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Ministry of Forests,
Mines and Lands

Minister's Office

MEMORANDUM

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To: Sharon Hadway, A/Regional Executive Director, Coast Region

From: The Honourable Pat Bell, Minister of Forests, Mines and Lands
The Honourable Steve Thomson, Minister of Natural Resource Operations

Re: Amendment No. 9 to the Coast Appraisal Manual

We hereby approve Amendment No. 9 to the *Coast Appraisal Manual* and attach a copy for your use. The following has been amended:

Section 1.1	Several revised definitions to reflect ministry changes. New definition added for Ministry of Forests and Range.
Section 2.1(1) and 2.1.1	Revised text to reflect ministry changes.
Section 2.3	Revised text to reflect ministry changes.
Section 3.7	Text removed.
Section 5.5(2)(b)	Text removed.
Section 7.7(1)(c)	Revised text for Ministry name.



This amendment will come into force on the date signed. Further amendments or revisions to this manual require our approval.

Pat Bell
Minister of Forests, Mines and Lands

Steve Thomson
Minister of Natural Resource Operations

Attachment

pc: Murray Stech, Director, Pricing Branch, Ministry of Forests, Mines and Lands



The Best Place on Earth

Ministry of
Forests
and Range



MANUAL REVISION TRANSMITTAL

<p>FOR FURTHER INFORMATION OR IF YOU HAVE A CHANGE OF ADDRESS, PLEASE CONTACT:</p> <p>George Silvestrini Senior Timber Pricing Forester (Coast) Revenue Branch Ministry of Forests 1st Floor, 1520 Blanshard Street Victoria, BC V8W 3K1 Phone: 250 - 387-8377 PROFS userid: George.Silvestrini@gov.bc.ca FAX: 250 - 387-5670</p>	MANUAL TITLE	
	Coast Appraisal Manual	
	AMENDMENT	ISSUE DATE
	Amendment No. 9	November 12, 2010
MANUAL CO-ORDINATOR		
Judy Laton Publication/Administrative Co-ordinator		
AUTHORIZATION (Name, Title)		
Murray Stech Director, Revenue Branch		

Please make the following changes to your copy of the above Ministry manual.

ACTION	(VOL.) CHAPTER-SECTION-SUBJECT	PAGE(S)	COMMENTS
(Remove/Insert)	TABLE OF CONTENTS		
Remove	Chapter 1	1 - 6	After Chapter 1 Tab
Insert		1 - 6	
Remove	Chapter 2	1 - 2 5 - 6	After Chapter 2 Tab
Insert		1 - 2 5 - 6	
Remove	Chapter 3	13 - 14	After Chapter 3 Tab
Insert		13 - 14	
Remove	Chapter 5	19 - 20	After Chapter 5 Tab
Insert		19 - 20	
Remove	Chapter 7	11 - 12	After Chapter 7 Tab
Insert		11 - 12	
INSERT	Letter from Minister and Transmittal Sheet		After Amendments Tab

Definitions and Interpretations **1**

1.1 Definitions and Interpretations

In this manual:

"**Act**" means *Forest Act*;

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

"**Billing history record**" means a record of log scale data derived from a record kept by the 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*;

"**BCTS**" means British Columbia Timber Sales;

"**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*;

"**Cutting authority**" means:

- (a) a cutting permit issued under a forest licence, a timber sale licence, a timber licence, tree farm licence, a community forest agreement, a community salvage licence, a woodlot licence, or forestry licence to cut,
- (b) a timber sale licence that does not provide for the issuance of a cutting permit,
- (c) a licence to cut, or
- (d) a road permit;

"**Cutting authority area**" means the area where timber may be harvested under authority of:

- (a) a cutting permit,
- (b) a timber sale licence that does not provide for the issuance of a cutting permit,

(c) a licence to cut, or

(d) a road permit;

"Deciduous timber" means timber that is any of the alder, birch, cottonwood and maple species;

"Detailed engineering" means non-tabular;

"Director" means director of Pricing Branch of the Ministry of Forests, Mines and Lands;

"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 Natural Resource Operations 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;

"Helicopter Selection" means the harvesting of single trees within standing residual timber that have been felled and then removed using a helicopter;

"Hogged Tree Material" means tree residues or by-products that have been shredded into smaller fragments by mechanical action. All post-harvest material where a waste assessment has been made and the material will be hogged at the roadside or the landing;

"Immature coniferous timber" means coniferous timber that is younger than 121 years old;

"Licensee" means the holder of a cutting authority;

"Low grade" means grades 'X' and 'Y' of all species and 'U' grade hemlock and balsam;

“Main Access Road” means a long-term (i.e., in use for more than ten years) mainline road that is tributary to the appraised cutting authority area, or is used to transport bulk fuels, supplies, equipment or harvesting crews necessary to carry out day-to-day harvesting activities on that area, and has an average stabilized subgrade width greater than seven metres;

"Manual" means *Coast Appraisal Manual*;

"Mature coniferous timber" means coniferous timber that is 121 years old or older;

"Minister" means Minister of Forests, **Mines and Lands**;

"Ministry" means Ministry of **Natural Resource Operations**;

“Ministry of Forests and Range” means **Ministry of Forests, Mines and Lands**;

"Net cruise volume" means the gross volume of all species listed in section 4.2.3(1), plus alder, birch, cottonwood and maple in the cutting authority area minus the volume of decay, waste and breakage in that timber unless otherwise specified in the *Cruising Manual*;

“Old growth coniferous timber” means coniferous timber that is 141 years old or greater;

"Regional manager" means regional executive director of the **Ministry of Natural Resource Operations** or **except for section 2.1.1(1)(a)**, regional executive director's designate;

"Regulations" means regulations under the *Act*;

"Remaining volume" means the total net cruise volume of a cutting authority area minus the total volume of timber in the billing history record of the cutting authority area on the effective date of the reappraisal of the cutting authority area;

"Revenue Branch" means Pricing Branch of the Ministry of Forests, **Mines and Lands**;

“Road Permit” means road permit or the timber mark for a road permit that is associated with the applicable tenure listed in Section 115(1) of the *Act*;

"Second growth coniferous timber" means coniferous timber that is less than 141 years old;

"Selling price zone 51" means the table of coast market pricing system log values for old growth coniferous timber, approved by the director, **Pricing** Branch;

"Selling price zone 52" means the table of coast market pricing system log values for second growth coniferous timber, approved by the director, **Pricing** Branch;

"Skyline" means any method of yarding where the logs are fully suspended above the ground by a short span, long span, or multi-span system using a carriage with standing or running lines;

"Total net cruise volume" of a cutting authority area (tncv) is the product of the net cruise volume per hectare of the cutting authority area (ncv/ha) multiplied by the total merchantable timbered area to be harvested under the cutting authority (tmta). Expressed as an equation: $tncv = \frac{ncv}{ha} \times tmta$;

"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;

"Unit cost" means cost estimate expressed in dollars per cubic metre;

"Woodchips" means timber that has been cut into small pieces by a chipper. Made from post-harvest material where a waste assessment has been made and the material will be chipped at the roadside or the landing.

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Scope and Requirements

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2.1 Terms of Reference

1. Pursuant to section 105 of the *Act*, the provisions of this manual are the policies and procedures to be used in the determination, redetermination and variance of stumpage rates for Crown timber harvested in the Coast Forest Region (except Manning Park).

2.1.1 Responsibility for Stumpage Determinations

1. The following employees are authorized to determine, redetermine and vary rates of stumpage:
 - a. The Director, and employees of the Pricing Branch of the Ministry of Forests, Mines and Lands, and
 - b. Regional Managers, regional appraisal coordinators and employees of the regional revenue sections, of the Ministry of Natural Resource Operations
2. The employees of the Timber Administration Section, Resource Development Branch of the Ministry of Natural Resource Operations are authorized to determine or redeterminem stumpage rates in accordance with section 7.8(1) or (2).

2.3 Cruise Information

1. A licensee or BCTS must gather and compile cruise data in accordance with the following **Ministry of Forests, Mines and Lands** publications and the coast timber merchantability specifications in Table 2-1:

- a. *Cruising Manual*, (*Cruising Manual* web site: <http://www.for.gov.bc.ca/hva/manuals/cruising.htm>,

- b. *Cruise Compilation Manual*.

<http://www.for.gov.bc.ca/hva/manuals/cruise compilation.htm>

Table 2-1 Coast Timber Merchantability Specifications

Description		
The following coast timber merchantability specifications must be used in all appraisals.		
	Mature	Immature
1. Maximum stump height (measured from the top of the stump down to the highest ground level adjacent to the stump)	30.0 cm	30.0 cm
2. Minimum slab thickness for cedar only	15.0 cm	10.0 cm
3. Minimum top diameter (inside of the bark)	15.0 cm	10.0 cm
4. Minimum length of a log or slab	3.0 m	3.0 m

2. The licensee must provide, when requested by the district manager a photocopy of the tally sheets and an electronic version of the compilation in a format specified by the regional manager.
3.
 - a. The cutting authority area will be appraised using the total net cruise volume of timber authorized for harvest in that area.
 - b. The total area of merchantable timber in the cutting authority area is obtained from the appraisal summary of the cruise compilation report.
4. If the licensee or BCTS modifies its application for a cutting authority the applicant must recompile the cruise data when any of compiled plots used in the cruise lie outside the boundaries of the proposed cutting authority area.
5.
 - a. Where a boundary of a cutting authority area has been changed after the appraisal or reappraisal of the cutting authority area, every reappraisal of the cutting authority area must use the total net cruise volume of the cutting authority area as it is after the boundary has changed.

- b. If, after a cruise compilation or recompilation was used for an appraisal or reappraisal, the total of all additions or deletions of areas containing merchantable timber made to the cutting authority area exceeds twenty-five hectares or twenty-five percent of the area containing merchantable timber, whichever is less, the entire cruise must be recompiled.

- 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.

3.7 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 authorized to redetermine a stumpage rate under section 2.1.1 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, 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.

5.5 Road Use Charges

1. A road use charge may be used in the calculation of a tenure obligation adjustment, if:
 - a. the road to which the road use charge applies is required to transport logs from the cutting authority area to the appraisal log dump,
 - b. the road use charge is not referred to in subsection 2(a), or 2(b) or 2(c) of this section,
 - c. the licensee submits to the district manager with the appraisal data submission:
 - i. a completed Request for Approval of a Road Use Charge Form,
 - ii. a map showing the location of the road and a copy of the written road use agreement, and
 - iii. written confirmation by the regional manager that the road use charge specified in the application, or an amount specified by the regional manager is approved, and
 - d. the term of the road use agreement is completely within the period for which the appraisal or reappraisal shall apply, and
 - e. the licensee promises in writing to submit a copy of every auditable monetary transaction evidencing payment by the licensee for road use when that is requested by the regional manager.
2. A road use charge may not be used in the calculation of a tenure obligation adjustment, if it is:
 - a. a share of road maintenance charge,
 - b. a charge with respect to a road that is declared, determined, built, maintained or modified by the **provincial government**,
 - c. a charge with respect to a road on Crown land.
 - d. a charge for a road on an Indian reserve or on private land owned by a third party at arm's length from the licensee and not subject to a lease held by the licensee, its affiliate or agent of either the licensee or the third party, unless
 - i. there is no route capable of being used to build a road at a lower cost through Crown land, and
 - ii. the charge is:

- aa. reasonable,
- bb. does not exceed compensation that could be determined under the forestry legislation, and
- cc. is established to the satisfaction of the district manager by the licensee by way of auditable documents.

5.5.1 Land Use Charge

A land use charge may not be considered in an appraisal or a reappraisal.

7.7 Linear Tenures

1. For this section:

“Linear tenure” means a licence to cut issued for a:

- a. right-of-way issued under an authority other than the *Forest Act*, or
- b. a pipeline right-of-way, or
- c. a highway right-of-way for a road administered by the *Ministry of Transportation and Infrastructure*, or
- d. transmission line, penstock, or powerhouse, or
- e. a forestry licence to cut issued under section 47.6(3) of the Act in conjunction with a BC Timber Sales road development contract.

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

2. The stumpage rate for a linear tenure shall be obtained from the schedule of average sawlog stumpage rates approved by the director under section 7.1, for the forest district in which the cutting authority area for the linear tenure is located.
3. A stumpage rate determined under this section shall be redetermined in accordance with section 3.3.4.
4. Notwithstanding any other paragraph in this section, if the total volume exceeds 2 500 m³ the stumpage rate for a linear tenure may be determined through a full appraisal. Where a stumpage rate has been determined under this subsection, the procedures in chapter 3 shall apply.

7.8 Controlled Recreation Areas

1. The stumpage rate for a cutting authority area located within a Controlled Recreation Area (CRA) shall be the stumpage rate approved by the director under section 7.8.1, for the forest region in which the cutting authority area in the CRA is located.
2. A stumpage rate determined under this section shall be redetermined in accordance with section 3.3.5.
3. Notwithstanding any other paragraph in this section, the stumpage rate for a cutting authority area in a CRA may be determined through a full appraisal. Where a stumpage rate has been determined under this subsection, the procedures in chapter 3 shall apply.

7.8.1 CRA Stumpage Rate

1. Pricing Branch shall produce the average appraised sawlog stumpage rate for the coast forest region. This rate is approved by the director for each quarter (January 1, April 1, July 1 and October 1).