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June 27, 2006

BY EMAIL

To: Interior Regional Managers

From: Steve Fletcher
A/Manager, Timber Pricing
Revenue Branch

Re: Errata – Amendment No. 13 to the *Interior Appraisal Manual*

The purpose of this memo is to advise you that pages 7-11 and 7-12 were part of Amendment No. 13 but were not included with your package or posted on the website.

Please remove pages 7-11 and 7-12 and replace with the attached.

We apologize for any inconvenience this may have caused.



Steve Fletcher
A/Manager, Timber Pricing
Revenue Branch

Attachments

pc: Interior Appraisal Advisory Committee





FOR FURTHER INFORMATION CONTACT:

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MANUAL TITLE

Interior Appraisal Manual

REVISION No.

Amendment No. 13
Errata

ISSUE DATE

June 1, 2006

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.

ACTION (Remove/Insert)	(VOL.) CHAPTER-SECTION-SUBJECT TABLE OF CONTENTS	PAGE(S)	COMMENTS
REMOVE	Chapter 7	11 - 12	After Chapter 7 Tab
INSERT		11 - 12	
INSERT	Letter and Manual Revision Transmittal		After Amendments Tab

5. The MPS upset stumpage rate for timber sale licences with a minimum deciduous content of seventy percent of the net cruise volume, will be the greater of:
- The variable cost per cubic metre of preparing the timber for sale, or
 - $\$/\text{m}^3 = \frac{0.70 [(NCV \text{ deciduous (m}^3) \times 0.50 (\$/\text{m}^3) + (NCV \text{ coniferous (m}^3) \times 40.78 (\$/\text{m}^3))]}{TNCV (\text{m}^3)}$
- where: NCV = net cruise volume (cubic metres)
- TNCV = Net cruise volume deciduous + net cruise volume coniferous
6. The MPS upset stumpage rate for a cutting authority entered into under section 47.6 (3) of the Forest Act shall be the market stumpage price for that cutting authority multiplied by the green log fraction from Table A6-1 for the appropriate point of appraisal.
7. The variable cost per cubic metre of preparing the timber for sale shall be calculated by the Timber Sales Manager.
8. Notwithstanding anything else in this section the MPS upset stumpage rate must not be lower than the prescribed minimum stumpage rate.

7.5.2 Upset Stumpage Rate Calculation

The upset stumpage rate (USR) is calculated by multiplying the Market Stumpage Price (MSP) by the difference between 1 and the discount factor (DF) as follows:

$$USR = MSP * (1-DF)$$

Where:

$$\begin{aligned} USR &= \text{Upset stumpage rate} \\ MSP &= \text{Market Stumpage Price as defined in Section 7.4.2} \\ DF &= 0.00 \text{ if section 7.5.1 (6) applies, otherwise } DF = 0.30 \end{aligned}$$

7.5.3 Prescribed Minimum Stumpage Rate

The minimum stumpage rate is prescribed by the minimum stumpage rate regulation (BC Regulation 354/87). The current minimum stumpage rate is \$0.25 per cubic metre.

7.5.4 Total MPS Stumpage Rate

1. The total MPS stumpage rate is the sum of the MPS upset stumpage rate and the bonus bid.
2. Where the MPS upset stumpage rate is determined under subsections (1), (2), (3), (4) and (6) of section 7.5.1, or section 7.5.2, the total MPS stumpage rate applies to Grade Code 1 and 2 coniferous sawlogs.
3. Where the MPS upset stumpage rate is determined under section 7.5.1(5), the total MPS stumpage rate applies to Grade Code 1 and 2 coniferous and deciduous sawlogs.