See section 3.2.

PC = Fraction of harvest method volume that is appraised as partial cut. PC = (100 – CAPCUT %)/100. See section 4.5 for definition of CAPCUT %. The 80% limit in the definition of CAPCUT in section 4.5 does not apply.

VOL = Total net coniferous volume (m^3). If the cutting authority is for a BCTS licence, the volume is from the cutting authority cruise compilation. Otherwise it is the volume from Table 3-3 for the selling price zone the cutting authority area is located in.

CABLE = Fraction of total harvest method volume that is appraised as overhead cable yarding.

HELI = Fraction of total harvest method volume that is appraised as helicopter yarding.

FIRE = Fraction of total net coniferous volume that is fire damaged.

CYCLE = Hauling round trip cycle time (Primary CT (hrs) + Secondary CT (hrs)). See sections 3.5.1.1 and 5.1.3.

HEMBAL = Fraction of total net coniferous volume that is hemlock and balsam.

CEDAR = Fraction of total net coniferous volume that is cedar.

VPT = Cutting permit average volume per tree from cruise (m^3).

SLOPE = Cutting permit average slope from cruise (%).

DANB = Average number of bidders by district from the auction dataset (see Table 3-2).

DECAY = Prorated coniferous species decay % (from cruise)/100.

ZONE 9 = Fort Nelson - Peace selling price zone variable. Zone 9 = 1 if cutting authority is appraised with selling price zone 9, otherwise Zone 9 = 0.

VPH_CON = Net coniferous volume per hectare (m^3/ha).

ATTACK	=	Fraction of the total net coniferous volume that is Lodgepole pine green, red and grey attack plus the fraction of total net coniferous volume that is other insect attack.
CB	=	Cruise based billing for mountain pine beetle damage variable. CB = 1 if section 6.9 is applicable, otherwise CB = 0.
AUC2009	=	2009 Auctions variable. AUC2009 = 1.
DECK	=	DECK_VOL / VOL
DECK_VOL	=	The total net coniferous volume that has been felled and decked in the timber sale (m^3).
HWY	=	1 if primary haul method is Highway, otherwise HWY = 0.
ER	=	Exchange Rate ($US/$C). Bank of Canada three-month average rate beginning five months prior to the stumpage rate effective date, as published by Pricing Branch.
CD	=	Competitive Deciduous Equals 1 if the upset stumpage rate is determined under section 5.1.1(5), otherwise CD = 0.
CPI	=	Monthly B.C. Consumer Price Index (CANSIM 326-0020, 2002 = 100) x 1.1787.
CPIF	=	Consumer Price Index Factor calculated as CPI/109.3.

Table 3-2 District Average Number of Bidders (DANB)[1]

Forest District	DANB	Forest District	DANB
100 Mile House	4.6	Kootenay Lake	2.8
Arrow Boundary	2.6	Mackenzie	2.2
Cascades	3.5	Nadina	4.1
Central Cariboo	5.2	Okanagan Shuswap	3.3
Chilcotin	1.0	Peace	2.4
Columbia	3.1	Prince George	3.6
Fort Nelson	2.4	Quesnel	4.7
Fort St. James	2.3	Rocky Mountain	2.6
Headwaters	3.2	Skeena Stikine	2.8
Kalum	2.2	Vanderhoof	2.1
Kamloops	4.5		

Table 3-3 Zonal Volume[2]

Zone	Volume (m^3)
5	54039
6	51802
7 OK	50758
7 SE	44260
8	66589
9	66769

[1] From the 5-year auction dataset.

[2] For the purposes of applying the volume variable in the estimated winning bid equation determine the applicable selling price (SP) zone based on the POA from Table 3-4 used in the appraisal. If in SP zone 7, then determine the district. Zone 7 is split into 2 components:

7OK = Cascades Forest District, Kamloops Forest District, Okanagan Shuswap Forest District, 100 Mile House Forest District.

7SE = Headwaters Forest District, Columbia Forest District, Prince George Forest District, Central Cariboo Forest District, Quesnel Forest District, Arrow Boundary Forest District, Rocky Mountain Forest District, Kootenay Lake Forest District.

3.4 Estimated Winning Bid Equation

Using the variables defined in section 3.3, the selling price calculated in section 3.2.2 and the equation below, calculate the estimated winning bid (EWB).

EWB = [32.85 + 0.152 * RSP – 2.86 * PC + 1.71 * ln (VOL/1000) – 9.48 * CABLE – 64.08 * HELI – 11.48 * FIRE – 1.01 * CYCLE – 18.91 * HEMBAL + 37.08 * CEDAR – 0.0209 * SLOPE + 0.871 * DANB – 19.10* DECAY – 6.55 * ZONE9 – 13.73 * AUC2009 + 8.70 * ln (VPT) + 41.11 * DECK + 0.709 * HWY – 11.86 * ER – 8.26 * CD + 1.50 * ln (VPH_CON) - 5.56 * [ATTACK * (1 – CB)] – 8.01 * CB] * CPIF

If EWB less than $0.25 then EWB = $0.25

Note: ln = natural logarithm.

3.5 Log Transportation

The log transportation phase covers all aspects of log movement from the place of initial loading to the point of appraisal, including truck haul, rail, water and other specialized transportation. The use of section 3.5.1.1(3)(c) does not affect any other provision that requires the use of the point of appraisal, as per section 3.5.2.

3.5.1 Cycle Time Variables

3.5.1.1 Primary Cycle Time (CT):

1. The cycle consists of loading, hauling, weighing, unloading, return time, and unavoidable delays. The cycle time will normally be determined by taking into consideration all the factors that may affect it: distance, expected rate of speed, necessary delays, expected standard of roads and their maintenance, traffic density, and seasonal weather conditions.

2. In many cases standard cycle time schedules from specific road junctions to the point of appraisal have been developed and should be used (Sector times) .

3. For appraisal purposes, weighted average Primary Cycle Time (CT) is the estimated time in hours (rounded to the nearest 0.1 hour) for transporting logs from the centre of a cutting authority area to:

    a. the point of appraisal as per section 3.5.2,

    b. the appraisal place of unloading in the case of water or rail transport, or

    c. where the regional manager is satisfied that a transfer of current cutting rights to address a bark beetle infestation will result in:

        i. equal or higher sawlog stumpage rates for the timber to which the current cutting rights are transferred to, when compared to the sawlog stumpage rates for the timber where the current cutting rights are transferred from, and

        ii. an increase in milling consumption of beetle infested timber by the licensee whose current cutting rights are transferred, then

    the place that would have been the point of appraisal if the timber had been harvested in the area from which the current cutting rights are transferred from.

4. To determine weighted average primary cycle time:

    a. establish the geographical centre point of each cutblock and project this point to the nearest road for measurement purposes,

    b. from this centre point, determine the cycle time to the nearest junction serving all cutblocks,

c. weight the cycle time for each cutblock by the volume on the cutblock and determine the average weighted cycle time to the junction. If the cutblock volume is not available, the cutblock area is used, and

d. determine the cycle time from the junction to:

i. the point of appraisal as per section 3.5.2,

ii. the appraisal place of unloading,

iii. if the conditions under 3.5.1.1 (3)(c) are met, then

the place that would have been the point of appraisal if the timber had been harvested in the area from which the current cutting rights are transferred from.

5. Unavoidable delays are periods when the truck is on the job but not operating due to unpredictable delays such as; tightening binder chains, minor repairs made by driver, checking and adjusting brakes, minor delays prior to loading and unloading, refuelling, etc. Unavoidable delay time does not include any breakdown which requires shop repair, the services of a skilled mechanic, or a spilled load of logs. The time for load, unload and unavoidable delay is set at 75 minutes for cable yarding systems and 60 minutes for all other systems.

6. Total CT is the sum of the times calculated under subsections 4(c), 4(d) and 5.

3.5.1.2 Haul Method

Cost estimates do not recognize different types of logging trucks. The estimate is based upon the possible haul method, either highway or off-highway and not specifically on the licensee's particular method.

Highway hauling is assumed when loaded logging trucks must travel in part over roads administered under the *Highway Act*, without truck-to-truck transfer, to the point of appraisal, or on roads administered under the *Industrial Road Act* and Forest Service Roads as defined in *Forest Act* where prolonged known road restrictions prevent the use of oversize loads, or in all instances where the volume per tree is less than 0.20 m^3.

Off-highway hauling is assumed when loaded logging trucks can travel over roads administered under the *Industrial Road Act* and Forest Service Roads as defined in *Forest Act* to the point of appraisal, or to a recognized reload. Where prolonged known restrictions (e.g., bridge load limit, narrow road, through rock cut, Regulations under the *Workers Compensation Act*, etc.) prevent the use of oversize loads, highway haul is assumed.

3.5.1.3 Secondary Haul

Secondary haul is when logs must be truck hauled between the dewater and reload site to the appraisal point.

3.5.2 Point of Appraisal

1. The points of appraisal that may be considered for use in the appraisal are set out in Table 3-4.

2. The point of appraisal that when used in the calculaton of the stumpage rate will produce the highest stumpage rate for the cutting authority area is the point of appraisal used unless:

    a. five years have passed from the date that a milling facility was permanently rendered incapable of producing lumber and chips, and

    b. it was the only milling facility associated with that point of appraisal.

3. Where a point of appraisal cannot be selected under subsection (2) of this section because of the conditions of paragraphs (a) and (b) of that subsection, the point of appraisal that produces the next highest stumpage rate is used.

4. The process in subsection (3) of this section is continued until a point of appraisal can be selected without being excluded by the conditions of paragraphs (2)(a) and (b).

5. Except for Table 3-3 and Appendix VI, the selling price zone in Table 3-4 for the point of appraisal selected under paragraphs (2), (3) or (4) must be used in the appraisal.

Table 3-4 Points of Appraisal

Northern Interior (Zone 5)			
Bear Lake	Fort St. James	Mackenzie	Smithers
Burns Lake	Fraser Lake	Prince George	Strathnaver
Clear Lake	Houston	Quesnel	Vanderhoof
Engen	Isle Pierre		

Skeena (Zone 6)		
Terrace	Hazelton	Kitwanga

Southern Interior (Zone 7)			
Adams Lake	Galloway	Merritt	Thrums
Armstrong	Grand Forks	Midway	Valemount
Canal Flats	Kamloops	Okanagan Falls	Vavenby
Canoe	Kelowna	Princeton	Westbank
Castlegar	Lavington	Radium	Ymir
Craigellachie	Lumby	Revelstoke	
Creston	McBride	Slocan	
Elko			

South Cariboo (Zone 8)				
100 Mile House	Chasm	Lytton	Squamish	Williams Lake

Fort Nelson - Peace (Zone 9)		
Chetwynd	Fort Nelson	Fort St. John

5. The following Points of Appraisal will expire on the dates indicated: Fort Nelson (October 31, 2010), Okanagan Falls (November 30, 2012), Kamloops (May 12, 2013).

3.6 Specified Operations

1. Only the specified operations described in sections 3.6.1 to 3.6.6 may be considered in an appraisal or reappraisal.

2. Where appropriate, specified operations are weighted according to the applicable net cruise volume.

3. A specified operation will only be used in an appraisal when it is approved by the person determining the stumpage rate.

3.6.1 Water Transportation

Water transportation occurs when logs must be transported by water between the cutting authority and the point of appraisal or reload. This includes the costs of strapping logs on the truck, dumping, booming, developing and operating dumping and booming grounds, and towing. The specified operation for reservoir lakes applies to all marine appraisals and to Arrow, Kinbasket, Ootsa, Revelstoke and Williston Lakes. All other lakes receive the natural lake specified operation.

1. Dump and Boom:

   Reservoir Lakes and Marine: = $2.27/m^3$

   Natural Lakes: = $2.55/m^3$

2. Tow:

   All $\$/m^3 = 1.2503 + 0.0029 * d$

   Where d = one way tow distance in kilometres.

3. Dewater and Reload:

   All = $1.97/m^3$

   Only considered if the mill infeed is not located on the same lake, or a dam transfer is required.

3.6.2 Special Transportation Systems

A special transportation system specified operation may be used in the appraisal where geographic conditions dictate its use.

The cost estimates include all costs associated with servicing the appropriate cutting authorities, (excluding all on-site costs of owning and operating a camp facility) and operation of bubble systems where applicable.

The recognized special transportation systems are as follows:

1. Railway

   a. Truck-to-Rail Transfer

      When logs are appraised by railway for part of the way between the cutting authority and the point of appraisal, the cost estimate for the truck-to-rail transfer part of the phase is:

      All = $1.97/m^3$

   b. Railway Transportation

      The railway transportation cost estimate is based on the following table for the points of origin shown. Otherwise, the best information on hand is used.

Table 3-5 Rail Log Transportation

Origin	Cost Estimate	Point of Appraisal
Leo Creek	$\$13.18/m^3$	Fort St. James
Lovell	$\$17.31/m^3$	Fort St. James
Bear Lake	$\$24.27/m^3$	Fort St. James
Minaret Creek	$\$26.66/m^3$	Fort St. James
Niteal	$\$23.23/m^3$	Fort St. John

2. Barge/Ferry Used for Truck Haul (Private)

   When a truck haul road is interrupted by a body of water and the operation of a barge system is feasible to provide the road link for logging trucks, the specified operation for this phase, regardless of ownership is:

   All lakes = 4.79/m^3

3. Barge/Ferry Not Used for Truck Haul (Private)

   When a cutting authority can be served only by water, and daily (operating days only) ferry/barge services are feasible for crew transportation, the specified operation for this phase, regardless of ownership is:

   All lakes = 1.29/m^3

3.6.3 Camp Costs

1. A camp specified operation may be included in an appraisal if the workers who work on the cutting authority area, reside in the camp and travel on each day of work during timber harvesting operations from the camp to the cutting authority area. A camp cost estimate may not be included in an appraisal for third party licensees who stay in a camp that is owned and operated by another licensee.

2. A camp must:

   a. be a permanent structure,

   b. have a cookhouse and a bunkhouse,

   c. have been established and maintained through the expenditure of capital costs,

   d. have full time camp staff, and

   e. be outside of a support centre listed in Table 3-6.

Table 3-6 Support Centres

Northern Interior Forest Region

Burns Lake	Kitwanga	Smithers	Terrace
Houston	New Hazelton	Stewart	Prince George
Kitimat	Fort St. James	Fraser Lake	Fort St. John
Chetwynd	Fort Nelson	Mackenzie	Dawson Creek
Vanderhoof			

Southern Interior Forest Region

Boston Bar	Kamloops	Merritt	Salmon Arm
Clearwater	Kelowna	Pemberton	Vernon
Hope	Lillooet	Penticton	Nakusp
Canal Flats	Creston	Grand Forks	Nelson
Castlegar	Fernie	Greenwood	Revelstoke
Cranbrook	Golden	Invermere	100 Mile House
McBride	Valemount	Princeton	Quesnel
Williams Lake			

3. Where a cutting authority area serviced by a camp may be accessed only by rail, the camp specified operation is $\$4.83/m^3$, otherwise the specified operation is $\$2.57/m^3$for all other types of access.

3.6.4 Skyline and Intermediate Support Skyline

Skyline yarding estimates will be recognized for each block where the average yarding distance is greater than 300 m, or intermediate supports are required.

The average yarding distance is determined by:

1. Drawing a series of transects (minimum four) with their origin at a landing, being equi-angle apart and measured to the back-line. This is done for each block; blocks will not be amalgamated for the purpose of average yarding distance calculation. The volume for the system is the sum of the volumes of qualifying blocks.

2. Yarding distance will be measured as slope distance from the centre of the landing to the falling boundary.

3. The sum of transect lengths divided by the number of transects equals the average yarding distance.

4. The exception to the above; where the ministry and the licensee agree that Forest and Land Management is better served by the use of a skyline system in a particular logging chance, then the average yarding distance greater than 300 meters requirement is waived.

The specified operation is $\$5.51/m^3$ for the volume appraised as skyline.

3.6.5 Horse Logging

The specified operation is $\$8.67/m^3$ for the volume appraised as horse logging.

3.6.6 High Development Cost

For BCTS timber sale licences only, where the development cost estimate (DC) determined under chapter 4, is greater than $\$2.91/m^3$, the high development cost specified operations estimate (HDC) is calculated as follows:

HDC $\$/m^3$ = DC – 1.16

If DC < = 2.91, HDC = 0

3.7 Final Estimated Winning Bid

1. Subject to subsection (3) of this section, the Final Estimated Winning Bid (FEWB) is the difference between the estimated winning bid and the total of the specified operations that are applicable to the appraisal or reappraisal of the cutting authority area.

2. Expressed as an equation:

$$FEWB = EWB - (SO \times (CPI \div 131.0))$$

Where:

EWB = The Estimated Winning Bid determined under section 3.4.

SO = The sum of the applicable specified operations in the appraisal or a reappraisal of a cutting authority area as may be calculated under section 3.6 expressed in $\$/m^3$.

CPI = Monthly BC Consumer Price Index refer to section 3.3.

3. Where the FEWB calculated under subsection 2 of this section is less than $\$0.25/m^3$, then the FEWB shall be $\$0.25/m^3$.

Tenure Obligation Adjustments 4

4.1 Tenure Obligation Adjustment (TOA)

1. Except where a cutting authority area is the area authorized for harvest under a timber sale licence entered into under section 20 of the *Act* or section 21 as it was before it was repealed, and subject to subsection (2) of this section, the types of costs that may be used in the calculation of the tenure obligation adjustment in the appraisal or reappraisal of a cutting authority area are:

    a. the total administration cost,

    b. development cost,

    c. the total road management cost, and

    d. the total silviculture cost.

2. A cost referred to in subsection 1 of this section may only be used in the appraisal or reappraisal of a cutting authority area if:

    a. except for the low volume cost, the holder of the cutting authority authorizing harvesting on the cutting authority area will incur that kind of cost:

        i. when exercising an authority or carrying out an obligation under the cutting authority, or

        ii. subject to section 4.3, when carrying out an activity on a road when acting under the authority of the Crown, a road permit holder, a road use permit holder, or a private road owner, or

    b. in the case of a low volume cost, where that cost may be calculated under section 4.2.2 of this manual.

3. In this chapter:

    a. “development” means road development, cattlegards, fencing and pipeline crossings.

    b. "road" includes a bridge, drainage and any other pertinent structure that is part of the road.

4. The tenure obligation adjustment is calculated under section 4.9.

4.2 Administration Costs

4.2.1 Forest Management Administration (FMA)

Forest management administration costs are those costs directly related to supervision and administration of the activities listed below:

- Office Operations,
- Scaling,
- Cruising,
- Environmental Protection,
- Consultants fees (section 4.3.3),
- Archaeological surveys,
- Waste and Residue surveys,
- Right-of-way easements,
- Foreshore and other land leases,
- Tree marking Beetle probing & Pheromone baiting,
- Engineering (road layout, survey including geotechnical surveys, and design, other than those applicable as engineered cost estimate).
- Suitable Secondary Stand Structure Survey.

The forest management administration cost estimate in an appraisal is determined as follows:

$$\$/m^3 = 2.99238 + (0.17217 \times \text{CP slope \%})$$

Where:

CP Slope % - is the cutting permit average slope from the Cruise Appraisal Summary Report.

4.2.2 Low Volume Cost Estimate (LVCE)

Fully appraised cutting authorities are eligible for a low volume cost estimate where the licence to which the cutting authority belongs has an allowable annual cut of Crown timber greater than 0 m^3 and less than 3 000 m^3:

$$= \ 8.35/m^3$$

4.2.3 Total Administration Costs (TAC)

$$\text{TAC } (\$/m^3) = \text{FMA } (\$/m^3) + \text{LVCE } (\$/m^3)$$

4.3 Development

1. The development cost estimate must be determined in accordance with this manual.

2. Development costs are ($) calculated for each category of section 4.3.1, and 4.3.1.1. These category costs are summed and divided by the applicable volume to provide a total development cost estimate ($/m^3).

3. Subject to section 4.3.1.1.4, the costs for new development occurring under the authority of a road permit or cutting permit may only be used in the appraisal of the licensee's first fully appraised tributary cutting authority area, that is authorized for harvest under the licence under which that road permit or cutting permit has been issued.

4. There are two methods of estimating development as follows:

    a. Tabular cost estimates are made for construction of roads and drainage structures using the applicable equations or tables in section 4.3.2 of this manual. Tabular estimates must be used for an appraisal when physical dimensions and conditions fall within the tabular limitations.

    b. Detailed engineering cost estimates are made when the physical dimensions and conditions of a road section or a drainage structure exceed the tabular limitations of the manual. A detailed engineering estimate is made according to section 4.3.3. Projects eligible for this costing method are listed in section 4.3.3(5).

4.3.1 Development Cost Categories

1. Development costs are estimated for each of two categories namely:

    a. New construction.

    b. Reconstruction and replacement.

2. Development cost allocation (section 4.3.1.1) applies to all cost estimates made under this section.

3. New construction costs are allocated to the licensee's first fully appraised tributary cutting authority area (subject to section 4.3.1.1.4).

    a. Road Cost Estimates

        i. Tabular cost estimates

        Each road section cost estimate is determined from the appropriate equations and tables (section 4.3.2). These section costs are totalled to give a road cost estimate for each road. The road costs for all roads are then totalled to give a total cost for tabular roads.

ii. Detailed engineering cost estimates

Each project cost is estimated according to section 4.3.3. The total of the estimated costs for each project is summed to give a total cost ($) for engineered roads.

b. Drainage Structure Cost Estimates

i. Each drainage structure cost estimate is determined either from the appropriate table (section 4.3.2.4) or as a detailed engineering cost estimate (section 4.3.3).

ii. Where materials are reused by the original purchaser at a second or subsequent location, the cost estimate may include dismantling, transportation and installation at the new site. The initial materials cost and delivery costs are excluded.

iii. Where used bridge materials are purchased by the licensee from a legally non-associated party, the cost of purchase and shipping those materials will be included in the cost estimate.

4. Reconstruction and Replacement:

a. The costs approved under this subsection are not road management costs as described in section 4.4.

b. Bridges replaced on forest service roads that are included in the Forest Renewal B.C. five-year "Bridge Replacement Program on Forest Service Roads", or are otherwise funded by the Crown will not be included in any appraisal. Other major forest service road reconstruction or upgrades that are funded by the Crown will not be included in appraisals.

c. Where a Ministry of Transportation (public) road requires reconstruction or upgrade to forest service standards for hauling Crown timber, the project must be approved in advance by the director of Pricing Branch before it can be included in an appraisal of tributary timber. The detailed engineering cost estimate for each project must be based on arms-length competitive bids. The approved project costs may be apportioned to multiple users in extended road amortization agreements as per section 4.3.1.1.4.

d. Reconstruction and replacement cost estimates are determined as detailed engineering cost estimates (section 4.3.3). The cost estimates may be applied to remaining tributary timber (i.e., applicable volume) provided the project was not known of or planned for at the time of appraisal. If the cost estimate is not applied to the remaining tributary volume, it must be applied to the licensee's first tributary cutting authority appraised over the reconstruction or replacement. Cost estimates for reconstruction and replacement are not to exceed the tabular costs for new construction under similar conditions.

e. Costs will not be recognized if the licensee has been negligent or has not followed approved plans or standards as defined under legislation.

4.3.1.1 Development Cost Allocation

Where proration is required for section 4.3.1.1.1 and 4.3.1.1.2:

$$\text{Crown Share} = \text{Total Estimated Cost} * \frac{\text{Appraised Timber Volume}}{\text{Total Timber Volume}}$$

Where:

Crown Share ($)	=	Dollar amount to be allocated to stumpage-bearing timber in the cutting authority being appraised.
Total Estimated Cost ($)	=	Dollar amount of the total development cost estimate.
Appraised Timber Volume (m^3)	=	Volume of Crown timber that is tributary to the project and under the control of the licensee or a company legally associated with the licensee, including volume in all areas contributing to the allowable annual cut determination.
Total Timber Volume (m^3)	=	Total volume of Crown and private timber that is tributary to the project and under the control of the licensee or a company legally associated with the licensee.

In all cases volumes are estimated from the latest approved operational or inventory cruise data and maps of the area within the drainage to the height of land.

The Crown share is a dollar amount which is included in the appraisal of a tributary cutting authority, subject to section 4.3.1.1.4.

Development cost estimate is allocated according to the outline below (see also Appendix II).

4.3.1.1.1 Development Cost Estimates on Crown Lands

1. Development providing access to appraised timber only:

   Total estimated costs are included in the appraisal.

2. Development providing access to non-appraised timber only:

   Cost estimates are not included in the appraisal.

3. Development in appraised timber areas providing access to both appraised and non-appraised timber held by the licensee or a company legally associated with the licensee:

   All costs are prorated between appraised and non-appraised timber. The appraised timber portion is then included in the appraisal.

4.3.1.1.2 Development Cost Estimates on Private Land

1. When a new or reconstructed road or structure on private land is required for Crown timber extraction, the estimated cost of the road or structure will be included in the appraisal of a tributary cutting authority according to the procedures of section 4.3.1.1 and the following:

   a. If development provides access to appraised timber only, the total estimated costs are included in the appraisal.

   b. If development provides access to non-appraised timber only, cost estimates are not included in any appraisal.

   c. If development provides access to both non-appraised and appraised timber, all cost estimates are prorated between non-appraised and appraised timber (section 4.3.1.1) and then the Crown portion is included in the appraisal.

4.3.1.1.3 Existing Roads and Structures

1. The following are defined as existing roads for the cutting authority being appraised and are not eligible for inclusion in development cost estimates:

   a. Constructed roads that have been previously considered in appraisals of Crown timber within another cutting authority.

   b. Roads previously constructed and used to haul non-appraised timber (excluding right-of-way).

   c. Roads previously constructed all or in part for purposes unrelated to logging the cutting authority area being appraised.

   d. Roads previously constructed, repaired or reconstructed on private land before August 1, 1996.

2. Winter roads over muskeg or organic soils that use snow and ice for a driving surface are not considered as existing roads.

3. If the existing road requires reconstruction or replacement after August 1, 1996, the cost estimate is made as described in section 4.3.1. If the existing road is on private land, road and land use charges may be included in the appraisal as per section 4.4.1.

4. A road on private land that has previously been included in an appraisal because it was required for only short term timber extraction shall continue to be included upon reappraisal.

4.3.1.1.4 Extended Road Amortization

1. Except as provided in subsection (3), for new appraisals where the development occurring under the authority of a road permit or cutting permit for roads accessing more than one tributary cutting authority exceeds $4.00 per cubic metre, a written agreement may be made between the licensee and the regional manager, which distributes a portion of the development cost estimate to two or more tributary cutting authorities that are issued under the licence that entitled the licensee to apply for the road permit or cutting permit.

2. The agreement is subject to the following conditions:

    a. Future tributary timber included in the extended road amortization agreement must be either within the woodlot licence or an approved cutting permit or cutblocks shown in the licensee's forest development plan, woodlot licence plan or forest stewardship plan in effect on the appraisal effective date.

    b. The road portion that may be included in the agreement ends at the far boundary of the first cutting authority being appraised.

    c. The agreement must indicate the cost estimate that is being distributed to each existing or future cutting authority in the agreement.

    d. The agreement must be signed by the licensee and the regional manager.

    e. The costs apportioned to each cutting authority under the agreement may be adjusted once, in conjunction with this section, at reappraisal using the same ratio for distributing the costs as in the original agreement provided harvesting has not commenced on any of the cutting authority areas included in the agreement.

    f. Previously apportioned costs are not used to exceed the $4.00/$m^3$ in subsection (1) of this section.

    g. The agreement must provide that:

        a. It may not be changed unless by mutual agreement, and

        b. It is entered into only for the purposes of calculating a stumpage rate and confers no obligation on the Crown to compensate the licensee for any unamortized costs.

3. The regional manager will not enter into any new extended road amortization agreements for cutting permits issued under a woodlot licence with an effective date after November 30, 2008.

4.3.2 Tabular Cost Estimates

Tabular costs are determined using the procedures and criteria in this section for the total length of road that the submitting professional certifies is required to remove the timber from the cutting authority area.

4.3.2.1 Subgrade Construction

The subgrade construction cost estimate includes:

- clearing,
- grubbing,
- stripping,
- debris disposal,
- stump removal,
- ditch construction,
- turnout construction (not landings),
- material costs, and
- installation of culverts with diameters under 950 mm or the equivalent cross-section area or single log abutment culverts up to 3.4 m span.

Right-of-way felling and logging is excluded.

4.3.2.2 Subgrade Construction Variables

For appraisal purposes the following subgrade construction variables are recognized:

1. Section length: (L)

    a. Each section should be representative of a single moisture class. Section lengths are recorded to the nearest 0.1 km. Each section should be 1 km or longer, although some individual section lengths less than 1 km but greater than or equal to 0.100 km are acceptable for extreme variations of slope or percent rock. The section length includes that portion traversing through landings. For ground skidding, short roads (up to and including 100 m long) that access single landings are included in the MPS equation (section 3.4) and are not eligible for development cost estimates.

    b. All road segments less than 0.100 km, excluding short ground skidding spurs less than 0.100 km, are to be aggregated with other adjacent road segments, making appropriate adjustments to average site conditions using the distance-weighted averages for the site variables for that section.

    c. A short spur road less than 0.100 km that does not access a single landing may be aggregated with a similar stand-alone non-adjacent road section.

2. Road Types :

   - Snow/Ice Road : - A snow/ice road is a single lane seasonal winter road including turnouts, with a flat road profile that is built with a combination of snow, ice and dirt, on a surface that may or may not have been stumped. The driving surface is built up using multiple layers of snow and ice such that extra stabilizing material costs are not applicable. A flat road profile means the side slope is less than or equal to 15% and there is minimal side cut. Minimal means that cuts into mineral or organic soil must not exceed 0.5 m in depth for distances up to 0.1 km. Seismic lines being used for roads, that have not previously been used as roads, will be considered as new construction and qualify as snow/ice roads provided they fall within the above criteria.

   - Long Term (LT) - A long term road is a road with a continuous raised sub-grade and ditch line (the raised sub-grade and ditch line may be interrupted for short section <100 m in length (e.g., when crossing a short section of rock or at the crest of a hill). In flat terrain the ditch line may simply be the depression created when sub-grade material is excavated to create a raised sub-grade.

   - Short Term (S) - A short term road is a road with the stumps removed and a bladed running surface. There may be elements of ditching and elevated grade, particularly around wet areas but these features are not continuous.

3. Uphill Side Slope: (SLOPE %)

   Uphill side slope percent may show a variation of (+/- 15% about the average) within any section length and represents the average of all slopes in the section to a maximum of 50%. To derive an average for uphill side slope percent, several representative cross-section measurements are taken along the section length and the sum of one-half of the distance on each side of the measurement is applied as a weight against the measurement at that cross-section. The uphill side slope percent is measured at right angles to the road centreline and is recorded to the nearest integer. Where the road is located on a bench, the uphill side slope of the bench is used.

4. Percent Rock: (ROCK %)

   Rock includes bedrock and large boulders (each greater than 1.5m in diameter). It may be rippable or may require drilling and blasting. Rock percent may show a variation (+/- 15% about the average) within any section length and represents the average of all rock percents in the section to a maximum of 50%. To derive an average percent rock, representative cross-section measurements are taken along the section length and the percent rock calculated. The sum of one-half of the distance on each side of where the measurements were taken is applied as a weight against the percent rock calculated at that cross-section. The percent rock is determined as follows:

$$\text{ROCK \%} = \frac{h^2}{H^2} * 100$$

   Where:

   h = the vertical cut height of all rock measured from the bottom of the ditch.

   H = the total vertical cut height of all materials above the bottom of the ditch.

   To determine the percent rock for roads not yet constructed, constructed roads on similar land/rock forms are used as a guide. Alternately, where estimates of rock volume from commercial road design programs are available for tabular sections, that information may be used to estimate the rock percent.

5. Soil Moisture Regime (SMR):

   Those biogeoclimatic zones/subzones with site series identified as “M”, “VM” or “W” in the shaded area of the table in Appendix III are considered “Wet” for appraisal purposes.

6. Biogeoclimatic Zone Abbreviations Used in This Chapter

SBPS	-	Sub-Boreal Pine-Spruce	IDF	-	Interior Douglas Fir
SBS	-	Sub-Boreal Spruce	MH	-	Mountain Hemlock
ESSF	-	Engelmann Spruce Subalpine Fir	MS	-	Montane Spruce

4.3.2.3 Subgrade Cost Estimate

For each road type, except snow/ice roads, the subgrade cost estimate in $/km is determined from the equation for the appropriate road group.

Road Group	Equation
1	Refer to subsection 4.3.3(6)(n)
2	10195 + (140 * SLOPE%)
3	5067 + (96 * ROCK %) + (2998 * LT)
4	4318 + (52 * SLOPE%) + (2078 * LT) + (1905 * SBS)
5	5111 + (2012 * LT)
6	6686 + (88 * SLOPE%)
7	6288 + (107 * SLOPE%) + (103 * ROCK%) + (6063 * LT) + (4316 * ESSF)
8	2502 + (65 * ROCK%) + (3691 * SBS) + (3128 * SBPS)
9	9525 + (148 * SLOPE%) + (107 * ROCK%) + (4789 * LT) – (6283 * MS) – (6283 * SBPS) - (3938 * IDF) – (6283 * MH)
10	8236 + (247 * SLOPE%)
11	21932 + (334 * SLOPE%) + (463 * ROCK%)
12	5445 + (250 * SLOPE%) + (3543 *SMR) + (4785 * LT) – (3042 * ESSF) ($3492/km set as minimum. If equation yields less than $3492 then use $3492)

Where:

Road groups are defined in Table 4-1.

LT = 1 if a long term road, otherwise = 0

SMR = 1 if Soil Moisture Regime is “wet”.
Otherwise SMR = 0

SBPS = 1 if road construction is within this biogeoclimatic zone.
Otherwise SBPS = 0

SBS = 1 if road construction is within this biogeoclimatic zone.
Otherwise SBS = 0

ESSF = 1 if road construction is within this biogeoclimatic zone.
Otherwise ESSF = 0

MS = 1 if road construction is within this biogeoclimatic zone.
Otherwise MS = 0

MH = 1 if road construction is within this biogeoclimatic zone.
Otherwise MH = 0

IDF = 1 if road construction is within this biogeoclimatic zone.
Otherwise IDF = 0

Snow and Ice Roads

The subgrade cost estimate for new snow and ice roads is $3148/km.

Table 4-1 Road Groups

Road Group #	Districts Included	Within the Geographic Boundary of a TSA, SB and TFL
1	Kalum	
2	Skeena Stikine	
3	Nadina	
4		Williams Lake TSA, SBs J, K & L Prince George TSA, SBs G & H, TFLs 30, 53 Quesnel TSA, SBs E, F, G, H & I, TFL52 100 Mile House TSA, SBs, G & H
5	Vanderhoof	Prince George TSA, SBs C, E, F & I, TFL 5[1], TFL 42
6		Mackenzie TSA, SBs G through P, Prince George TSA SB's A & B
7	Peace Fort Nelson	Mackenzie TSA, SBs A through F
8	Chilcotin	Williams Lake TSA, SBs E, F, G, H, and I Quesnel TSA, SBs A, B, C & D 100 Mile House TSA, SBs A, B, C, D, E, F
9	Kamloops Cascades	TFL 15, 49, 59, Okanagan TSA, SBs 1, 2, 3, 4, 5
10	Rocky Mountain	Boundary TSA, TFL 8
11	Columbia Kootenay Lake	Arrow TSA, TFL 23, 3, 33 Okanagan TSA SBs 8, 9
12	Headwaters	Williams Lake TSA, SBs M & N Okanagan TSA, SBs 6, 7

Woodlot and Timber Licence cutting authorities are assigned to the road group for the area in which they are geographically located.

[1] Portion of TFL 52 that was within the former TFL5.

4.3.2.4 Drainage Structures

An appraisal may include a cost estimate for large drainage structures only where their requirement is substantiated by field data. All pipe culverts under 950 mm in diameter or the equivalent cross-section area and all single log abutment culverts under 3.5 m span length are included in the subgrade cost estimates (see section 4.3.2.1).

For a detailed description of large drainage structures see page 37 of the *Forest Road Engineering Guidebook* (June 2002) for a detailed description.

For a detailed description of smaller drainage structures see pages 104 (Pipe Culverts) and 106 (Log Culverts) of the *Forest Road Engineering Guidebook* (June 2002) for detailed description.

An electronic version of the above guidebook can be accessed at:

http://www.for.gov.bc.ca/tasb/legsregs/fpc/FPCGUIDE/Guidetoc.htm

1. Culverts

   The cost estimates for the supply and installation of culverts from 0.3 m to 1.8 m in diameter are determined from Table 4-2. Culverts smaller than 0.95 m are included in the subgrade cost estimates in section 4.3.2.3.

   Costs for culverts smaller than 0.95 m are included in Table 4-2 for use where a detailed engineering cost estimate in section 4.3.3 requires the use of culverts smaller than 0.95 m. Detailed engineering cost estimates are required for culverts larger than 1.8 m, no interpolation of values is permitted. Total installation cost for culverts includes all costs of transporting the culvert to the jobsite and all costs of installation of the culvert to the final subgrade stage.

Table 4-2 Culvert Appraisal Cost Estimates

INSTALLED CULVERT COST ESTIMATE ($)														
	Equivalent Round Diameter (m)													
Culvert	0.3	0.4	0.45	0.5	0.6	0.7	0.8	0.9	.95	1.0	1.2	1.4	1.6	1.8 m
Length	X-Section Area (m^2)													
(m)	0.07	0.13	0.16	0.20	0.28	0.38	0.50	0.64	0.71	0.79	1.13	1.54	2.01	2.54 m^2
9	328	443	512	590	771	984	1231	1510	1661	1821	2544	3397	4382	5498
10	344	472	549	636	837	1074	1347	1657	1826	2004	2806	3755	4849	6089
11	361	501	586	682	902	1163	1464	1805	1991	2186	3069	4112	5316	6680
12	377	530	623	727	968	1252	1581	1953	2155	2369	3332	4470	5783	7271
13	393	559	660	773	1034	1342	1697	2101	2320	2551	3594	4827	6250	7862
14	410	588	697	818	1099	1431	1814	2248	2484	2733	3857	5185	6717	8453
15	426	618	734	864	1165	1521	1931	2396	2649	2916	4120	5542	7184	9044
16	443	647	771	910	1231	1610	2048	2544	2814	3098	4382	5900	7651	9635
17	459	676	808	955	1296	1699	2164	2691	2978	3281	4645	6257	8118	10226
18	475	705	845	1001	1362	1789	2281	2839	3143	3463	4907	6615	8584	10817
19	492	734	882	1046	1427	1878	2398	2987	3307	3645	5170	6972	9051	11408
20	508	764	919	1092	1493	1967	2515	3135	3472	3828	5433	7330	9518	11999
21	525	793	956	1137	1559	2057	2631	3282	3637	4010	5695	7687	9985	12590
22	541	822	992	1183	1624	2146	2748	3430	3801	4193	5958	8045	10452	13181
23	557	851	1029	1229	1690	2235	2865	3578	3966	4375	6221	8402	10919	13772
24	574	880	1066	1274	1756	2325	2981	3726	4131	4557	6483	8760	11386	14363
25	590	910	1103	1320	1821	2414	3098	3873	4295	4740	6746	9117	11853	14954
26	607	939	1140	1365	1887	2504	3215	4021	4460	4922	7009	9475	12320	15544
27	623	968	1177	1411	1953	2593	3332	4169	4624	5104	7271	9832	12787	16135
28	640	997	1214	1457	2018	2682	3448	4317	4789	5287	7534	10189	13254	16726
29	656	1026	1251	1502	2084	2772	3565	4464	4954	5469	7797	10547	13721	17317
30	672	1055	1288	1548	2150	2861	3682	4612	5118	5652	8059	10904	14187	17908

2. Bridges

   Cost estimates for both log bridges and non-log bridges, where required and not included in subgrade cost estimates, are made as detailed engineering cost estimates (section 4.3.3).

4.3.2.5 Additional Stabilizing Material

Additional stabilizing material is the placement of gravel or broken rock on the road subgrade to provide stable support and a running surface for logging equipment using the road during the harvesting of tributary timber (see section 4.3.3(5)(l) for cost estimates pertaining to the use of special materials). Where stabilizing material developed during the subgrade or ditch construction is insufficient, a cost estimate for additional stabilizing material to be trucked in from selected borrow pits may be included in the appraisal.

Unit Cost Estimate

The unit cost estimate ($/km) for the additional stabilizing material includes:

- borrow pit preparation,
- rock drilling, explosives, loading of explosives and blasting,
- loosening and/or pushing materials in borrow pits when required (e.g., compacted or cemented gravel, oversize material, etc.),
- loading gravel trucks,
- truck hauling, and
- spreading and compacting the material.

The cost estimates assume borrow pits are located adjacent to the road side and are not part of the subgrade excavation. If a new road needs to be constructed to access the borrow pit, then an access road cost estimate is required in addition to the in-place unit cost estimates.

For each road, the additional stabilizing material cost estimate ($/km) is determined from the equation for the appropriate road group.

Road Groups	Equation
1	Refer to section 4.3.3(5)(n)
2	8844
3	11947
4	10256 + (473 * D)
5	8414 + (322 * D)
6	10314 + (3527 * LT)
7	10314 + (3527 * LT)
8	16800 – (8491 * SBS)
9	10191
10	4484 + (3585 * D)
11	4484 + (3585 * D)
12	4484 + (3585 * D)

Where:

Road groups are defined in Table 4-1.

D = Distance in kilometres from source of ballast to the centre of the section that requires ballast (rounded to the nearest 0.1 km)

LT = 1 if a long term road, otherwise = 0

SBS = 1 if road construction is within this biogeoclimatic zone. Otherwise SBS = 0

No cost estimate for additional stabilizing material is allowed for any snow and ice roads.

4.3.2.6 Cattle Guards, Fencing and Pipeline Crossings

1. Where the installation of cattle guards, remedial fences or wing fences are required to mitigate the impacts to range barriers resulting from harvesting on the cutting authority area, the following cost estimates apply:

a.	Cattle Guards	$5085 each
b.	Remedial Fences and Wing Fences	$1002 per 100 m (post and wire, post and rail and/or log snake fence construction only)

2. For pipeline crossings, the following cost estimates apply:

	$3132 per single pipe crossing $1885 per pipe in multiple pipe crossings (where 2 or more pipes are crossed within the same right-of-way)

3. The cost estimates for subsections (1) and (2) include materials, transportation and installation.

4.3.3 Detailed Engineering Cost Estimates

1. Where the tabular cost estimating procedures of this manual cannot be used due to their physical limitations, the cost of a project shall be estimated by preparing a detailed engineering cost estimate. The regional manager may approve standardized procedures to generate cost estimates for use in projects as listed below.

2. Where specific development projects involve detailed engineering cost estimates, the district manager shall be advised of project details no later than 60 days before the start of work on the project.

3. For appraisal purposes, the estimated development project costs are made on the basis of the site-specific data using the definitions found in section 4.3.2.2 for common subgrade construction variables, the culvert costs included in Table 4-2, and the equipment and labour rates specified in Appendix I. Due consideration is given to arm's length competitive bids for any specific project. The appraisal estimate is not constrained in any way by a licensee's actual costs.

4. If the ECE is re-estimated once after construction as provided in section 2.2(3) (using more accurate on site information) the new detailed engineering cost estimate replaces the original (used in the initial appraisal). Detailed engineering cost estimates originally estimated using ministry approved competitive bids may be re-estimated once after construction provided the original call to tender included a methodology for adjusting the bid price based on more accurate site information and re-estimation of those costs is performed in accordance with that methodology. ECE's are not re-estimated due to labour and/or equipment rates being updated periodically in Appendix I.

5. Where road sections estimated as a detailed engineered cost estimate are contiguous with tabular cost estimates, costs for mobilization and demobilization will only be allowed for special equipment not required for the construction of the tabular roads. The costs for replacement or addition of stabilizing material must be determined using section 4.3.2.5 unless the material is placed in conjunction with geo fabric, geo grids, corduroy or where the stabilizing material requires processing such as screening or crushing.

   The following specific situations are considered for detailed engineering cost estimates:

a. New construction of long term, primary access road sections, that will have 300 000 cubic metres of harvested crown timber hauled over them annually for at least ten years.

b. Road construction on uphill side slopes greater than 50 percent.

c. When rock percent as calculated in section 4.3.2.2(4) is greater than 50 percent, or terrain class 4 and 5.

d. End haul construction (of roads and landings) requiring removal by truck of excavated material to a separate area to avoid side casting on steep and/or sensitive sites.

e. Overland construction to provide a roadbed by trucking in material for extensive filling; see page 81 of *Forest Road Engineering Guidebook* for a more detailed description.

f. Log bridges and non-log bridges (including ice bridges) that are not included in the subgrade cost estimates. Eligible costs are described in section 4.3.3(8).

g. Structural maintenance of bridges, substructure and cribwork.

h. Reconstruction of roads and pertinent structures. Cost estimates for reconstruction are not to exceed the tabular cost for new construction under similar conditions.

i. Upgrade of roads and pertinent structures resulting in a change in the standard of the road and structure or where the licensee was not obligated to carry out road maintenance prior to the appraisal. Where road maintenance obligations exist, road upgrade is limited to widening the running surface, vertical and horizontal realignment, and additional culverts.

j. i. Replacement or addition of stabilizing material to the existing road running surface or where stabilizing material was not previously used, for uninterrupted road lengths of 0.3 km, or greater.

   ii. Road lengths less than 0.3 km are included in the road management cost estimate.

k. Culverts greater than 1.8 m in diameter, or culverts greater than 30 m in length regardless of diameter. The cost estimate includes all costs of transporting the culvert to the jobsite and all costs of installation of the culvert to the final subgrade stage.

l. Placement of additional stabilizing material where geo fabric, corduroy, crushed and/or screened rock/gravel are used.

m. Retaining walls, railway crossings and other structures (such as multiple culverts, baffled culverts, arched culverts and other structures determined by the timber pricing co-ordinator).

n. Subgrade and ballast cost estimate in road group 1, Kalum District. The subgrade and ballast cost estimate will be determined using the detailed engineering cost methodology specified by the Northern Interior Forest Region.

o. The costs of designing and constructing a forwarding road, where the timber pricing co-ordinator is satisfied that it will produce the highest stumpage rate. A forwarding road is not a trail but a road built to a designed standard which includes stripping, grubbing, stumping and primary excavation to establish subgrade that is used for transporting crews and equipment and forwarding timber but not for hauling logs.

6. The data which may be required for excavation and fill estimates are:

   a. Plans, profiles, cross-sections showing the ground and design grade lines.

   b. Volume summary sheets showing excavation quantities by various soil types, for subgrade and stabilization.

   c. Type of construction equipment and quantity of material to be used, or ministry approved competitive bid costing.

   d. Location of borrow and waste areas to calculate material haul distances.

7. The data required for bridges, culverts and for other structures are:

   a. Where the bridge span is 15.4 m or less and the crib height is 5.4 m or less and a permanent structure is proposed, an economic life cycle comparison between a log structure and the permanent proposal is required.

   b. Where the bridge span is greater than 15.4 m, and/or the crib height is greater than 5.4 m or more and for pipe culverts greater than 1.8 m in diameter or 30 m in length: plans, specifications and design for the proposed structure; detailed estimate of costs of materials; equipment and labour or ministry approved competitive bid pricing; amount of timber accessed by the structure and the number of years of use for harvesting all timber are required.

8. Costs that may be included in the detailed engineered cost estimate are:

   a. Freight (for materials).

   b. Provincial sales tax (for materials).

   c. Supervision of construction of complex structures by a professional engineer.

d. Bridge Costs

i. In addition to other costs described in this section, bridge costs may include:

- Crib back fills to a maximum distance of 15 m on either end.
- Site preparation.
- Protection features such as rip rap.
- Material and equipment supply and delivery (subject to paragraphs (ii) and (iii) in this subsection).
- Bridge certification by a professional engineer either employed by the licensee or contracted. A maximum of three field visits are permitted unless otherwise approved by the regional timber pricing co-ordinator.

ii. Where bridge materials are re-used by the original purchaser at a different site, the bridge cost estimate may include the cost of dismantling the materials at the site where they were previously used, and transportation to and installation at the different site, but may not include the initial materials and delivery costs.

iii. Where used bridge materials are purchased by the licensee from a legally non-associated party, only the cost of purchasing and transporting those materials approved by the person determining the stumpage rate may be included in the bridge cost estimate in addition to the costs listed above.

e. Site plans, designs and layouts.

f. Where equipment is not, or will not be already on site for adjoining tabular road, bridge or culvert construction, then the costs of mob and demob may be included in the engineered cost estimate.

9. GST/HST and supervision costs other than as stated above, are not to be included in the engineered estimate.

10. Where different timber volumes are used for separate cost estimates, the unit costs are rounded to the nearest cent before totalling.

11. In some cases, the detailed engineering cost estimates may be apportioned to two or more licensees' tributary cutting authorities, as described under section 4.3.1.1.4.

4.3.3.1 Trending of Detailed Engineering Costs

1. All detailed engineering costs must be adjusted to match the cost base of the manual in effect at the time of the appraisal or reappraisal (refer to Table 4-5). This includes

development costs in apportionment agreements, ministry approved competitive bid tenders, and ECE's prepared using Appendix I.

2. ECE Cost Year means:

   a. For ECEs (or portion(s) thereof) which are calculated using this manual, the ECE Cost Year is 2008.

   b. For ECEs (or portions(s) thereof) which are calculated using tenders, materials costs, design and survey costs, etc. the year the costs are based on or incurred is the ECE Cost Year.

   c. Where all components of an ECE have a common ECE Cost Year, the trend factor can be directly determined from Table 4-3.

   d. For new or re-estimated (section 2.2(3)) ECEs where components of an ECE have different ECE Cost Years, it is necessary to trend all components to the Cost Base Year of the manual in effect at the time (based on the effective date of the cutting authority). The Cost Base Year then becomes the ECE Cost Year for future trending.

Table 4-3 Trend Factors for ECE Costs

ECE Cost Year	Multiply by this Trend Factor to Match the 2008 Cost Base
1995	0.925
1996	0.872
1997	0.811
1998	0.856
1999	0.899
2000	0.879
2001	0.894
2002	0.904
2003	0.978
2004	0.978
2005	1.0
2006	1.0
2007	1.0
2008	1.0
2009	1.0
2010	1.0

4.4 Road Management

Where the licensee is obliged to carry out road management, activities, the road management cost estimate includes but is not limited to, costs for the following:

- grading
- snowplowing and refreezing
- sanding
- spot gravelling (< 0.3 km distance)
- culvert repairs and thawing
- culvert removal
- culvert replacement
- non-structural maintenance of bridges
- bridge re-decking/wearing surface replacement
- ditching
- cattle guard cleanout
- road use charges paid to other licensees
- all access management
- seasonal erosion control
- roadside treatments
- sign maintenance
- dust control
- brushing
- minor flood and storm damage repair
- slough removal
- water bar construction (seasonal)
- road ripping
- cross ditch construction
- grass seeding
- all deactivation

The cost estimate for all road management carried out on logging operations depends on the geographic location of the cutting authority area (refer to Table 4-4).

Cutting authorities issued under forms of tenure not located administratively within a tree farm licence area or timber supply area will be assigned the road management cost estimate for the TFL or TSA/supply block in which the cutting authority is geographically located.

Table 4-4 Road Management Cost Estimates

Region	TFL #	TSA	TSA #	Supply Block	$/m^3
Northern Interior		Bulkley	3	All	2.24
		Cassiar	4	All	2.24
		Cranberry	42	All	2.24
		Dawson Creek	41	All	1.45
		Fort Nelson	8	All	2.21
		Fort St. John	40	All	1.45
		Kalum	10	All	2.24
		Kispiox	12	All	2.24
		Lakes	14	All	2.44
		Mackenzie	16	All	1.20
		Morice	20	All	2.44
		Nass	43	All	2.24
		Prince George	24	A, B, C	1.20
		Prince George	24	D	1.49
		Prince George	24	E, F, I	1.17
		Prince George	24	G, H	0.97
	1				2.24
	30				0.97
	41				2.24
	42				1.20
	48				1.45
	53				0.97
Southern Interior		100 Mile House	23	A, B, C, D	0.88
		100 Mile House	23	E, F, G. H	1.20
		Arrow	1	All	2.84
		Boundary	2	C, D, G	2.84
		Boundary	2	E, F	1.94
		Cranbrook	5	All	1.89
		Golden	7	All	3.83
		Invermere	9	All	1.89
		Kamloops	11	1	1.77
		Kamloops	11	2, 3, 4	1.81
		Kootenay Lake	13	All	2.29

Region	TFL #	TSA	TSA #	Supply Block	$/m^3
Southern Interior		Lillooet	15	All	2.24
		Merritt	18	All	1.02
		Okanagan	22	1, 2, 3	1.94
		Okanagan	22	4, 5, 6, 7	1.82
		Okanagan	22	8, 9	3.83
		Quesnel	26	A, B, C, D	0.73
		Quesnel	26	E, F, G, H, I	0.97
		Revelstoke	27	All	3.83
		Robson Valley	17	All	1.77
		Williams Lake	29	A, B, C, D, E, I	0.73
		Williams Lake	29	F, G, H, J	0.88
		Williams Lake	29	K, L	1.20
		Williams Lake	29	M, N	1.20
	3				2.84
	5[1]				1.17
	8				1.94
	14				1.89
	15				1.94
	18				1.77
	23				2.84
	33				3.83
	35				1.81
	49				1.82
	52				0.97
	55				3.83
	56				3.83
	59				1.94

[1] That portion of TFL 52 that was within the former TFL5.

4.4.1 Road and Land Use Charges

Prior to a road or land use charge being included in the TOA, the licensee must:

a. submit a "Request for Approval of a Road Use Charge" form with the appraisal data submission; and

b. receive written approval of the road or land use charge from the regional manager.

1. Charges as a Share of Road Management

   a. No recognition is made of such charges. The road management cost estimate in section 4.4 includes all relevant costs whether incurred directly by the licensee or by payment to another party for services performed.

2. Charges Other Than for Road Management

   There are three main categories of road status:

   a. Forest Service Roads

      No road use charges will be included in the TOA for a road that is declared, determined, built, maintained or modified by the ministry, as defined in forest legislation.

   b. Permitted Roads

      No road use charges will be included in the TOA for roads built on Crown land, authorized by road permit or other cutting authority documents. This category also includes foreshore leases, camp areas and dryland sorts.

   c. Other Roads

      Road use charges for roads on Indian Reserves or on private land owned by an arm's length third party and not subject to a lease held by the licensee, their affiliate or an agent of either, may be included in the TOA provided there is no lower cost route capable of development through Crown land.

      The charges recognized must be reasonable, must not exceed compensation that might be determined under forest legislation and must be proven through the presentation of auditable documents.

3. Other Land Use Charges

   Only non-governmental land use charges may be included in the TOA.

4.4.2 Total Road Management

The total road management cost estimate is equal to the sum of the road management cost estimate from Table 4-4, and, road and land use charges applicable under subsection 4.4.1.

4.5 Basic Silviculture Cost Estimate

1. The basic silviculture cost estimate includes the cost of all activities that are required to achieve a licensee's free-growing stand obligations (except root disease control) on the cutting authority area.

    a. A basic silviculture cost estimate may not be included in the TOA unless:

        i. the licensee is obligated to establish a free growing stand, and,

        ii. the activity is not funded by another agency.

2. The area of land where an activity is to be applied that may be considered in the basic silviculture cost estimate is the gross silviculture area (GSA) for which the licensee has an obligation to establish a free-growing stand. The GSA includes the net merchantable area (NMA) from the cruise.

3. Table 4-5 lists the cost estimates ($/ha) for Biogeoclimatic Ecosystem Classification (BEC) zone, subzone, and variant combinations across the interior. Where the subzone/variant combination is not listed in the table, the BEC undifferentiated subzone "un" cost estimate is used.

4. Where a cutting authority area includes more than one BEC zone/subzone/variant combination, a prorated BEC zone/subzone/variant cost estimate will be determined by prorating the cost estimates from Table 4-5 for the primary and secondary BEC combination identified in the appraisal data submission based on their respective percent by net merchantable area identified in the appraisal data submission.

5. The basic silviculture cost estimate is calculated as follows:

$$\text{BASIC SILVICULTURE}(\$/m^3) = \frac{[NMA * Cost * (CAPCUT\%/100) * 1.25] + [(GSA - NMA) * Cost]}{NMV}$$

Where:

NMA	=	Net Merchantable area (ha) from the cruise appraisal summary report. This area must be the same area directly attributable to the appraised net merchantable volume for the cutting authority. Where the licence requires harvesting in deciduous stands the NMA includes the area for the deciduous volume.
Cost	=	Prorated BECzone/subzone/variant cost ($/ha) from Table 4-5.

GSA = Gross silviculture area (ha) within the cutting authority area for which the licensee has free-growing obligations and has not yet received a basic silviculture cost estimate in any appraisal. For the purpose of this section the GSA cannot be less than the NMA and includes any pre-harvested areas outside the NMA of a fully appraised cutting permit that the licensee is responsible for silviculture.

NMV = Net merchantable volume (m^3) for the cutting authority area from the cruise appraisal summary report.

PCUT = Partial cutting includes all forms of harvesting, other than clear cutting.

Clear cutting is defined as those areas with block opening sizes equal to or greater than 1 hectare and where the volume removal is equal to or greater than 90 percent based on the net volume measured to the Interior Standard Timber Merchantability Specifications (section 1.5).

Partial cut areas that have less than 90 percent volume removal are not to be averaged with those areas that are equal to or greater than 90 percent. Clear cut areas are to be stratified out before calculating an overall weighted partial cut percent for the cutting authority.

Where a partial cut is comprised of openings of less than 1 hectare in size, the PCUT percent is based on the cumulative volume of these openings divided by the volume of the block area surrounding them.

$$PCUT = \frac{Net\ cruise\ volume\ required\ to\ be\ removed\ using\ a\ partial\ cut\ system}{Total\ net\ cruise\ volume\ on\ the\ area\ where\ Partial\ Cutting\ is\ required} * 100$$

(except if partial cut percent > = 90%, then PCUT = 0)

CAPCUT = Cutting Authority (CA) partial cut %. If CAPCUT%>80% CAPCUT% = 80, otherwise:

CAPCUT% = (CA NMV/CA Gross NMV) * 100

CA Gross NMV(m^3) = ^{v}GS(C) + (^{v}GS(P) / GS(PCUT/100)) + ^{v}OC(C) + (^{v}OC(P) / OC(PCUT/100)) + ^{v}SK(C) + ^{v}Horse(C) + ^{v}Heli(C) + (^{v}Heli(P) / Heli(PCUT/100))

Where:

PCUT	=	Logging method PCUT (%)
CAPCUT	=	Cutting Authority (CA) partial cut percent
v	=	Net merchantable volume (m^3) required to be logged by each system
Heli (C)	=	helicopter logging (clear cut)
Heli (P)	=	helicopter logging (partial cut)
Horse(C)	=	horse logging (clear cut)
GS (C)	=	ground skidding (clear cut)
GS (P)	=	ground skidding (partial cut)
OC(C)	=	overhead cable logging (clear cut)
OC(P)	=	overhead cable logging (partial cut)
SK(C)	=	skyline logging (clear cut)

4.5.1 Root Disease Control

1. Costs for root disease control may only be included in the calculation of the TOA when the treatment is required in a Site Plan, is indicated on the appraisal map, or meets the requirements in this manual.

2. The cost estimates are determined on the basis of information at hand using the procedures approved by the region or Pricing Branch.

4.5.2 Total Silviculture Cost Estimate

$$\text{Total Silviculture } (\$/m^3) = \text{Basic Silviculture } (\$/m^3) \frac{+ \text{ Root Disease Control } (\$)}{\text{NMV}(m^3)}$$

Table 4-5 BEC Silviculture Cost Estimates*

BEC Zone	Subzone	Variant	$/ha
BWBS	dk	1	1504
BWBS	dk	2	1504
BWBS	mw	1	1354
BWBS	mw	2	1604
BWBS	un		1504
BWBS	vk		1504
BWBS	wk	1	1475
BWBS	wk	2	1475
BWBS	wk	3	1475
CWH	un		499
CWH	vh	1	499
CWH	vh	2	499
CWH	vm		499
CWH	vm	1	499
CWH	vm	2	499
CWH	vm	3	499
CWH	wh	1	499
CWH	wh	2	499
CWH	wm		499
CWH	ws	1	469
CWH	ws	2	661
CWH	xm	1	499
CWH	xm	2	499
ESSF	dc	1	1383
ESSF	dc	2	1208
ESSF	dcp	1	1304
ESSF	dcp	2	1304
ESSF	dk		1075
ESSF	dk	1	1075
ESSF	dk	3	1075
ESSF	dk	4	1075
ESSF	dkp		1304
ESSF	dku		1304
ESSF	dv		1304
ESSF	dvp		1304
ESSF	mc		1158
ESSF	mcp		1304
ESSF	mk		1304
ESSF	mkp		1304
ESSF	mm	1	1304
ESSF	mm	2	1304
ESSF	mmp	1	1304
ESSF	mmp	2	1304
ESSF	mv	1	782
ESSF	mv	2	969
ESSF	mv	3	809
ESSF	mv	4	969
ESSF	mvp	1	1304
ESSF	mvp	2	1304
ESSF	mvp	3	1304
ESSF	mvp	4	1304
ESSF	mw		1304
ESSF	mwp		1304
ESSF	un		1304
ESSF	vc		2814
ESSF	vc	2	2915
ESSF	vcp		1304
ESSF	vv		1304
ESSF	vvp		1304
ESSF	wc	1	1847
ESSF	wc	2	1724
ESSF	wc	3	1420
ESSF	wc	4	1819
ESSF	wcp	2	1304
ESSF	wcp	3	1304
ESSF	wcp	4	1304
ESSF	wk	1	1383
ESSF	wk	2	1397
ESSF	wm		1548
ESSF	wmp		1304
ESSF	wv		1304
ESSF	wvp		1304

BEC Zone	Subzone	Variant	$/ha
ESSF	xc		1044
ESSF	xcp		1304
ESSF	xv	1	1304
ESSF	xv	2	1304
ESSF	xvp	2	1304
ICH	dk		1682
ICH	dm		1682
ICH	dw		2124
ICH	dw	1	2124
ICH	dw	2	2002
ICH	mc	1	882
ICH	mc	2	797
ICH	mk	1	1399
ICH	mk	2	1154
ICH	mk	3	1087
ICH	mm		1682
ICH	mw	1	1726
ICH	mw	2	1791
ICH	mw	3	1361
ICH	un		1682
ICH	vc		1682
ICH	vk	1	2901
ICH	vk	2	2800
ICH	wc		1682
ICH	wk	1	2309
ICH	wk	2	1938
ICH	wk	3	1938
ICH	wk	4	1938
ICH	xw		1682
IDF	dk	1	897
IDF	dk	2	1039
IDF	dk	3	469
IDF	dk	4	709
IDF	dm	1	1102
IDF	dm	2	903
IDF	dw		773
IDF	mw	1	1369
IDF	mw	2	1467
IDF	un		773
IDF	ww		773

BEC	Subzone	Variant	$/ha
IDF	xh	1	1174
IDF	xh	2	1174
IDF	xh	4	1174
IDF	xm		779
IDF	xw		779
MH	un		1611
MS	dc	1	906
MS	dc	2	906
MS	dk		1084
MS	dk	1	1070
MS	dk	4	1070
MS	dm	1	1052
MS	dm	2	1101
MS	dv		906
MS	un		906
MS	xk		823
MS	xv		368
PP	dh	1	27
PP	dh	2	27
PP	un		27
PP	wh	1	27
PP	xh	2	27
SBPS	dc		878
SBPS	mc		733
SBPS	mk		532
SBPS	un		560
SBPS	xc		334
SBS	dh		907
SBS	dh	1	907
SBS	dh	2	907
SBS	dk		868
SBS	dw	1	863
SBS	dw	2	770
SBS	dw	3	759
SBS	mc	1	797
SBS	mc	2	943
SBS	mc	3	687
SBS	mh		907
SBS	mk	1	892
SBS	mk	2	893

BEC	Subzone	Variant	$/ha
SBS	mm		1136
SBS	mw		1071
SBS	un		907
SBS	vk		1647
SBS	wk	1	1124
SBS	wk	2	1097
SBS	wk	3	1102
SWB	dk		1234
SWB	dks		1234
SWB	mk		1234
SWB	mks		1234
SWB	un		1234
SWB	vk		1234
SWB	vks		1234

* The dollar per hectare ($/ha) cost estimates are net of overhead.

4.6 Low Grade Percent Adjustment

1. The POA low grade percent adjustment by timber species as shown in Tables 4-6 and 4-7 shall be used in the calculation of the tenure obligation adjustment to account for the timber that is priced at the statutory rate.

2. The low grade percent adjustment for each timber species to be used in the appraisal or reappraisal of the cutting authority area shall be the percent adjustment by timber species by the POA to which the cutting authority area is appraised. Where the net merchantable volume of timber on the cutting authority area is comprised of 35% or greater red and grey Mountain Pine Beetle (MPB) attacked Lodgepole pine, the adjustment from Table 4-7 is used. For cutting authorities with less than 35% red and grey MPB attacked Lodgepole pine, the adjustment is used from Table 4-6.

3. The low grade percent adjustment to be used in the calculation of the tenure obligation adjustment for a cutting authority area being appraised or reappraised is the sum of the products of the net coniferous cruise volume of each timber species in the cutting authority area multiplied by the low grade percent adjustment for that species, divided by the total net coniferous cruise volume on the cutting authority area.

4. This section does not apply to cruise based sales.

Table 4-6: Point of Appraisal (POA) Low Grade Percent Adjustment by Timber Species

POA	BA	CE	FI	HE	LA	LO	SP	WH	YE
100 Mile	0.2937	0.1624	0.0606	0.1762	0.0533	0.5544	0.1053	0.3981	0.2765
Adams Lake	0.1311	0.136	0.0408	0.1166	0.0742	0.495	0.0518	0.1574	0.2765
Armstrong	0.2324	0.264	0.0471	0.1526	0.0691	0.4421	0.0751	0.3897	0.2765
Bear Lake	0.2747	0.218	0.2397	0.1204	0.1036	0.7641	0.1549	0.3981	0.2765
Boston Bar	0.105	0.4495	0.0376	0.1762	0.0529	0.2944	0.0495	0.3981	0.2765
Burns Lake	0.2023	0.218	0.0529	0.1204	0.1036	0.5739	0.1188	0.3981	0.2765
Canal Flats	0.1017	0.0973	0.1041	0.0513	0.1291	0.0993	0.0502	0.0222	0.2636
Canoe	0.3751	0.307	0.0302	0.414	0.055	0.4713	0.1036	0.1983	0.2765
Carnaby	0.3728	0.0803	0.0615	0.3247	0.1036	0.3568	0.1477	0.3981	0.2765
Castlegar	0.404	0.1662	0.0901	0.3033	0.0977	0.3488	0.1775	0.5194	0.2765
Chetwynd	0.1723	0.218	0.0615	0.3484	0.1036	0.1705	0.0671	0.3981	0.2765
Chasm	0.1262	0.4495	0.0777	0.1762	0.0533	0.575	0.0805	0.3981	0.2765
Clear Lake	0.3166	0.218	0.0451	0.1204	0.1036	0.7535	0.1334	0.3981	0.2765
Craigellachie	0.2901	0.364	0.0335	0.4372	0.1027	0.5031	0.1441	0.3985	0.2765
Cranbrook	0.0923	0.0328	0.0993	0.3042	0.1057	0.0909	0.0484	0.0166	0.2765
Creston	0.1412	0.0637	0.0519	0.0445	0.1397	0.0808	0.0668	0.0966	0.1472
Elko	0.1338	0.2194	0.1579	0.0916	0.2051	0.1124	0.0663	0.0543	0.2866
Engen	0.1855	0.218	0.0529	0.1204	0.1036	0.6888	0.1571	0.3981	0.2765
Fort Nelson	0.2008	0.218	0.0615	0.3484	0.1036	0.1996	0.1567	0.3981	0.2765
Fort St. James	0.2826	0.218	0.1444	0.1204	0.1036	0.7293	0.1622	0.3981	0.2765
Fort St. John	0.1733	0.218	0.0615	0.3484	0.1036	0.1817	0.0795	0.3981	0.2765
Fraser Lake	0.1855	0.218	0.0529	0.1204	0.1036	0.6888	0.1571	0.3981	0.2765
Galloway	0.0923	0.0328	0.0993	0.3042	0.1057	0.0909	0.0484	0.0166	0.2765
Grand Forks	0.3241	0.0952	0.0727	0.2646	0.087	0.1075	0.1444	0.5315	0.2765
Hazelton	0.3728	0.0803	0.0615	0.3247	0.1036	0.3568	0.1477	0.3981	0.2765
Houston	0.3243	0.218	0.0529	0.1204	0.1036	0.5814	0.1707	0.3981	0.2765
Isle Pierre	0.2475	0.218	0.0828	0.1204	0.1036	0.5849	0.1322	0.3981	0.2765
Kamloops	0.522	0.1704	0.0616	0.2262	0.0477	0.5757	0.1467	0.3998	0.2765
Kelowna	0.274	0.3833	0.0621	0.3042	0.1035	0.222	0.0812	0.3998	0.2765
Kitwanga	0.3916	0.1474	0.0615	0.412	0.1036	0.1219	0.0836	0.3981	0.2765
Lavington	0.3124	0.1617	0.0839	0.2598	0.0876	0.4463	0.0982	0.5883	0.2765
Lillooet	0.105	0.4495	0.0376	0.1762	0.0529	0.2944	0.0495	0.3981	0.2765
Louis Creek	0.2502	0.1608	0.0711	0.3239	0.0426	0.5056	0.1097	0.3998	0.2765
Lumby	0.3084	0.2432	0.0532	0.21	0.0914	0.4606	0.1089	0.4693	0.2765
Lytton	0.105	0.4495	0.0376	0.1762	0.0529	0.2944	0.0495	0.3981	0.2765
McBride	0.2721	0.3227	0.103	0.6054	0.1038	0.2175	0.1372	0.3998	0.2765
Mackenzie	0.186	0.218	0.0529	0.1204	0.1036	0.405	0.1021	0.3981	0.2765
Merritt	0.1276	0.2194	0.0722	0.0863	0.0493	0.2648	0.0771	0.3998	0.6689
Midway	0.2233	0.199	0.0737	0.2139	0.0705	0.1605	0.1521	0.685	0.2765
Okanagan Falls	0.19	0.2194	0.0858	0.3042	0.0818	0.2447	0.0986	0.3998	0.2765
Park Siding	0.2959	0.0814	0.0393	0.1637	0.0408	0.2216	0.1476	0.2844	0.2765
Prince George	0.2475	0.218	0.0828	0.1204	0.1036	0.5849	0.1322	0.3981	0.2765
Princeton	0.1295	0.2194	0.0765	0.0894	0.0683	0.2716	0.084	0.3998	0.6779
Quesnel	0.171	0.218	0.0309	0.1204	0.1036	0.5465	0.0772	0.3981	0.2765
Radium	0.1321	0.2152	0.058	0.1589	0.1382	0.0937	0.0609	0.4166	0.1553
Revelstoke	0.2368	0.3207	0.0325	0.4461	0.1433	0.0947	0.1379	0.4184	0.2765
Slocan	0.3049	0.1309	0.0385	0.1828	0.0546	0.2601	0.0603	0.3966	0.2765
Smithers	0.4224	0.218	0.0529	0.1044	0.1036	0.4668	0.1301	0.3981	0.2765
Squamish	0.105	0.4495	0.0376	0.1762	0.0529	0.2944	0.0495	0.3981	0.2765
Strathnaver	0.2382	0.218	0.0854	0.1204	0.1036	0.7126	0.106	0.3981	0.2765
Taylor	0.1733	0.218	0.0615	0.3484	0.1036	0.1402	0.0645	0.3981	0.2765
Terrace	0.2073	0.1566	0.0615	0.3946	0.1036	0.0207	0.0382	0.3981	0.2765
Thrums	0.3779	0.1737	0.0561	0.232	0.0834	0.2257	0.1198	0.5192	0.2765

POA	BA	CE	FI	HE	LA	LO	SP	WH	YE
Upper Fraser	0.2475	0.218	0.0828	0.1204	0.1036	0.5849	0.1322	0.3981	0.2765
Valemount	0.2721	0.3227	0.103	0.6054	0.1038	0.2175	0.1372	0.3998	0.2765
Vanderhoof	0.1855	0.218	0.0529	0.1204	0.1036	0.6888	0.1571	0.3981	0.2765
Vavenby	0.3103	0.2714	0.088	0.6699	0.0545	0.5403	0.1262	0.3998	0.2765
Westbank	0.2596	0.2194	0.0829	0.3969	0.1083	0.3074	0.0689	0.6857	0.2765
Williams Lake	0.278	0.4913	0.0695	0.1844	0.0533	0.5672	0.1432	0.3981	0.2765
Ymir	0.468	0.129	0.0679	0.1488	0.0616	0.3741	0.1541	0.5402	0.2765

Table 4-7 Point of Appraisal (POA) Low Grade Percent Adjustment by Timber Species

POA	BA	CE	FI	HE	LA	LO	SP	WH	YE
100 Mile	0.4127	0.0812	0.0976	0.1923	0.1047	0.6911	0.1595	0.5797	0.7325
Adams Lake	0.2165	0.6685	0.0229	0.2162	0.1086	0.4248	0.0654	0.5709	0.7287
Armstrong	0.3275	0.3566	0.1813	0.2453	0.2935	0.4064	0.0938	0.5818	0.7287
Bear Lake	0.3754	0.3396	0.2067	0.6817	0.1047	0.8095	0.2011	0.5797	0.7325
Boston Bar	0.3766	0.1081	0.1095	0.1923	0.1047	0.709	0.172	0.5797	0.7325
Burns Lake	0.2441	0.3396	0.065	0.6817	0.1047	0.6467	0.1504	0.5797	0.7325
Canal Flats	0.4145	0.1236	0.0831	0.2464	0.0437	0.5605	0.1212	0.0818	0.7287
Canoe	0.3275	0.3566	0.1813	0.2453	0.2935	0.4064	0.0938	0.5818	0.7287
Carnaby	0.3259	0.3396	0.065	0.6817	0.1047	0.5863	0.2247	0.5797	0.7325
Castlegar	0.4145	0.1236	0.0831	0.2464	0.0437	0.5605	0.1212	0.0818	0.7287
Chetwynd	0.1552	0.3396	0.0812	0.3269	0.1047	0.1519	0.0551	0.5797	0.7325
Chasm	0.3766	0.1081	0.1095	0.1923	0.1047	0.709	0.172	0.5797	0.7325
Clear Lake	0.331	0.3396	0.0575	0.6817	0.1047	0.7709	0.1706	0.5797	0.7325
Craigellachie	0.3275	0.3566	0.1813	0.2453	0.2935	0.4064	0.0938	0.5818	0.7287
Cranbrook	0.4145	0.1236	0.0831	0.2464	0.0437	0.5605	0.1212	0.0818	0.7287
Creston	0.4145	0.1236	0.0831	0.2464	0.0437	0.5605	0.1212	0.0818	0.7287
Elko	0.4145	0.1236	0.0831	0.2464	0.0437	0.5605	0.1212	0.0818	0.7287
Engen	0.3085	0.3396	0.065	0.6817	0.1047	0.7914	0.2284	0.5797	0.7325
Fort Nelson	0.1552	0.3396	0.0812	0.3269	0.1047	0.1519	0.0551	0.5797	0.7325
Fort St. James	0.326	0.3396	0.0949	0.6817	0.1047	0.6816	0.168	0.5797	0.7325
Fort St. John	0.1552	0.3396	0.0812	0.3269	0.1047	0.1519	0.0551	0.5797	0.7325
Fraser Lake	0.186	0.3396	0.065	0.6817	0.1047	0.7639	0.1641	0.5797	0.7325
Galloway	0.4145	0.1236	0.0831	0.2464	0.0437	0.5605	0.1212	0.0818	0.7287
Grand Forks	0.4145	0.1236	0.0831	0.2464	0.0437	0.5605	0.1212	0.0818	0.7287
Hazelton	0.3259	0.3396	0.065	0.6817	0.1047	0.5863	0.2247	0.5797	0.7325
Houston	0.3259	0.3396	0.065	0.6817	0.1047	0.5863	0.2247	0.5797	0.7325
Isle Pierre	0.3921	0.3396	0.1639	0.6817	0.1047	0.7862	0.2226	0.5797	0.7325
Kamloops	0.274	0.3035	0.1336	0.2448	0.2067	0.6703	0.1634	0.8438	0.7287
Kelowna	0.273	0.3566	0.0911	0.2162	0.1086	0.3463	0.0706	0.6112	0.7287
Kitwanga	0.3259	0.3396	0.065	0.6817	0.1047	0.5863	0.2247	0.5797	0.7325
Lavington	0.3275	0.3566	0.1813	0.2453	0.2935	0.4064	0.0938	0.5818	0.7287
Lillooet	0.3766	0.1081	0.1095	0.1923	0.1047	0.709	0.172	0.5797	0.7325
Louis Creek	0.4183	0.3566	0.1216	0.2162	0.1086	0.6598	0.1254	0.6112	0.7287
Lumby	0.3275	0.3566	0.1813	0.2453	0.2935	0.4064	0.0938	0.5818	0.7287
Lytton	0.3766	0.1081	0.1095	0.1923	0.1047	0.709	0.172	0.5797	0.7325
McBride	0.4145	0.1236	0.0831	0.2464	0.0437	0.5605	0.1212	0.0818	0.7287
Mackenzie	0.327	0.3396	0.065	0.6817	0.1047	0.531	0.187	0.5797	0.7325
Merritt	0.1664	0.3566	0.0624	0.0868	0.0465	0.3503	0.0796	0.6112	0.7287
Midway	0.4145	0.1236	0.0831	0.2464	0.0437	0.5605	0.1212	0.0818	0.7287
Okanagan Falls	0.273	0.3566	0.0911	0.2162	0.1086	0.3463	0.0706	0.6112	0.7287
Park Siding	0.4145	0.1236	0.0831	0.2464	0.0437	0.5605	0.1212	0.0818	0.7287
Prince George	0.3396	0.3396	0.1014	0.6881	0.1047	0.7665	0.1932	0.5797	0.7325
Princeton	0.1453	0.3566	0.0432	0.2162	0.0506	0.3373	0.1082	0.6112	0.7287
Quesnel	0.2197	0.3396	0.0558	0.6817	0.1047	0.6261	0.1233	0.5797	0.7325
Radium	0.4145	0.1236	0.0831	0.2464	0.0437	0.5605	0.1212	0.0818	0.7287
Revelstoke	0.4145	0.1236	0.0831	0.2464	0.0437	0.5605	0.1212	0.0818	0.7287
Slocan	0.4145	0.1236	0.0831	0.2464	0.0437	0.5605	0.1212	0.0818	0.7287
Smithers	0.3259	0.3396	0.065	0.6817	0.1047	0.5863	0.2247	0.5797	0.7325
Squamish	0.3766	0.1081	0.1095	0.1923	0.1047	0.709	0.172	0.5797	0.7325
Strathnaver	0.3747	0.3396	0.0537	0.6817	0.1047	0.7259	0.1334	0.5797	0.7325
Taylor	0.1552	0.3396	0.0812	0.3269	0.1047	0.1519	0.0551	0.5797	0.7325
Terrace	0.3259	0.3396	0.065	0.6817	0.1047	0.5863	0.2247	0.5797	0.7325
Thrums	0.4145	0.1236	0.0831	0.2464	0.0437	0.5605	0.1212	0.0818	0.7287

POA	BA	CE	FI	HE	LA	LO	SP	WH	YE
Upper Fraser	0.3396	0.3396	0.1014	0.6881	0.1047	0.7665	0.1932	0.5797	0.7325
Valemount	0.4145	0.1236	0.0831	0.2464	0.0437	0.5605	0.1212	0.0818	0.7287
Vanderhoof	0.2739	0.3396	0.1673	0.6817	0.1047	0.7321	0.1889	0.5797	0.7325
Vavenby	0.4145	0.1236	0.0831	0.2464	0.0437	0.5605	0.1212	0.0818	0.7287
Westbank	0.273	0.3566	0.0911	0.2162	0.1086	0.3463	0.0706	0.6112	0.7287
Williams Lake	0.2964	0.1081	0.1084	0.2127	0.1047	0.6075	0.1454	0.5797	0.7325
Ymir	0.4145	0.1236	0.0831	0.2464	0.0437	0.5605	0.1212	0.0818	0.7287

4.7 Market Logger Road Cost

1. The market logger road cost (MLRC) is used in the calculation of the tenure obligation adjustment in an appraisal or reappraisal of a cutting authority area.

2. MLRC is expressed in $/m^3 and is calculated from the MPS data set

$$MLRC = \left(\frac{1.01}{1 - LG} \right) x \left[\frac{CPI}{131.0} \right]$$

Where:

LG is the low grade percent adjustment from Tables 4-6 or 4-7 (for cruise based sales, LG = 0).

CPI – Monthly BC Consumer Price Index refer to section 3.3.

4.8 Return to Forest Management (RFM)

The return to forest management factor is 1.044.

4.9 Final Tenure Obligation Adjustment

1. The tenure obligation adjustment is used in the determination of the stumpage rate for a cutting authority other than a timber sale licence entered into under section 20 of the *Act*.

2. The final tenure obligation adjustment (FTOA) is calculated as follows:

$$FTOA = \left[\frac{TTOA}{1 - LG}\right] * RFM - MLRC$$

$$TTOA = (TAC + DC + TRM + TS)\, x \frac{CPI}{131.0}$$

Where:

TTOA	=	Total tenure obligation adjustment
TAC	=	total administration cost
DC	=	development cost
TRM	=	total road management cost
TS	=	total silviculture cost
LG	=	low grade percent adjustment (for cruise based sales, LG = 0)
RFM	=	return to forest management
MLRC	=	market logger road cost
CPI	=	*Monthly BC Consumer Price Index* (see section 3.3)

Stumpage Rate Determination 5

5.1 Stumpage Rate Determination for a Cutting Authority Entered into Under a BCTS Licence

1. Sections 5.1.1 through 5.1.3 are the policies and procedures for determining a stumpage rate for a cutting authority that is entered into under a BCTS licence.

2. a. The Market Pricing System for BCTS can only be used in the appraisal of a BCTS licence and a forestry licence to cut entered into under Section 47.6(3) of the *Act* where data is available to do a full appraisal.

   b. Where the data is not available to do a full appraisal of a cutting authority area, the appraisal must use the procedures outlined in chapter 6 of this manual.

3 a. All upset stumpage rates on Section 20 timber sale licences advertised on or after November 1, 2003 and Forestry Licences to Cut entered into under section 47.6(3) of the *Forest Act* are fixed for the term and all extensions except where:

   i. a reappraisal is done under section 2.2.1(1)(e) due to sudden and severe damage, or

   ii. a Minister's directed reappraisal is done under section 2.2.2,

5.1.1 Indicated Upset Stumpage Rate (IUSR)

1. Except as provided by subsections (2), (3), (4), (5)(b) and (6) of this section, the IUSR for a timber sale licence shall be equal to seventy percent of the final estimated winning bid (FEWB) for that timber sale licence calculated according to section 3.7.

2. Where applications for a timber sale licence with an upset stumpage rate determined under subsection (1) of this section have been invited but no applications have been received, the upset stumpage rate for the re-advertised timber sale shall be equal to the rate approved by the Executive Director, Field Operations.

3. Where the Executive Director, Field Operations, does not anticipate that applications for a timber sale licence with an upset stumpage rate determined under subsection (1) of this section will be received due to market conditions or timber profile, the upset stumpage rate shall be equal to the rate approved by the Executive Director, Field Operations.

4. a. The upset stumpage rate for decked timber or partially harvested timber that is over three years old and is administered by BCTS, shall be the prescribed minimum stumpage rate when requested by the Timber Sales Manager.

b. The upset stumpage rate for decked timber or partially harvested timber that has been decked or felled for three years or less and is administered by BCTS shall be the rate requested by the Timber Sales Manager.

5. a. Except as provided in subsection 5(b) of this section, the upset stumpage rate for a timber sale licence where the volume of deciduous timber to be harvested on the cutting authority area is equal to or greater than sixty percent of the total net cruise volume, shall be determined in accordance with sections 3.4 and 3.7 except that the market price determined under section 3.4 shall use CD = 1.

   b. Where an upset stumpage rate for a timber sale licence has been calculated under subsection 5(a) of this section and

      i. Applications for the licence have been invited but no applications have been received, or

      ii. The Executive Director, Field Operations does not anticipate that application for the licence will be received due to market conditions or timber profile,

      then the upset stumpage rate shall be the rate approved by the Executive Director, Field Operations.

6. Where the invitation to tender for timber authorized for harvest under a timber sale licence requires a bonus offer, and the amount of stumpage payable will be based on a cruise of the timber as authorized under section 106 of the *Act*, the upset stumpage value shall be the upset stumpage value approved by the Executive Director, Field Operations.

7. The upset stumpage rate determined under subsections (2), (3), (4)(b), (5)(a)(b) and (6) of this section shall not be less than the variable cost to prepare the timber for sale calculated by the Timber Sales Manager.

5.1.2 Upset Stumpage Rate

The upset stumpage rate for a timber sale licence is the greater of:

1. The indicated upset stumpage rate, or

2. the prescribed minimum stumpage rate.

5.1.3 Total Stumpage Rate

1. The stumpage rate is the total of the upset stumpage rate plus the bonus bid or the upset stumpage value plus the bonus offer, if any, that must be paid by the licensee.

2. Where the upset stumpage rate is determined under subsections (1), (2), (3), and (4) of section 5.1.1, the total stumpage rate applies to Grade Code 1 and 2 coniferous sawlogs.

3. Where the upset stumpage rate is determined under subsection (5) of section 5.1.1, the total stumpage rate applies to Grade Code 1 and 2 coniferous and deciduous sawlogs.

4. Where the upset stumpage value is determined under section 5.1.1(6) the upset stumpage value applies to the timber species and volumes specified by the Executive Director, Field Operations.

5.2 Stumpage Rate Determination for a Cutting Authority Other than a Cutting Authority Entered into Under a BCTS Licence, or a Cutting Authority for Which a Stumpage Rate is Determined Under Chapter 6

Sections 5.2.1 through 5.2.5 are the policies and procedures for determining a stumpage rate for a cutting authority other than a cutting authority entered into under a BCTS licence or a cutting authority for which a stumpage rate is determined under chapter 6.

5.2.1 Indicated Rate (IR)

1. The IR is the difference between the final estimated winning bid (FEWB) calculated for the cutting authority under section 3.7 and the tenure obligation adjustment (TOA) calculated under section 4.9.

2. Expressed as an equation:

$$IR = FEWB - FTOA$$

5.2.2 Reserve Stumpage Rate

The reserve stumpage rate for a cutting authority is determined by selecting the greater of:

1. the indicated rate, or

2. the prescribed minimum stumpage rate.

5.2.3 Stumpage Rate

1. Unless otherwise provided in subsection 2 of this section, the stumpage rate is the total of the reserve stumpage rate plus any administration and silviculture levies which may be charged under section 5.2.4.

2. If the cutting authority was advertised on the basis of competition, the stumpage rate is the total of the upset stumpage plus the bonus bid.

5.2.4 Levies

1. A silviculture levy may be added to:

   a. the reserve stumpage rate determined under section 5.2.2,

   b. the stumpage rate determined under subsections 6.1.3, 6.2(1), 6.2(2) or section 6.5,

c. the reserve stumpage rate indicated in Table 6-6 for all species grades 4 and 6 and deciduous sawlogs.

2. The levy is equal to the district manager's or timber sales manager's cost estimate of silviculture costs to be incurred by the Crown.

3. Development/Administration Levy:

   a. A development levy may be added to the reserve stumpage rate. The development levy is equal to the appraisal cost estimate of road construction provided by the Crown as approved by the regional manager.

   b. An administration levy may be added to the reserve stumpage rate. The administration levy is equal to the district manager's cost estimate of administration provided by the Crown for preparing a Forestry Licence to Cut for salvage timber. An administration cost estimate is made for every cutting authority where the district office has to prepare all details of a Forestry Licence to Cut for salvage. No levy is applicable to professional applications.

4. The amount of any levy may be re-determined at reappraisal only.

Miscellaneous Policies 6

6.1 Average Stumpage Rates by Forest Zone and Species

1. a. Each of the following forest zones referred to in Tables 6-1, 6-2, 6-4 and 6-5 is made up of the following forest districts:

   i. North Central Zone - Fort St. James, Mackenzie, Nadina, Prince George, Quesnel and Vanderhoof Forest Districts.

   ii. North East Zone - Fort Nelson and Peace Forest Districts.

   iii. North West Zone - Kalum and Skeena Stikine Forest Districts.

   iv. South East Zone - Arrow Boundary, Columbia, Headwaters, Kamloops, Kootenay Lake, Okanagan Shuswap and Rocky Mountain Forest Districts.

   v. South West Zone - 100 Mile House, Cascades, Central Cariboo and Chilcotin Forest Districts.

   b. Where a species of coniferous timber is not listed in Table 6-1, 6-2, 6-4 and 6-5, the rate that shall be used for that species of timber is the rate listed in the column headed as OTHER.

Table 6-1 Coniferous Average Sawlog Stumpage Rates in $/m^3 by Forest Zone and Species

FOREST ZONE	BALSAM	CEDAR	FIR	HEMLOCK	LARCH	L. PINE	SPRUCE	Y. PINE	OTHER′
North Central	6.39	-	5.70	-	-	5.96	7.38	-	6.52
North East	1.89	-	-	-	-	4.93	6.77	-	5.52
North West	2.06	2.93	-	2.01	-	13.28	10.54	-	5.12
South East	10.71	9.37	7.41	8.50	8.54	9.81	11.00	4.43	9.57
South West	10.79	18.09	9.75	10.03	10.61	8.02	9.62	-	8.65

′ Average for the Forest Zone

6.1.1 Community Forest Agreements

1. The sawlog stumpage rate for each species of coniferous timber harvested under any cutting authority issued under a Community Forest Agreement is the rate prescribed in Table 6-2 for the forest zone in which the cutting authority area is located.

2. Sections 1.4(1)(d), sections 6.1.2 through 6.5 and section 6.7 through 6.9 of this chapter do not apply to Community Forest Agreement cutting authorities.

3. The stumpage rate determined under this section is redetermined on August 1 of each year in accordance with this section.

6.1.2 Woodlot Licences

1. Except as provided in subsection (2) of this section, the sawlog stumpage rate for each species of coniferous timber harvested under a cutting permit issued for a woodlot licence with an effective date after November 30, 2008 is the rate prescribed in Table 6-2 for the forest zone in which the cutting authority area is located.

2. Where a woodlot licence cutting permit has been issued with an effective date after November 30, 2008 for the purpose of using amounts from an eligible extended road amortization agreement in an appraisal, then the stumpage rate will be determined using the procedures in this manual excluding this section.

3. Except as provided in subsection (4) of this section, the sawlog stumpage rate for coniferous timber harvested under a road permit issued for a woodlot licence is the rate prescribed in Table 6-2 for the forest zone in which the timber mark applies.

4. Where a woodlot has an eligible extended road amortization agreement before December 1, 2008 the sawlog stumpage rate for a road permit with an effective date on or after December 1, 2008 is calculated using the procedures in section 6.3.

5. The sawlog stumpage rate for each species of coniferous timber harvested under a blanket salvage permit issued for a woodlot licence is the rate prescribed in Table 6-2 for the forest zone in which the blanket salvage permit applies.

6. The stumpage rate determined under subsections (1), (3) and (5) of this section is redetermined on August 1, each year in accordance with this section.

7. Except as provided in subsections (2) and (4) of this section, sections 1.4(1)(d), 6.1.1, 6.1.3 through 6.5, 6.7 and 6.8 do not apply to woodlot licences.

Table 6-2 Community Forest Agreements and Woodlot Licences: Coniferous Average Sawlog Stumpage Rates in $/m^3

FOREST ZONE	BALSAM	CEDAR	FIR	HEMLOCK	LARCH	L. PINE	SPRUCE	Y. PINE	OTHER′
North Central	0.96	-	0.86	-	-	0.89	1.11	-	0.98
North East	0.28	-	-	-	-	0.74	1.02	-	0.83
North West	0.31	0.44	-	0.30	-	1.99	1.58	-	0.77
South East	1.61	1.41	1.11	1.28	1.28	1.47	1.65	0.66	1.44
South West	1.62	2.71	1.46	1.50	1.59	1.20	1.44	-	1.30

′ Average for the Forest Zone

6.1.3 Incidental Conifer in Deciduous Leading Stands

1. Except as provided in section 5.1.1(5), this section applies to coniferous timber in a cutting authority area where the total volume of all deciduous species to be harvested is greater than 70 percent of the total estimated net volume to be harvested.

2. a. The stumpage rate for each species of coniferous timber must be determined by using the stumpage rate prescribed in Table 6-1 for the forest zone in which the cutting authority area is located.

   b. Where the Crown is responsible for basic silviculture on the cutting authority area, the stumpage rate for each species of coniferous timber shall be the sum of the rate determined under paragraph (a) of this subsection and the silviculture levy determined under section 5.2.4.

3. A stumpage rate determined under subsection 2 shall be redetermined on June 1, of each year in accordance with this section.

6.2 Cutting Authorities With 5 000 m^3 or Less Volume

1. Where the total coniferous volume to be harvested in a cutting authority area is 2 000 m^3 or less, and where the agreement under which the cutting authority authorizing harvesting on the cutting authority area has been issued has a coniferous allowable annual cut of not more than 3 000 cubic metres, or no coniferous annual allowable cut:

    a. The stumpage rate for each species of coniferous timber in the cutting authority area must be determined using the stumpage rate in Table 6-1 for the forest zone in which the cutting authority area is located, except that,

    b. Where the agreement holder is not required to establish a free growing crop of trees on the cutting authority area, the stumpage rate for each species of timber shall be

        i. the sum of the rate determined under paragraph (a) of this subsection and the basic silviculture cost for the species in the forest region, or

        ii. where the Crown has the responsibility for silviculture, the sum of the rate determined under paragraph (a) of this subsection and the silviculture levy determined under section 5.2.4.

2. Except as provided in subsection 3 of this section, where the total coniferous volume to be harvested on a cutting authority area is 5 000 m^3 or less, and the cutting authority authorizing harvesting on the cutting authority area is a competitively awarded forestry licence to cut, other than a BCTS licence:

    a. Subject to section 5.2.2 and paragraph (d) of this subsection, the upset stumpage rate for each species of coniferous timber in the cutting authority area will be 70 % of the stumpage rate for that species in Table 6-1 for the forest zone in which the cutting authority area is located, except that,

    b. Where applications for a forestry licence to cut have been invited with upset stumpage rates determined under this subsection and no applications have been received, the upset stumpage rate for each species of coniferous timber shall be the rate requested by the district manager and approved by the regional manager.

    c. Where the regional manager does not anticipate that applications for a forestry licence to cut will be received due to market conditions or timber profile, the upset stumpage rate for each species of coniferous timber shall be the rate requested by the district manager and approved by the regional manager.

    d. Where the Crown is responsible for basic silviculture on the cutting authority area, the upset stumpage rate for each species of coniferous timber in the cutting authority area will be the sum of the stumpage rate determined under paragraphs (a), (b) or (c) of this subsection and the basic silviculture levy determined under section 5.2.4.

3. An upset stumpage rate determined under subsection (2) of this section shall not be less than the district's variable cost per cubic meter to prepare the timber for sale as calculated by the district manager.

4. Except as provided in section 2.2.2, where the upset stumpage rate is determined under subsections 1 and 2 of this section, the total stumpage rate is fixed for the term of the cutting authority and all extensions.

5. a. Notwithstanding subsections (1) or (2) of this section, where the total coniferous volume to be harvested on a cutting authority area is 5 000 m^3 or less, the stumpage rate may be determined in accordance with chapters 1, 2, 3, 4 and 5.

   b. Where the stumpage rate is determined in accordance with this subsection:

      i. the cruise data that is used in the appraisal may be from the cruise of a comparable cutting authority as per section 1.5.1, and

      ii. except as provided in section 2.3 the total stumpage rate is adjustable for the term of the cutting authority and all extensions.

6.2.1 Forestry Licences to Cut for Specific Purposes (No Volume Limit)

1. a. Where the cutting authority is a forestry licence to cut awarded to the highest bidder, other than a BCTS licence and it has been issued:

      i. For the purpose of protecting a community from wildfire as prescribed under section 1 of the *Forestry Licence to Cut Regulation*, or

      ii. For the purpose of removing damaged timber from natural stands or plantations where:

         aa. at least seventy percent of all of the merchantable timber volume on the cutting authority area is Pine that has been damaged by mountain pine beetle, and either

         bb. at the time of death, the age of the damaged timber was not more than 60 years, or

         cc. a field survey indicates that the average stems per hectare on the cutting authority area is greater than 2 000 with a minimum diameter at breast height of 5 centimeters, or

      iii. For the purpose of utilizing post harvest material in piles on landings or at roadside after a waste assessment has been made.

      Then, the upset stumpage rate shall be the rate approved by the Regional Manager.

   b. Where the invitation for applications for a forestry licence to cut awarded to the highest bidder referred to in paragraph (a) of this subsection requires a bonus offer, and the amount of stumpage payable will be based on a cruise instead of a scale of the timber under section 106 of the *Act*, the upset stumpage rate shall be

the rate approved by the Regional Manager.

c. i. Where the cutting authority is a forestry licence to cut issued for the purpose referred to in paragraph (a)(ii) of this subsection and it is awarded directly to the holder of a Ministry site preparation or site rehabilitation contract that was awarded to the lowest eligible bidder, the coniferous sawlog stumpage rate for all timber harvested on the cutting authority area will be $\$1.20/m^3$.

ii. Where the cutting authority is a forestry licence to cut awarded directly to the holder of a Ministry site preparation or site rehabilitation contract that was awarded to the lowest eligible bidder, and it does not meet the criteria described in paragraph (a)(ii) of this section, then the stumpage rate shall be determined using the procedures in chapters 2, 3, 4 and 5.

iii. Where the stumpage rate is determined in accordance with paragraph (c)(ii) of this subsection, the cruise data that is used in the appraisal may be from the cruise of a comparable cutting authority as per section 1.5.1.

iv. Notwithstanding paragraphs (i) or (ii) of this subsection, where the timber from the cutting authority in paragraph (i) or (ii) will be scaled as chips or hogged tree material on site the stumpage rate shall be the prescribed minimum stumpage rate.

2. An upset stumpage rate determined under this section must be calculated using the *Interior Appraisal Manual* in effect on the date that the rate is determined.

3. An upset stumpage rate determined under paragraphs (a)(i), (a)(ii) or (b) of subsection (1) shall not be less than the district's variable cost to prepare the timber for sale.

4. Except as provided in subsections 1(c)(i) or (ii) of this section, where the upset stumpage rate or stumpage rate is determined under this section, the rate shall apply to all species and grades of timber.

5. Except as provided in section 2.2.2, where the upset stumpage rate or stumpage rate is determined under this section, the total stumpage rate is fixed for the term of the cutting authority and all extensions.

6.3 Road and Blanket Salvage Permits

1. a. In this section the area of a forest district or the area of a timber supply area does not include the area of a park located within that district or timber supply area.

   b. In this section the area of a Tree Farm Licence will be included in the area of the district or timber supply area in which it is geographically located.

2. Except as provided in 6.1.2(3) and (5) and subsections (3) and (4) of this section, the stumpage rate for a road permit or a blanket salvage permit shall be the weighted average sawlog stumpage rate:

   a. from the table provided to the regions by Pricing Branch for all cutting authorities, authorizing harvesting on cutting authority areas that have been fully appraised, that authorize the harvesting of timber in the same forest district in which the road or blanket salvage permit cutting authority area is located, and that are issued under the licence that entitles the licensee to apply for the road or blanket salvage permit, if there is a minimum positive billed volume of 500 cubic metres of coniferous sawlogs from which the weighted average sawlog stumpage rate may be determined, or

   b. the stumpage rate is the stumpage rate prescribed in Table 6-3 for the smaller of the area of the same forest district or the area of the same timber supply area in which the road permit or blanket salvage permit cutting authority area is located.

3. The bonus bid if applicable will be added to the stumpage rate determined under subsection 2(b).

Table 6-3 Coniferous Average Sawlog Stumpage Rates by Smallest Geographic Unit

TSA is Smallest Geographic Unit			
District	**Rate ($/m^3)**	**TSA**	**Rate ($/m^3)**
Arrow Boundary	12.60	Arrow	12.65
		Boundary	12.44
Cascades	9.71	Merritt	9.88
		Lillooet	1.01
Columbia	3.32	Golden	0.28
		Revelstoke	4.92
Headwaters	10.08	Robson Valley	7.71
Kalum	1.50	Nass	2.05
		Kalum	1.48
Nadia	7.20	Lakes	7.54
		Morice	7.04
Peace	5.54	Dawson Creek	4.56
		Fort St. John	7.08
Rocky Mountain	5.68	Cranbrook	5.34
		Invermere	6.04
Skeena Stikine	12.14	Bulkley	13.79
		Kispiox	6.97
		Cassiar	0.25

District is Smallest Geographic Unit			
TSA	**Rate ($/m^3)**	**District**	**Rate ($/m^3)**
Kamloops	8.67	Kamloops Forest District	8.01
		Headwaters Forest District	10.08
Williams Lake	6.76	Central Cariboo Forest District	7.02
		Chilcotin Forest District	0.69
Prince George	7.48	Fort St. James Forest District	9.33
		Prince George Forest District	7.39
		Vanderhoof Forest District	5.60

District & TSA are the same	
District/TSA	**Rate ($/m^3)**
100 Mile House	8.78
Kootenay Lake	9.93
Fort Nelson	0.71
Mackenzie	8.35
Okanagan Shuswap	12.22
Quesnel	4.22

Regions	
Regions	**Rate ($/m^3)**
RNI	6.96
RSI	8.24

3. If there are no records from which the weighted average sawlog stumpage rate may be determined under paragraphs (a) or (b) of subsection (2) of this section, then the stumpage rate, for each species of coniferous timber, is the rate in Table 6-1 for the forest zone in which the road or blanket salvage permit cutting authority area is located.
4. The stumpage rate for a road permit granted to the holder of a timber sale licence entered into under section 20 of the *Forest Act* will be the same as the stumpage rate for the timber sale licence which entitled the licensee to apply for the road permit.
5. The stumpage rate for a road permit for a licence other than a BCTS licence shall be redetermined on June 1 of each year in accordance with the procedure in this section.
6. The costs of roads authorized for construction under road permits are eligible for inclusion as development cost estimates under section 4.3 in the appraisal of the

licensees' first fully appraised tributary cutting authority. These roads will not be considered as existing roads under section 4.3.1.1.3(2).

7. Where a woodlot has an eligible extended road amortization agreement before December 1, 2008 the sawlog stumpage rate for a road permit with an effective date on or after December 1, 2008 is calculated using the procedures in this section.
8. The stumpage rate for a blanket salvage cutting permit shall be redetermined on August 1 each year in accordance with the procedures in this section.

6.4 Salvage Timber Stumpage Rates

1. This section applies to cutting authorities issued under licences which do not have an allowable annual cut. Salvaged timber is either post harvest material or damaged timber:

2. Post Harvest Material is either:

   a. wooden culverts and bridges, or

   b. post logging residue.

3. Damaged Timber is timber that:

   a. Has been blown down,

   b. Has been damaged by fire, disease, snow press, or

   c. Will die within one year, as determined by the district manager, as a result of the affects of the mountain pine beetle, or other forest pests.

   d. Will be or has been used for trap trees and associated overflow trees.

4. The criteria and methodology for the calculation of salvaged timber stumpage rates are:

   a. Post harvest material may not be combined in the same cutting authority area with damaged timber.

   b. Except where damage to adjacent or contiguous timber occurs after harvesting is completed on the adjacent primary logging cutting permit area and the harvesting equipment has been demobilized from the area, damaged timber salvage cutting authority areas must be scattered, and not be adjacent to or contiguous with an existing cutting authority area.

   c. Except as provided in subsection (4)(d) of this section the total area of a clearcut salvage harvesting area shall not exceed 5 hectares.

   d. Where salvage of only damaged stems through partial cutting will leave a stand that meets minimum stocking standards, the area harvested may be larger than 5 hectares.

   e. Salvage logging stumpage rates may only be determined for a cutting authority where more than one-third of the total volume of coniferous timber to be harvested in the cutting authority area is damaged timber.

f. Post harvest salvage may only occur after primary logging has been satisfactorily completed and residue and waste assessments have been submitted to and accepted by the Ministry.

g. Salvage cannot occur on a road right-of-way which has an active timber mark associated with it.

h. Except as provided in section 2.2.2, a stumpage rate determined under this section is fixed for the term of the cutting authority and all extensions.

5. Where salvaged timber is damaged timber, the sawlog stumpage rate for each species of coniferous timber shall be the rate in Table 6-4 for the Forest Zone in which the cutting authority area is located.

6. Where the salvaged timber is post harvest material, the sawlog stumpage rate for each species of coniferous timber shall be the rate in Table 6-5 for the forest zone in which the cutting authority area is located.

Table 6-4 Coniferous Average Sawlog Stumpage Rates for Salvage of Damaged Timber by Forest Zone and Species in $/m^3

FOREST ZONE	BALSAM	CEDAR	FIR	HEMLOCK	LARCH	L. PINE	SPRUCE	Y. PINE	OTHER′
North Central	3.83	-	5.13	-	-	4.47	6.64	-	3.91
North East	1.13	-	-	-	-	3.70	6.09	-	3.31
North West	1.24	2.64	-	1.21	-	9.96	9.49	-	3.07
South East	6.43	8.43	6.67	5.10	7.69	7.36	9.90	3.32	5.74
South West	6.47	16.28	8.78	6.02	9.55	6.02	8.66	-	5.19

′ Average for the Forest Zone

Table 6-5 Coniferous Average Sawlog Stumpage Rates for Salvage of Post Harvest Material by Forest Zone and Species in $/m^3

FOREST ZONE	BALSAM	CEDAR	FIR	HEMLOCK	LARCH	L. PINE	SPRUCE	Y. PINE	OTHER′
North Central	1.60	-	2.85	-	-	2.98	3.69	-	1.63
North East	0.47	-	-	-	-	2.47	3.39	-	1.38
North West	0.52	2.34	-	0.50	-	6.64	5.27	-	1.28
South East	2.68	7.50	3.71	2.13	4.27	4.91	5.50	2.22	2.39
South West	2.70	14.47	4.88	2.51	5.31	4.01	4.81	-	2.16

′ Average for the Forest Zone

6.5 Decked and Partially Harvested Timber

1. When decked timber only is advertised for sale to the highest bidder, the upset stumpage rate for the timber shall be the total of the silviculture levy determined under section 5.2.4 and:

    a. The prescribed minimum stumpage rate if the timber has been decked for over three years, or

    b. Seventy percent of the stumpage rate from Table 6-4 for the applicable species and forest zone if the timber has been decked for three years or less.

2. When decked timber only is sold directly without the use of the competitive bidding process, the stumpage rate for the timber shall be the total of the silviculture levy determined under section 5.2.4 and:

    a. The variable cost to prepare the timber for sale if the timber has been decked for over three years, or

    b. The stumpage rate from Table 6-4 for the applicable species and forest zone if the timber has been decked for three years or less.

3. When partially harvested timber only is advertised for sale to the highest bidder the upset stumpage rate for the timber shall be the total of the silviculture levy determined under section 5.2.4 and:

    a. The prescribed minimum stumpage rate, if three years or more have passed since the timber was felled, or

    b. Seventy percent of the stumpage rate for the applicable species and forest zone from Table 6-5 if less than three years have passed since the timber was felled.

4. When partially harvested timber only is sold directly without the use of the competitive bidding process, the stumpage rate for the timber shall be the total of the silviculture levy determined under section 5.2.4 and:

    a. The variable cost to prepare the timber for sale if three years or more have passed since the timber was felled, or

    b. The stumpage rate from Table 6-5 for the applicable species and forest zone if less than three years have passed since the timber was felled.

5. a. Where applications for decked timber or partially harvested timber being sold to the highest bidder have been invited with an upset stumpage rate determined under subsections 1(b), 3(b) or 6(a) of this section and no applications have been received, the upset stumpage rate shall be the rate approved by the Regional Manager.

b. Where the Regional Manager does not anticipate that applications will be received for decked timber or partially harvested timber being sold to the highest bidder due to market conditions or timber profile, the upset stumpage rate determined under subsections 1(b), 3(b) and 6(a) of this section shall be the rate approved by the Regional Manager.

c. An upset stumpage rate determined under paragraphs (a) or (b) of this subsection shall not be less than the District's variable cost to prepare the timber for sale.

6. a. Where applications for a forestry licence to cut that applies to both decked timber and partially harvested timber have been invited, the upset stumpage rate shall be the total of the rate determined using the procedures in subsection (1) of this section, as if the timber was all decked timber and the silviculture levy determined under section 5.2.4.

b. Where a forestry licence to cut that applies to both decked timber and partially harvested timber is entered into directly without the use of the competitive bidding process the stumpage rate shall be the total of the rate determined using the procedure in subsection 2 of this section as if the timber was all decked timber and the silviculture levy determined under section 5.2.4.

7. Where the upset stumpage rate or the stumpage rate has been determined using this section the total stumpage rate shall be fixed for the term of the cutting authority and all extensions.

8. An upset stumpage rate calculated under this section must be calculated using the *Interior Appraisal Manual* in effect on the date that the rate is determined (appraisal effective date).

6.6 Miscellaneous Stumpage Rates

1. Unless otherwise specified in this manual, the stumpage rates, at the time of scale for timber harvested for the purposes described, in the districts listed, in the forest district specific section of Table 6-6 are as prescribed in that table. This table does not apply to cruise based cutting authorities.

Table 6-6 Miscellaneous Stumpage Rates

All Interior Forest Regions

Species	Code [1]	Product	Reserve Stumpage Rate
All Species	SB	Shake & Shingle Bolts, Blocks and Blanks.	$5.30/m^3
All Species	SK	Shakes	$6.00/m^3
Cedar	PR	Posts & Rails (Split and Round)	$3.00/m^3
All other Species	PR	Posts & Rails (Split and Round)	$1.20/m^3
All Species	MT	Mining Timbers	$3.00/m^3
All Species	FW	Firewood	$0.50/m^3
Yew		All	$0.25/m^3
All Species	CH	Wood chips from post-harvest material where a waste assessment has been made [2]	$0.25/m^3
All Species	HF	Hogged tree material from post-harvest material where a waste assessment has been made [2]	$0.25/m^3
All Species		Grades 4 and 6, except where the upset stumpage rate is determined under section 6.2.1(1)(a) and (b) and 5.1.1(7)	$0.25/m^3
Deciduous Species		All, except grades 4 and 6 and except where the upset stumpage rate is calculated under section 6.2.1(1)(a) and (b) and 5.1.1(5) and (7)	$0.50/m^3
All Species	SS	Stakes & Sticks.	$1.20/m^3
All Species	XM	Christmas Tree: under 3m 3-5 m over 5 m	$0.20/each $1.00/each $1.50/each
All Species		Logs salvaged below the high water levels of Reservoir Lakes and the Slocan, Kootenay, Mineral, Babine and Ootsa Lakes	$0.25/m^3
All Species		Marine Beachcomb	$0.70/m^3
All Coniferous		For logs harvested from the following Research Forests: Alex Fraser (UBC), Aleza Lake (UBC and UNBC), College of New Caledonia (CNC), and Fort St. James (UNBC)	$0.25/m^3
All Species		Firmwood Reject	NIL

[1] Special Forest Product as identified in section 94(3) of the *Act* and described in the *Scaling Manual*.

[2] Where the post harvest material is removed under a different tenure from the original cruise based cutting authority, a waste assessment is not required.

Forest District Specific

Description of Activity	Forest District	Reserve Stumpage Rate
New Crown land area disturbed for mining exploration trails, seismic lines[1], gas or oil well sites and right-of-way to well sites. [2]	Rocky Mountain Peace Ft. Nelson Mackenzie	$1,600/ha $913/ha $836/ha $898/ha

[1] The corresponding district reserve stumpage rate from the above table is adjusted according to the category of line clearing as follows:

Category 1 - no adjustment
Category 2 - 1/2 of the reserve stumpage rate
Category 3 - 1/3 of the reserve stumpage rate

The gross area for each category reported as new line on either; the Oil and Gas Commission's Geophysical Final Plan cover sheet or an As Cleared Plan is multiplied by the reserve stumpage rate as adjusted above (refer to Appendix V for category definitions).

[2] For pipe line rights-of-way a stumpage rate must be determined by using the above rates for cutting authorities containing 2 000 m^3 or less, of merchantable coniferous volume. For pipe line rights-of-way cutting authorities greater than 2 000 m^3 see section 6.7.

6.6.1 Miscellaneous Stumpage Rates for Timber Licences

Timber licence cutting authority areas that have not been appraised and have a cutting authority term that began before May 1, 1995, must be appraised effective April 1, 2003.

6.7 Linear Tenures

1. For this section:

   "Linear tenures" means a licence to cut issued for:

   - A right-of-way to a mine site, or
   - A mining exploration trail in a district other than Fort Nelson, Peace, Mackenzie, Rocky Mountain, or
   - A pipeline right-of-way where the volume of timber on the cutting authority area is greater than 2 000 cubic metres, or
   - A pipeline right-of-way where the volume is 2 000 m3 or less in a district other than Fort Nelson, Peace, Mackenzie, or Rocky Mountain, or
   - A hydro transmission line, or
   - A highway right-of-way for a road administered by the *Ministry of Transportation*, or
   - A forestry licence to cut issued under section 47.6(3) of the *Act* in conjunction with a BCTS road development contract.

   "Licensee" means the licensee who has been issued a linear tenure.

2. The stumpage rate for a linear tenure shall be the stumpage rate prescribed in Table 6-3 for the smaller of the area of the Forest District, Timber Supply Area or Region in which the entire cutting authority area for the linear tenure is located.

3. The costs of roads constructed on the cutting authority area for a linear tenure are only eligible for inclusion as part of the development cost estimate in the licensee's first fully appraised tributary cutting authority area if those costs were not used in a full appraisal under subsection (4) of this section.

4. a. Notwithstanding any other subsection in this section the stumpage rate for a linear tenure may be determined through a full appraisal.

   b. Where the stumpage rate is determined in accordance with this subsection, the cruise data that is used in the appraisal may be from the cruise of a comparable cutting authority as per section 1.5.1.

5. A stumpage rate determined under this section shall be fixed for the term of the linear tenure and all extensions.

6.8 Controlled Recreation Areas (CRAs)

1. The sawlog stumpage rate for coniferous timber harvested under any cutting authority issued for a cutting authority area within a CRA is the stumpage rate approved by the Director for each quarter.

2. The stumpage rate determined under subsection (1) is redetermined on the anniversary date of the cutting authority in accordance with this section.

3. Notwithstanding any other subsection in this section, the stumpage rate may be determined through a full appraisal in accordance with chapters 1, 2, 3, 4 and 5.

6.9 Cruise Based Stumpage Calculations

1. Pursuant to section 106 of the *Forest Act*, and subject to subsection 2 of this section, the amount of stumpage payable on crown timber will be calculated using information provided by a cruise of the timber before it is cut where the timber is authorized for harvest:

   a. Under a cutting authority issued or entered into prior to June 1, 2010 where:

      i. the stumpage rate is adjustable,

      ii. the net merchantable volume of timber on the cutting authority area is comprised of 35% or more red and grey Mountain Pine Beetle (MPB) attacked Lodgepole pine, and

      iii. timber harvesting has not started on the cutting authority, or,

   b. Under a cutting authority issued or entered into on or after June 1, 2010 where:

      i. the stumpage rate is adjustable,

      ii. The licensee applied for a cutting permit and submitted an appraisal data submission to the District Manager before June 1, 2010, and,

      iii. The net merchantable volume of timber on the cutting authority area is comprised of 35% or more red and grey MPB attacked Lodgepole pine, or,

   c. Under a cutting authority issued or entered into on or after June 1, 2010 where:

      i. the stumpage rate is adjustable,

      ii. the licensee submitted an appraisal data submission to the District Manager on or after June 1, 2010, and

      iii. the net merchantable volume in each cutblock within the cutting authority area is comprised of 35% or more red and grey MPB attacked Lodgepole pine, or,

   d. Is authorized for harvest under a timber sale licence with a fixed stumpage rate, which meets the criteria set out in the Memorandum of Understanding between the former Revenue Branch and BC Timber Sales dated January 6, 2010 as it may be amended from time to time, and the calculation of the stumpage payable using information provided by a cruise is approved by the Executive Director, Field Operations, or

   e. Is authorized for harvest under a cutting authority for which a timber mark listed in Table 6-7 has been issued and timber harvesting has not started.

2. Except as provided in subsections (3) and (4) of this section, the stumpage rate effective July 1, 2010 for a cutting authority where the stumpage payable is cruise based shall be calculated as stand as a whole in accordance with the following:

   a. the stumpage rate is determined using chapters 1, 2, 3, 4 and 5 of this manual,

   b. the stumpage rate determined under paragraph (a) of this subsection shall apply to the net merchantable volume on the cutting authority area.

3. Except as provided in subsections (4) and (5) of this section, if, after a reappraisal under section 2.2.3 of this manual:

   a. the net merchantable volume in each cutblock within the cutting authority area is comprised of 35% or more red and grey MPB attacked Lodgepole pine, and

   b. timber harvesting has not yet started on the cutting authority area,

   The stumpage payable may be cruise based.

4. Where a timber sale licence was entered into under section 21 of the *Act* as that section was before it was repealed that provides for cutting permits and included a bonus bid, the stumpage payable will remain scale based.

5. Where a non-replaceable forest licence (NRFL) or a forestry licence-to-cut (FLTC) was advertised on the basis of competition, and the successful bidder's bonus bid only applied to the sawlog portion of the volume advertised, the stumpage payable for cutting permits issued under these licences shall remain scale based.

6. Where a cutting authority was advertised on the basis of competition and

   a. The cutting authority was issued prior to June 1, 2010, and

   b. The stumpage payable is cruise based,

   The bonus bid shall be prorated by the person who determines the stumpage rate using Tables 4-6 or 4-7 of this manual.

Table 6-7 Timber Marks from Existing Cutting Authorities Converted to Cruise Based June 1, 2010 under Section 6.9(1)(e)

Mark	Mark	Mark	Mark	Mark
78381	CA6003	CZ5605	EE9887	EM5704
86036	CA6006	CZ5700	EE9889	EM5707
86926	CA7435	CZ5814	EG2768	EM5709
85394	CA8005	CZ5824	EG3809	EM8324
86846	CE2002	CZ599U	EG3813	EM8773
18/291	CE2006	CZ6801	EG4794	EM8785
18/701	CE2008	CZ6803	EG5820	EM8794
18/702	CE3003	DC500E	EG5847	EU3614
49/637	CE3009	ED1545	EG6127	FA9102
49/710	CF4815	ED1557	EG7110	FG1J15
49/718	CF4893	ED2523	EG7111	FH3C04
52/155	CF4894	ED2524	EG7112	FH3C08
52/158	CF4895	ED2525	EG7783	FH3C22
52/1F	CF4897	ED2528	EG7806	FJ372A
52/236	CF4898	ED2530	EH306B	FJ3B81
52/311	CF4899	ED2543	EJ1012	FJ3B82
AJ2817	CJ8100	ED3309	EJ2150	FJ3C26
AN5010	CJ8102	ED3310	EJ2155	FJ3C42
AP6002	CJ8107	EE1451	EJ2352	FJ3S55
AP6003	CJ8109	EE1460	EJ2657	FJ3S68
AP6007	CJ8110	EE1474	EJ3U98	FJ3S84
AP6604	CJ8200	EE1818	EJ3V56	FJ3T14
AP6811	CJ8201	EE1865	EJ3V58	FJ3V76
AP6819	CK2100	EE1868	EJ3V62	FJ3V77
AS4105	CK2225	EE1869	EJ3V67	GB3118
AY4003	CK2226	EE6228	EJ7322	GB3119
BB7007	CK2603	EE6229	EM2264	WASZFF
BJ4845	CK2825	EE6230	EM2330	WBFCDD
BJ5519	CT2601	EE7287	EM4347	WBFCEE
BK2302	CU9001	EH3268	FG1A67	FJ371E
BL1430	ED1546	EJ3V55	FG1A72	FJ3S80
BN700G	ED3323	EM8798	FG1A77	FJ3S85
BU9011	CZ5433	EE7549	EM5548	
CD2277	CZ5602	EE9843	EM5549	

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Appendices

Appendix I Equipment and Labour Rates

(Cost Base July 1, 2008)

MACHINE DESCRIPTION	TYPICAL MODEL	$/HOUR
Crawler Tractor	Cat D9R/T, Komatsu D275AX-5	294.55
Crawler Tractor	Cat D9N (years: 1995 thru 1999)	267.80
Crawler Tractor	Cat D8T, Komatsu D155AX-5B, Deere 1050C	224.65
Crawler Tractor	Cat D7RII, Komatsu D65/85/87, Deere 950C	192.30
Crawler Tractor	Cat D6, Dresser TD15H, Komatsu D61	152.85
Crawler Tractor	Cat D5, Case 1150H, Komatsu D37/39/41	128.30
Rock Drill (includes labour)	Compressor: 750 cfm on tank chassis + 5% for Tank Drill outfit	234.94
Grader	Cat 140H, Deere 772, Case 885	139.10
Front End Loader (Gravel)	Cat 966GII, Komatsu WA450~~-3~~, Case 921C	159.05
Front End Loader (Logs)	Cat 972GII, Komatsu WA500, Volvo L180E	184.40
Hydraulic Excavator incl. Brush Guard & Thumb	Cat 345 BL/CL/DL, Komatsu PC400LC-7	271.21
Hydraulic Excavator incl. Brush Guard & Thumb	Komatsu PC300 HD	223.25
Hydraulic Excavator incl. Brush Guard & Thumb	Hitachi ZX350LC, Komatsu PC300/308	196.85
Hydraulic Excavator incl. Brush Guard & Thumb	Cat 325CL, Hitachi ZX270LC, Deere 270CL	180.40
Hydraulic Excavator incl. Brush Guard & Thumb	Cat 322CL, Komatsu PC220LC, JD 230CLC	166.71
Hydraulic Excavator incl. Brush Guard & Thumb	Cat 320CL, Hitachi ZX200LC~~-5~~, JD 200C-LC	155.76
Gradall	Cat M325D L MH	180.20
Logging Truck (Highway)	All Triaxle (6axle) tandem tractor & lowbed w/ booster	113.40
Self Loading Log Truck	Highway log truck + 5 tonne deck crane	126.50
Gravel Truck	10.7 m^3 (14 cu. yd.)	97.46
Gravel Truck Articulated (labour included)	25 - 30 tonne: Cat 730, Deere 300D	171.65
Gravel Truck Articulated (labour included)	20 - 24 tonne: Cat 725, Terex TA25	154.50
Lowbed	5 axle unit: tandem tractor and lowbed	102.50
Concrete Mix Truck	6.1 m^3 (8 cu yd)	99.95
Concrete Vibrator (labour not included)	3.65 m – 6.10 m (12' to 21')	5.08
Concrete Mixer (labour not included)	0.17 m^3 (6 cu ft)	7.71
Crane - Truck Mounted	18 tonne	111.55
Soft Track Skidder	KMC/FMC 2100/2400 (out-of-date model)	147.10
Rubber Tired Skidder	Clark F/H-66 TJ 360D (out-of-date model)	102.15
Vibrator Compactor	Cat 515 plus 2.7 t to 3.6 t roller	116.80
Tractor and Grid Roller	Cat 515 plus grid roller	117.65
Labourer	Group I: Includes 40% payroll loading	34.13
Roadman	Group II: Includes 40% payroll loading	34.42
Crib/Culvert Maker, Powderman	Group VII: Includes 40% payroll loading	36.14
Landingman	Group VIII: Includes 40% payroll loading	36.61
Rockdriller & Powderman (for load & blast only)	Group VII & XI: Includes 40% payroll loading	78.70
Bridgeman	Tradesman: Includes 40% payroll loading	43.40
Powersaw (labour not included)	All: one man, 20 inches + bar	3.65
Faller, including powersaw cost	Includes 40% payroll loading	64.63

Sources:

2008 B.C. Road Builders & Heavy Construction Association, Equipment Rental Rate Guide (rates based on a 3-year old machine), and IWA agreement rates including payroll loading.

1. Except as provided in (6), the rates shown in Appendix I will be used for all detailed engineering cost estimates made under section 4.3.3 of this manual.

2. The machine rate includes labour for the operator (all found). There are no additions.

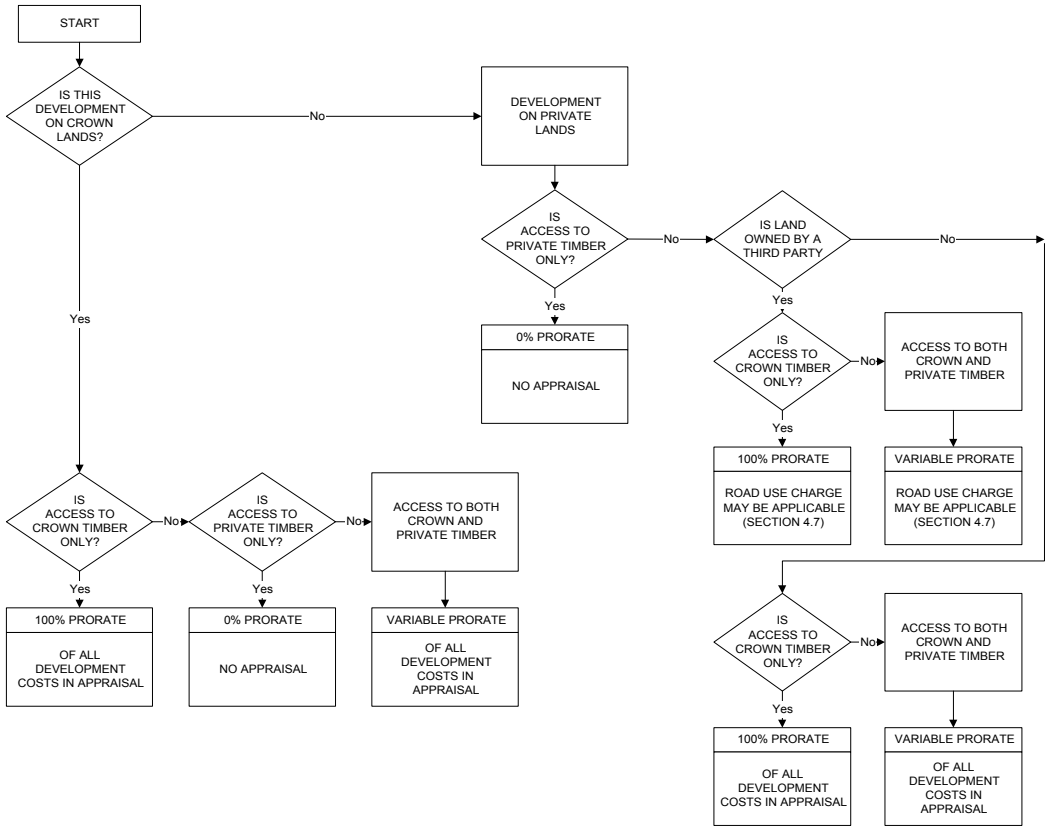
3. Notwithstanding (4) and (5), crew transportation, supervision and camp / cookhouse costs where applicable are included in this manual and no additions are permitted.

4. Licensees that incur camp costs (as defined in section 3.6.3 and recovers the said camp costs from a contractor and credits an account, in the books of the licensee, are permitted $50.00 per person day for staying at the camp.

5. Licensees that incur costs for crew transportation and/or accommodation as part of Detailed Engineering Cost Estimates, which are not included in the standard phase costs of this manual are permitted $50.00 per person day.

6. Use of equipment rates not listed in this appendix must be approved by the Regional Timber Pricing Co-ordinator.

Appendix II Development Cost Allocation



Crown Timber = Appraised timber including appraised Timber Licences

Private Timber = Non-appraised timber

Variable Prorate = A tributary-volume type prorate between appraised and non-appraised timber

Appendix III Relative Soil Moisture to Absolute Soil Moisture Conversion Table

Region	BEC		Relative Soil Moisture Regime Class (from field guide)							
	Zone	Subzone	0	1	2	3	4	5	6	7
SIR	BG	xh1	ED	ED	ED	ED	ED	SD	M	W
SIR	BG	xh2	ED	ED	ED	ED	ED	SD	M	W
SIR	BG	xh3	ED	ED	ED	ED	ED	SD	M	W
SIR	BG	xw1	ED	ED	ED	ED	ED	SD	M	W
SIR	BG	xw2	ED	ED	ED	ED	ED	SD	M	W
SIR	ESSF	dc1	VD	MD	MD	SD	SD/F	M	VM	W
SIR	ESSF	dc2	VD	MD	MD	SD	SD/F	M	VM	W
SIR	ESSF	dk	VD	MD	MD	SD	SD/F	M	VM	W
SIR	ESSF	dv	VD	MD	MD	SD	SD/F	M	VM	W
SIR	ESSF	mw	VD	MD	MD	SD	F	M	VM	W
SIR	ESSF	vc	MD	SD	SD	F	M	VM	VM	W
SIR	ESSF	vv	MD	SD	SD	F	M	VM	VM	W
SIR	ESSF	wc1	MD	MD	SD	F	M	M	VM	W
SIR	ESSF	wc2	MD	MD	SD	F	M	M	VM	W
SIR	ESSF	wc3	MD	MD	SD	F	M	M	VM	W
SIR	ESSF	wc4	MD	MD	SD	F	M	M	VM	W
SIR	ESSF	wk1	MD	MD	SD	F	M	M	VM	W
SIR	ESSF	wm	MD	MD	SD	F	F	M	VM	W
SIR	ESSF	xc	VD	VD	MD	MD	SD	M	VM	W
SIR	ESSF	xv	VD	VD	MD	MD	SD	F	M	W
SIR	ICH	dk	VD	VD	VD	MD	SD	M	VM	W
SIR	ICH	dw1	VD	VD	MD	SD	F	M	VM	W
SIR	ICH	dw2	ED	ED	VD	MD	SD	M	VM	W
SIR	ICH	mk1	VD	MD	MD	SD	F	M	VM	W
SIR	ICH	mk1	VD	MD	MD	SD	F	M	VM	W
SIR	ICH	mk2	VD	MD	MD	SD	F	M	VM	W
SIR	ICH	mk3	VD	MD	MD	SD	F	M	VM	W
SIR	ICH	mw1	VD	MD	MD	SD	F	M	VM	W

Region	BEC		Relative Soil Moisture Regime Class (from field guide)							
	Zone	Subzone	0	1	2	3	4	5	6	7
SIR	ICH	mw2	VD	MD	MD	SD	F	M	VM	W
SIR	ICH	mw3	VD	MD	MD	SD	F	M	VM	W
SIR	ICH	vk1	MD	MD	SD	F	M	M	VM	W
SIR	ICH	wk1	VD	MD	SD	F	F	M	VM	W
SIR	ICH	wk2	VD	MD	SD	F	F	M	VM	W
SIR	ICH	wk4	VD	MD	SD	F	F	M	VM	W
SIR	ICH	xw	VD	VD	VD	MD	SD	M	VM	W
SIR	IDF	dk1	ED	VD	VD	VD	MD	F	M	W
SIR	IDF	dk2	ED	VD	VD	VD	MD	F	M	W
SIR	IDF	dk3	ED	VD	VD	VD	MD	F	M	W
SIR	IDF	dk4	ED	VD	VD	VD	MD	F	M	W
SIR	IDF	dm1	ED	VD	VD	VD	MD	F	M	W
SIR	IDF	dm2	ED	VD	VD	VD	MD	F	M	W
SIR	IDF	mw1	VD	VD	VD	MD	SD	F	VM	W
SIR	IDF	mw2	VD	VD	VD	MD	SD	F	VM	W
SIR	IDF	u	ED	VD	VD	MD	MD	F	VM	W
SIR	IDF	ww	VD	VD	VD	MD	SD	F	M	W
SIR	IDF	xh1	ED	ED	VD	VD	MD	SD	M	W
SIR	IDF	xh2	ED	ED	VD	VD	MD	SD	M	W
SIR	IDF	xm	ED	ED	VD	VD	MD	SD	M	W
SIR	IDF	xw	ED	ED	VD	VD	MD	SD	M	W
SIR	MS	dc	VD	VD	VD	MD	SD	M	VM	W
SIR	MS	dk	VD	VD	VD	MD	SD	M	VM	W
SIR	MS	dm1	VD	VD	VD	MD	SD	M	VM	W
SIR	MS	dm2	VD	VD	VD	MD	SD	M	VM	W
SIR	MS	xk	VD	VD	VD	VD	MD	F	M	W
SIR	MS	xv	VD	VD	VD	MD	SD	F	VM	W
SIR	PP	dh1	ED	ED	ED	VD	VD	SD	M	W
SIR	PP	dh2	ED	ED	ED	VD	VD	SD	M	W

Region	BEC		Relative Soil Moisture Regime Class (from field guide)							
	Zone	Subzone	0	1	2	3	4	5	6	7
SIR	PP	xh1	ED	ED	ED	ED	VD	SD	M	W
SIR	PP	xh2	ED	ED	ED	ED	VD	SD	M	W
SIR	SBPS	dc	ED	ED	VD	MD	SD	F	M-VM	W
SIR	SBPS	mc	VD	VD	VD	MD	SD	F	M-VM	W
SIR	SBPS	mk	ED	VD	VD	MD	SD	F	M-VM	W
SIR	SBPS	xc	ED	ED	VD	VD	MD	SD	M	W
SIR	SBS	dw1	VD	MD	MD	SD	SD	F	M	W
SIR	SBS	dw2	VD	MD	MD	SD	SD	F	M	W
SIR	SBS	mc1	VD	MD	MD	SD	F	M	VM	W
SIR	SBS	mc2	VD	MD	MD	SD	F	M	VM	W
SIR	SBS	mh	VD	MD	MD	SD	SD	M	VM	W
SIR	SBS	mm	VD	MD	MD	SD	F	M	VM	W
SIR	SBS	mw	VD	MD	MD	SD	F	M	VM	W
SIR	SBS	wk1	VD	MD	SD	F	F	M	VM	W
NIR	BWBS	dk1	VD	MD	MD	SD	SD	F	M-VM	W
NIR	BWBS	dk2	VD	MD	MD	SD	SD	F	M-VM	W
NIR	BWBS	mw1	VD	MD	MD	SD	F	M	VM	W
NIR	BWBS	mw2	VD	MD	MD	SD	F	M	VM	W
NIR	BWBS	wk1	VD	MD	SD	SD	F	M	VM	W
NIR	BWBS	wk2	VD	MD	SD	SD	F	M	VM	W
NIR	BWBS	wk3	VD	MD	SD	SD	F	M	VM	W
NIR	CWH	vh2	SD	SD	F	F	M	VM	W	W
NIR	CWH	vm1	MD	SD	SD	F	F	M	VM	W
NIR	CWH	vm2	MD	SD	SD	F	F	M	VM	W
NIR	CWH	wm	SD	SD	SD	F	F	M	VM	W
NIR	CWH	ws1	VD	MD	MD	SD	F	M	VM	W
NIR	CWH	ws2	VD	MD	MD	SD	F	M	VM	W
NIR	ESSF	mc	VD	MD	SD	SD	F	M	VM	W

Region	BEC		Relative Soil Moisture Regime Class (from field guide)							
	Zone	Subzone	0	1	2	3	4	5	6	7
NIR	ESSF	mk	VD	MD	MD	SD	F	M	VM	W
NIR	ESSF	mm1	VD	MD	MD	SD	F	M	VM	W
NIR	ESSF	mv1	VD	MD	SD	SD	F	M	VM	W
NIR	ESSF	mv2	VD	MD	SD	SD	F	M	VM	W
NIR	ESSF	mv3	VD	MD	SD	SD	F	M	VM	W
NIR	ESSF	mv4	VD	MD	SD	SD	F	M	VM	W
NIR	ESSF	wc2	MD	MD	SD	F	M	M	VM	W
NIR	ESSF	wc3	MD	MD	SD	F	M	M	VM	W
NIR	ESSF	wk1	MD	MD	SD	F	M	M	VM	W
NIR	ESSF	wk2	MD	MD	SD	F	M	M	VM	W
NIR	ESSF	wv	MD	SD	SD	F	F	M	VM	W
NIR	ICH	mc1	VD	MD	SD	SD	F	M	MV	W
NIR	ICH	mc1a	VD	MD	SD	SD	F	M	MV	W
NIR	ICH	mc2	VD	MD	SD	SD	F	M	MV	W
NIR	ICH	mm	VD	MD	MD	SD	F	M	VM	W
NIR	ICH	vc	MD	SD	SD	F	M	M	VM	W
NIR	ICH	vk2	MD	SD	SD	F	M	M	VM	W
NIR	ICH	wc	MD	MD	SD	F	F	M	VM	W
NIR	ICH	wk1	VD	MD	SD	F	F	M	VM	W
NIR	ICH	wk3	VD	MD	SD	F	F	M	VM	W
NIR	ICH	wk4	VD	MD	SD	F	F	M	VM	W
NIR	MH	mm1	SD	SD	F	F	F	M	VM	W
NIR	MH	mm2	SD	SD	F	F	F	M	VM	W
NIR	MH	wh	SD	SD	F	F	F	M	VM	W
NIR	SBPS	mc	VD	VD	VD	MD	SD	F	M-VM	W
NIR	SBS	dh	VD	MD	MD	SD	SD	F	M	W
NIR	SBS	dk	VD	MD	MD	SD	SD	F	M-VM	W
NIR	SBS	dw1	VD	MD	MD	SD	SD	F	M	W

Region	BEC		Relative Soil Moisture Regime Class (from field guide)							
	Zone	Subzone	0	1	2	3	4	5	6	7
NIR	SBS	dw2	VD	MD	MD	SD	SD	F	M	W
NIR	SBS	dw3	VD	MD	MD	SD	SD	F	M	W
NIR	SBS	mc2	VD	MD	MD	SD	F	M	VM	W
NIR	SBS	mc3	VD	MD	MD	SD	F	M	VM	W
NIR	SBS	mh	VD	MD	MD	SD	SD	M	VM	W
NIR	SBS	mk1	VD	MD	MD	SD	F	M	VM	W
NIR	SBS	mk2	VD	MD	MD	SD	F	M	VM	W
NIR	SBS	mw	VD	MD	MD	SD	F	M	VM	W
NIR	SBS	vk	MD	SD	SD	F	M	M	VM	W
NIR	SBS	wk1	VD	MD	SD	F	F	M	VM	W
NIR	SBS	wk2	VD	MD	SD	F	F	M	VM	W
NIR	SBS	wk3	VD	MD	SD	F	F	M	VM	W
CFR	CDF	mm	VD	VD	MD	MD	MD	SD	F	W
CFR	CWH	dm	VD	MD	MD	SD	F	M	VM	W
CFR	CWH	ds1	VD	MD	MD	SD	F	M	VM	W
CFR	CWH	ds2	VD	MD	MD	SD	F	M	VM	W
CFR	CWH	mm1	MD	SD	SD	F	F	M	VM	W
CFR	CWH	mm2	MD	SD	SD	F	F	M	VM	W
CFR	CWH	ms1	VD	MD	MD	SD	F	M	VM	W
CFR	CWH	ms2	VD	MD	MD	SD	F	M	VM	W
CFR	CWH	vh1	SD	SD	F	F	M	VM	W	W
CFR	CWH	vh2	SD	SD	F	F	M	VM	W	W
CFR	CWH	vm1	MD	SD	SD	F	F	M	VM	W
CFR	CWH	vm2	MD	SD	SD	F	F	M	VM	W
CFR	CWH	wh1	SD	SD	SD	F	F	M	VM	W
CFR	CWH	wh2	SD	SD	SD	F	F	M	VM	W
CFR	CWH	ws2	VD	MD	MD	SD	F	M	VM	W

Region	BEC		Relative Soil Moisture Regime Class (from field guide)							
	Zone	Subzone	0	1	2	3	4	5	6	7
CFR	CWH	xm	VD	MD	MD	SD	F	M	VM	W
CFR	ESSF	mw	VD	MD	MD	SD	F	M	VM	W
CFR	IDF	ww	VD	VD	VD	MD	SD	F	M	W
CFR	MH	mm1	SD	SD	F	F	F	M	VM	W
CFR	MH	mm2	SD	SD	F	F	F	M	VM	W
CFR	MH	wh	SD	SD	F	F	F	M	VM	W

NOTES: ED = Extremely Dry (0, extreme xeric)
VD = Very Dry (1, xeric)
MD = Moderately Dry (2, sub-xeric)
SD = Slightly Dry (3, sub-mesic)
F = Fresh (4, mesic)
M = Moist (5, sub-hygric)
VM = Very Moist (6, hygric)
W = Wet (7, sub-hydric)

Appendix IV Appraisal Map Content

The map(s) submitted with the appraisal data submission must be at a scale of 1:5000 or 1:10000. Additional maps at other scales may be included as required. At a minimum the map(s) shall indicate the following information:

a. Cutting permit block boundaries.

b. Retention areas within the cutting permit blocks.

c. Delineation of biogeoclimatic zone, subzone and variant areas.

d. Delineation of areas by harvest method (ground, cable, or helicopter, etc.) and partial cut percent.

e. Delineation of areas that are the subject of specified operations cost estimates (e.g., root disease control).

f. The geographic centre point of each cutblock and common junction of the permit.

g. Existing roads.

h. Roads to be built by type (long term, short term) and by section, as submitted in the ADS, including sections to be gravelled and or sections that are "wet" (as defined in this manual).

i. Location of roads/structures that are included in detailed engineered estimates.

j. Location and type of other development such as remedial fencing, cattleguards and pipeline crossings.

k. Map Scale indicated using a graphic bar scale.

The appraisal map may include other information considered relevant to the appraisal, and may be attached to the appraisal data submission in electronic format.

For reappraisal data submissions, reference may be made to the original map submitted. Any change to the harvest plan or area of harvest due to a "changed circumstance (section 2.2.1) during the term of the cutting authority must be mapped and submitted to the district with the ADS, for the reappraisal.

Appendix V Geophysical Clearance Line Categories

The following categories of geophysical line clearing apply to Table 6-6. All clearing activity in the categories below must follow the best practices of meandering avoidance, line of site to a maximum of 200 metres, and avoidance of merchantable timber wherever possible. Failure to employ these best practices (as determined by the district manager) will result in the line clearing being billed as Category 1. The categories are defined as follows:

Category 1 - Any line section over 100 metres in length and over 4.25 metres in width.

Category 2 - Any line section over 100 metres in length and between 3.0 metres and 4.25 metres in width.

Category 3 - Any line section over 100 metres in length and less than 3.0 metres in width.

Appendix VI July 1, 2010 Stumpage Rates and October 1, 2010 to July 1, 2012 Stumpage Rate Adjustments

1. Except as provided in 1(d) or 1(e), the stumpage rate for a cutting authority with an adjustable stumpage rate and an initial appraisal effective date prior to July 1, 2010 (except for those issued under section 21 of the *Act* before it was repealed) will be adjusted each quarter after July 1, 2010 in accordance with the following:

   a. For cutting authorities described in this section that are scale based, the stumpage rate effective July 1, 2010 shall be:

      Stumpage Rate = FEWB – TOA + (EPTAS * TF) + FNA

      Definitions for the variables in the above equation are in section (3) of this appendix.

   b. For cutting authorities described in this section that are being converted to cruise based, the stumpage rate effective July 1, 2010 shall be:

      Stumpage Rate = FEWB – TOA + (EPTAC * TF) + FNA

      Definitions for the variables in the above equation are in section (3) of this appendix.

   c. For each stumpage adjustment quarter, the calculation of the FEWB, TOA and FNA will use the procedures in this manual and appraisal parameters published by the director for that quarter. The TF will follow the schedule in Table A6-1. EPTAS and EPTAC remain fixed.

   d. Where a cutting authority described in 1(a) is reappraised on or after July 1, 2010 and the effective date of the reappraisal is on or after July 1, 2010, the EPTAS or EPTAC used under 1(a) or 1(b) shall remain the same. If the cutting authority is converted to cruise based as a result of the reappraisal, then EPTAC = EPTAS.

   e. If the effective date of the reappraisal is prior to July 1, 2010 the EPTAS or EPTAC used in 1(a) or 1(b) will be recalculated based on the data in the reappraisal.

2. a. Except as provided in 2(b), the stumpage rate for a cutting authority with an adjustable stumpage rate and an initial appraisal effective date of July 1, 2010 or later will be adjusted each quarter after July 1, 2010 in accordance with the following:

      Stumpage Rate = FEWB – TOA + (NPTA * TF) + FNA

      For the purposes of this section, selling price zones 7OK and 7SE are defined as per Table 3-3.

   b. Where a cutting authority described in 2(a) is reappraised on or after July

1, 2010 the NPTA calculated in 2(a) will be recalculated based on the data in the reappraisal.

Table A6-1 Transition Factor

Quarter	Factor
July 1, 2010	1
October 1, 2010	0.875
January 1, 2011	0.75
April 1, 2011	0.625
July 1, 2011	0.5
October 1, 2011	0.375
January 1, 2012	0.25
April 1, 2012	0.125
July 1, 2012	0

Table A6–2 Zonal Tabular Adjustment Table

	Scale Based											
Zone	BA	CE	FI	HE	LA	SP	WH	YE	GP[1]	DP[2]	Average
SW[3]	-18.85	-17.12	-17.12	-17.12	-17.12	-17.83	-17.12	-17.12	-17.15	-16.30	-17.12
5	0.42	-18.42	-13.12	-7.54	-1.43	-3.00	-1.43	-1.43	1.13	-0.87	-1.43
6	-0.57	-0.70	-1.77	-2.52	-1.77	-1.66	-1.77	-1.77	-0.73	-1.77	-1.77
70K	7.81	-5.40	-7.31	-3.39	-5.36	6.21	-5.11	-3.75	3.77	4.75	1.78
7SE	6.87	-5.47	-10.21	-5.34	-6.10	3.45	-7.45	-12.33	-2.03	0.32	-2.35
8	-3.10	-7.05	-15.97	-6.98	-4.14	-3.60	-16.26	-4.14	-0.14	-1.23	-4.14
9	10.19	3.63	3.63	3.63	3.63	2.93	3.63	3.63	3.05	5.00	3.63

	Cruise Based										
Zone	BA	CE	FI	HE	LA	SP	WH	YE	GP	DP	Average
SW[3]	-17.03	-18.85	-17.09	-18.85	-18.85	-18.66	-18.85	-18.85	-17.73	-19.24	-18.85
5	-2.38	-4.39	-5.20	-4.39	-4.39	-2.95	-4.39	-4.39	-4.17	-5.01	-4.39
6	-2.38	-4.39	-5.20	-4.39	-4.39	-2.95	-4.39	-4.39	-4.17	-5.01	-4.39
70K	5.25	-3.66	0.56	2.91	2.91	4.17	-2.30	2.91	2.68	2.53	2.91
7SE	4.85	1.56	1.39	4.30	4.30	5.28	4.30	4.30	3.82	4.25	4.30
8	-1.41	-3.51	-4.03	-3.93	-3.93	-2.80	-3.93	-3.93	-3.89	-4.21	-3.93
9	7.69	7.30	7.30	7.30	7.30	7.78	7.30	7.30	6.87	7.34	7.30

[1] GP (green pine) is all appraised Lodgepole pine volume except Lodgepole pine red and grey attack
[2] DP (dead pine) is appraised Lodgepole pine red and grey attack volume
[3] SW (smallwood) is the previous Zone 25 and applies to only those cutting permits under the licences listed in Table A6-3 where the cutting permit and the licence restricts harvesting to stands where the net merchantable volume per tree is less than 0.2m^3/tree and the licence has not expired.

Table A6-3 Smallwood Licence Table

Licence	Licence Expiry Date[1]
A55524	2011-12-31
A55525	2012-05-31
A55527	2012-05-31
A55528	2011-12-31
A55529	2012-05-31
A55578	
A61106	2010-08-31
A61108	2010-08-31
A61109	2011-06-30
A65442	2011-10-31
A73171	2014-11-30
A75735	2010-07-05
A77509	
A79982	
A80600	
A81242	2011-12-06
A81700	2011-12-05
A82224	2012-06-06
A82520	2012-08-15
A82523	2012-08-15
A83544	2010-11-28
A83857	2011-06-24
A83858	2011-06-24
A84161	
A84685	
A85417	
A86036	
A86416	2010-09-09
PA16	

[1] Expiry date listed if before July 1, 2012

3. Definitions for this Appendix:

"COPIR" means the OPIR converted to stand as a whole cruise based cutting authorities.

$$COPIR = OPIR * (1-LGF) + 0.25 * LGF$$

"EPTAC" means the existing permit transition adjustment for cruise based permits.

$$EPTAC = COPIR – (FEWB – TOA)$$

"EPTAS" means the existing permit transition adjustment for scale based permits.

$$EPTAS = OPIR – (FEWB – TOA)$$

"FEWB" means the final estimated winning bid from section 3.4 of this manual.

"FNA" means the final neutrality adjustment from quarterly appraisal parameters published by the director.

"LGF" means the low grade fraction calculated as in section 4.6 of this manual.

"NPTA" means the new permit transition adjustment from Table A6-2, prorated by appraised species volume. For the purposes of this calculation, zones 7OK and 7SE are defined as per Table 3-3.

"OPIR" means the old policy indicated rate which is the indicated stumpage rate (ISR, section 5.6.1) using the policies and procedures in the IAM effective June 30, 2010, and the appraisal data in effect June 30, 2010 except that the quarterly appraisal parameters used in the calculation of the ISR shall be the parameters for July 1, 2010.

"TF" means the transition factor from Table A6-1.

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