



File: 280-30
195-30/CAPP

To: All Regional Managers

From: The Honourable David Zirnhelt
Minister of Forests

Re: *Coast Appraisal Manual*

I hereby approve Amendment No. 4 to the *Coast Appraisal Manual*. This amendment will come into force January 1, 1998.

The following section is amended:

Section 5.4 Statistics Canada Index number and base year have been revised.

David Zirnhelt
Minister

Attachment

pc: Bill Howard, Director, Revenue Branch

All Subscribers, *Coast Appraisal Manual*



FOR FURTHER INFORMATION CONTACT:

George Silvestrini
Sr. Timber Pricing Forester (Coast)
Revenue Branch
Ministry of Forests
Victoria, B.C.
V8W 3E7
Phone: 387-8377
PROFS userid: GSILVEST
FAX: 387-5670

MANUAL TITLE

Coast Appraisal Manual

REVISION No.
Amendment No. 4

ISSUE DATE
January 1, 1998

MANUAL CO-ORDINATOR

Judy Laton
Revenue Branch

AUTHORIZATION (Name, Title)

W. Howard
Director, Revenue Branch

Please make the following changes to your copy of the above Ministry manual. Please insert the following specified pages and file this notice immediately after the Amendments Tab.

Table with 4 columns: ACTION (Remove/Insert), (VOL.) CHAPTER-SECTION-SUBJECT, PAGE(S), and COMMENTS. It lists changes to the Table of Contents, specifically removing and inserting Chapter 5 on pages 5-6.

5.4 Market Value Indexing

At the times specified in Section 1.6, target rates are adjusted upwards or downwards to reflect changes in the value of softwood lumber as indicated by Statistics Canada. Beginning with the month of September 1997 the British Columbia Softwood Lumber Index Number P2460 is used for the Coast. This Index is a measure of the changes in market value for a “basket” of lumber products representative of the normal production on the coast. Quarterly indexing is based on averages of Statistics Canada values for the three-month periods ending January, April, July, and October each year. The base of (1992 = 100) is adjusted back to the base of 1981 = 100.

New Coast Target Rate Calculation:

1. If the INDEX is less than or equal to 160 then, $TR = \frac{INDEX}{138.5} * 10.59$
2. If the INDEX is greater than 160, but less than or equal to 185 then, $TR = 12.23 + \left[\frac{(INDEX - 160)}{25} * 9.73 \right]$
3. If the INDEX is greater than 185 then, $TR = 21.96 + \left[\frac{(INDEX - 185)}{49} * 7.45 \right]$

Where: TR = New Target Rate (\$/m³)

**Quarterly Stumpage
Rate Adjustment Date**

January 1
April 1
July 1
October 1

**New Statistics Canada Index based
on index values for the months of:**

Preceding August, September, October
Preceding November, December, January
Preceding February, March, April
Preceding May, June, July

The applicable Statistics Canada Index is published by Revenue Branch at the time of each quarterly stumpage adjustment. When distributed it becomes an integral part of this manual.

5.5 Base Rate

The Coast Base Rate is redetermined and published by Revenue Branch at the time of each quarterly stumpage rate adjustment. When distributed it becomes an integral part of this manual.