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OCT 30 2008

To: Phil Zacharatos, Regional Executive Director, Southern Interior Region

Bill Warner, Regional Executive Director, Northern Interior Region

From: The Honourable Pat Bell, Minister of Forest and Range

Re: Amendment No. 3 to the *Interior Appraisal Manual*

I hereby approve Amendment No. 3 to the *Interior Appraisal Manual* and attach a copy for your use. The following sections have been amended:




- Section 1.1 The definitions of "District Manager" and "Fully Appraised" have been revised.
- Section 1.4 (1) (d) Redundant language has been removed.
- Section 2.1 (1) An exception has been revised.
- Section 2.2.1.2 (2) (b) Missing word replaced.
- Section 4.3.1.1.4 (2) (f) Redundant language has been removed.
- Section 4.6 Cleaning of cattle guards has been added to the list of activities covered by the road management cost estimate.
- Section 5.6.4 (1) (b) An additional section reference has been added where a silviculture levy can be applied.
- Section 6.1,
Table 6-1 The average sawlog stumpage rates in the table have been updated.

Interior Regional Managers

- Section 6.1 (3) An exception has been added for community forests from section 1.4(1)(d) (10 km rule).
- Section 6.2.1 (1) (a) A new section has been added for forestry licences to cut issued for the purposes of community wildfire protection and pine stands damaged by mountain pine beetle that are 50 years old or less.
- (b) (c)
- Section 6.2.1 (1) (d) A new subsection has been added for chipping or grinding of post harvest material at roadside.
- Section 6.2.1 (2) A new paragraph has been added to clarify which Interior Appraisal Manual the upset stumpage rate is to be based on.
- Section 6.2.1 (3) A new paragraph has been added so the upset stumpage rate is not less than the district's variable cost to prepare the timber for sale.
- Section 6.2.1 (4) A new paragraph has been added so that the stumpage rate is fixed for the term of the cutting authority and all extensions.
- Section 6.4 (4) (c) (d) Small Scale Salvage block size limit has been changed to 5 hectares.
- Section 6.4, Tables 6-2 and 6-3 The average sawlog stumpage rates for damaged timber and post harvest material in the tables have been updated.
- Section 6.5 (1) (2) Revision to include ability for District Manager to add a silviculture levy.
- Section 6.5 (5) Revision to allow upset rate to be set at the District's variable cost if Regional Manager does not anticipate applications will be received.
- Section 6.5 (8) A new subsection has been added to clarify which Interior Appraisal Manual the upset stumpage rate is to be based on.
- Section 6.6, Table 6-4 A new rate has been added to the table for chipping or grinding of post harvest material at roadside. Exceptions have been added to grades 4 and 6, and deciduous species, for sections of the Interior Appraisal Manual where the upset stumpage rate can apply to all grades and species.
- Section 7.4.1 The description for the exchange rate variable in the MPS Equation has been corrected.

Interior Regional Managers

This amendment will come into force on November 1, 2008. Further amendments or revisions to this manual require my approval.


ACTING DEPUTY MINISTER

Pat Bell

Minister

Attachment

pc: Murray Stech, Director, Revenue Branch

<p>FOR FURTHER INFORMATION OR IF YOU HAVE A CHANGE OF ADDRESS, PLEASE CONTACT:</p> <p>Bob Bull Senior Timber Pricing Forester (Interior) Revenue Branch Ministry of Forests 1st Floor, 1520 Blanshard Street Victoria, BC V8W 3K1 Phone: 356-7709 Email: Bob.Bull@gov.bc.ca FAX: 387-5670</p>	MANUAL TITLE	
	Interior Appraisal Manual	
	AMENDMENT	ISSUE DATE
	Amendment No. 3	November 1, 2008
MANUAL CO-ORDINATOR		
Judy Laton Manuals Co-ordinator		
AUTHORIZATION (Name, Title)		
Murray Stech Director, Revenue Branch		

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

ACTION (Remove/Insert)	(VOL.) CHAPTER-SECTION-SUBJECT	PAGE(S)	COMMENTS
	TABLE OF CONTENTS		
Remove	Table of Contents	3 - 4	After Table of Contents Tab
Insert		3 - 4	
Remove	Chapter 1	3 - 8	After Chapter 1 Tab
Insert		3 - 8	
Remove	Chapter 2	1 - 2 5 - 6	After Chapter 2 Tab
Insert		1 - 2 5 - 6	
Remove	Chapter 4	9 - 10 41 - 42	After Chapter 4 Tab
Insert		9 - 10 41 - 42	
Remove	Chapter 5	7 - 8	After Chapter 5 Tab
Insert		7 - 8	
Remove	Chapter 6	1 - 2 5 - 18	After Chapter 6 Tab
Insert		1 - 2 5 - 18	
Remove	Chapter 7	7 - 8	After Chapter 7 Tab
Insert		7 - 8	
Remove	Index	1 - 4	After Index Tab
Insert		1 - 4	
INSERT	Letter from Minister and Transmittal Sheet		After Amendments Tab

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“**Bonus Offer**” means a bonus offer described in section 103(2) of the *Act*,

“**Coniferous cruise volume**” means that part of the total net cruise volume which is coniferous timber,

“**Cutting Authority**” means:

1. A cutting permit issued under:
 - a. a forest licence,
 - b. a timber sale licence that provides for the issuance of 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, or
 - i. a forestry licence to cut.
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 Revenue Branch 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.

“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,**

“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,

“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).

“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 regional executive director's designate,

“Regulations” means regulations under the *Act*,

“Remedial Fences and Wing Fences” means fencing that is required to remedy, reduce or manage the impact of timber harvesting activities on range management,

“Revenue Branch” means the Revenue Branch of the Ministry,

“Skidder Swing” means situations where two of the different harvest methods as listed in section 4.4.1 are required to move timber to an existing road or landing where it can be loaded onto a haul truck. Where skidder swing is included in an appraisal the harvest method that moves the felled timber first is the method that is indicated in the appraisal data submission,

“**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,

“**Species Net Volume**” is the species net volume reported in the appraisal summary report from the cruise compilation for the cutting authority area,

“**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, | e. US Dollar Exchange rate, |
| b. Interior base rate, | f. Lumber and Chip Average Market Values, |
| c. Interior mean value index, | g. Interior Basic Silviculture Costs by Species. |
| d. BC Consumer Price Index, | |

“**Suitable Secondary Structure**” means suitable secondary structure as defined in Section 1(4) of the *Forest Planning and Practices Regulation*.

“**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 Revenue Branch.

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.
 - 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: "*Specifications: 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.

1.4 Cutblocks within a Cutting Authority Area

1. Cutblocks within a cutting authority area must:
 - a. Constitute a logical unit,
 - b. Be within the same forest district,
 - c. Be tributary to a common point of appraisal,
 - d. Must not exceed a maximum distance of ten kilometres between the furthest boundaries of the furthest cutblocks, except when required for blanket salvage.

Appraisals, Reappraisals and Stumpage Adjustments

2

2.1 Appraisals

1. **Except where an upset stumpage rate is determined in chapters 6 or 7:**
 - 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 issue 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 or BCTS of the stumpage determination.

2. Where the district manager believes that a changed circumstance has occurred, and the licensee has failed to provide the district manager with an appraisal data submission on or before the expiry date of the cutting authority, 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 provided in subsection (2) of 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.
 - a. Where the changed circumstance is a result of sudden and severe damage referred to in subsection 2.2.1(1)(d), 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.
 - b. Where the most recent reappraisal prior to the changed circumstance reappraisal is due to insect damage under section 2.2.3, 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 section 2.2.3 reappraisal.

2.2.2 Minister's Direction

1. The Minister may direct:
 - a. a determination, redetermination or variance of a stumpage rate at any time and that,
 - b. the determined, redetermined or varied stumpage rate be effective on any future date.

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 may be reappraised on or after April 1, 2006 only once 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).

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

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

1. Costs of constructed roads that have been previously considered in appraisals of Crown timber within another cutting authority.
2. Roads previously constructed and used to haul non-appraised timber (excluding right-of-way).
3. Roads previously constructed all or in part for purposes unrelated to logging the cutting authority area being appraised.
4. Roads previously constructed, repaired or reconstructed on private land before August 1, 1996.
5. Winter roads over muskeg or organic soils that use snow and ice for a driving surface are not considered as existing roads.
6. 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 recognized as described in section 4.7.

7. A road on private land that has previously been included in an appraisal because it was required for only short term timber extraction (as per previous policy) shall continue to be included upon reappraisal.

4.3.1.1.4 Extended Road Amortization

1. 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/m³ in subsection (1) of this section.
 - g. The agreement confers no obligation on the Crown to compensate licensees for any unamortized costs.

4.6 Road Management

Where the licensee is obliged to carry out road management, it includes but is not limited to, the following:

- grading
- snowplowing and refreezing
- sanding
- spot gravelling (< 0.3 km distance)
- culvert repairs and thawing
- culvert removal (< 950 mm)
- culvert replacement (< 950 mm)
- 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 4-7).

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.

The geographic location is recognized by forest region, timber supply area and supply block, and tree farm licence as follows.

Table 4-7 Road Management Cost Estimates

Region	TFL #	TSA	TSA #	Supply Block	\$/m3
Northern Interior		Bulkley	3	All	2.97
		Cassiar	4	All	2.97
		Cranberry	42	All	2.97
		Dawson Creek	41	All	2.76
		Fort Nelson	8	All	3.76
		Fort St. John	40	All	2.76
		Kalum	10	All	2.97
		Kispiox	12	All	2.97
		Lakes	14	All	1.92
		Mackenzie	16	All	1.30
		Morice	20	All	1.92
		Nass	43	All	2.97
		Prince George	24	A, B, C	1.30
		Prince George	24	D	1.78
		Prince George	24	E, F, I	1.02
		Prince George	24	G, H	1.28
		1			2.97
		30			1.28
		41			2.97
		42			1.30
	48			2.76	
	53			1.28	
Southern Interior		100 Mile House	23	A, B, C, D	.80
		100 Mile House	23	E, F, G, H	.71
		Arrow	1	All	3.11
		Boundary	2	C, D, G	3.11
		Boundary	2	E, F	2.10
		Cranbrook	5	All	2.11
		Golden	7	All	3.76
		Invermere	9	All	2.11
		Kamloops	11	1	1.75
		Kamloops	11	2, 3, 4	1.27
		Kootenay Lake	13	All	2.29

5.6 Calculation of Stumpage Rate

5.6.1 Calculation of Indicated Stumpage Rate

The indicated stumpage rate for a cutting authority is defined as:

$$\text{ISR} = \text{IBR} + (\text{VI} - \text{IMVI})$$

Where:

ISR = Indicated Stumpage Rate

IBR = Interior Base Rate as defined in Section 5.5

VI = Value Index for the cutting authority as defined in Section 5.2

IMVI = Interior Mean Value Index, as defined in Section 5.3

5.6.2 Prescribed Minimum Stumpage Rate

The minimum stumpage rate is prescribed by the *Minimum Stumpage Rate Regulation* (B.C. Reg. 354/87). The current minimum stumpage rate is \$0.25 per cubic metre.

5.6.3 Reserve Stumpage Rate

For each cutting authority area, except those containing timber licence volume, the reserve stumpage rate is determined by selecting the greater of:

- the indicated stumpage rate, or
- the prescribed minimum stumpage rate.

5.6.4 Levies

1. A silviculture levy may be added to:
 - a. the reserve stumpage rate determined under section 5.6.3,
 - b. the stumpage rate determined under subsections 6.2(1), 6.2(2), 6.4(5) or section 6.5,
 - c. the reserve rate indicated in Table 6-4 for all species grades 4 and 6,
2. The levy is equal to the district 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.

5.6.5 Upset Stumpage Rate

The upset stumpage rate is the total of the reserve stumpage rate plus any development, silviculture and administration levies which may be charged as defined in section 5.6.4.

5.6.6 Total Stumpage Rate

1. Except as provided in subsection (2) of this section the total stumpage rate is the upset stumpage rate plus any bonus bid.
2. If the upset stumpage rate is determined under section 7.5.1(7), the total stumpage rate is equal to the MPS upset stumpage rate determined under that section.

Miscellaneous Timber Pricing Policies

6

6.1 Average Stumpage Rates by Forest Zone and Species

1. Each of the following forest zones referred to in Tables 6-1, 6-2 and 6-3 is made up of the corresponding forest district areas:
 - a. North Central Zone - Fort St. James, Mackenzie, Nadina, Prince George, Quesnel and Vanderhoof Forest Districts.
 - b. North East Zone - Fort Nelson and Peace Forest Districts.
 - c. North West Zone - Kalum and Skeena Stikine Forest Districts.
 - d. South East Zone - Arrow Boundary, Columbia, Headwaters, Kamloops, Kootenay Lake, Okanagan Shuswap and Rocky Mountain Forest Districts.
 - e. South West Zone - 100 Mile House, Cascades, Central Cariboo and Chilcotin Forest Districts.

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

Table 6-1 Average Sawlog Stumpage Rates by Forest Zone and Species

FOREST ZONE	BALSAM	CEDAR	FIR	HEMLOCK	LARCH	L. PINE	SPRUCE	Y. PINE	OTHER
North Central	13.91	-	12.03	13.82	-	12.73	14.01	-	13.13
North East	2.70	-	-	-	-	5.27	6.18	-	5.59
North West	3.84	3.44	-	3.82	-	3.43	4.80	-	3.82
South East	15.39	22.36	14.92	15.54	13.15	14.33	15.70	1.94	15.20
South West	12.98	9.03	12.38	9.87	16.09	11.17	13.04	12.09	11.75

2.
 - a. The sawlog stumpage rate for each species of coniferous timber harvested under a community forest agreement entered into under the *Forest Act* or an associated road permit, will be 15 percent of the sawlog stumpage rate for that species in Table 6-1.
 - b. The stumpage rate determined under paragraph (a) of this subsection shall be redetermined on August 1 of each year in accordance with this subsection.
3. Sections 1.4(d) and 6.1.1 through 6.5 do not apply to community forest agreements and associated road permits.

3. Each 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 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 m³ or less, the stumpage rate may be determined:
 - i. for a cutting authority other than a BCTS licence by an appraisal in accordance with chapters 2, 3, 4, 5, and
 - ii. for a BCTS licence by an appraisal in accordance with chapter 7.
- 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 the cutting authority area or from the cruise of a comparable cutting authority that has similar stand and terrain characteristics,
 - ii. the district manager may require the selection of a comparable cutting authority to be in accordance with procedures set out in section 2.1.2.2 of the *Cruising Manual*, and
 - iii. except as provided in sections 2.3(4) and 7.2.1(2) 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 immature stands or plantations where:
 - aa. seventy percent of the timber on the cutting authority area is Pine that has been damaged by mountain pine beetle, and
 - bb. at the time of death, the age of the damaged timber was not more than 50 years,

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. 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 stumpage rate for all timber harvested on the cutting authority area will be \$1.20/m³.
 - d. The upset stumpage rate for a licence to cut awarded to the highest bidder for the utilization of post harvest material where a waste assessment has been made and the material will be chipped or ground at the roadside or the landing, shall be \$0.25/m³.
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 (1)(a) or (1)(b) of this section shall not be less than the district's variable cost to prepare the timber for sale.
 4. Except as provided in section 2.2.2, where the stumpage rate is determined under this section, the total stumpage rate shall be fixed for the term of the cutting authority and all extensions.

6.3 Road Permits

1. 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.
2. Except as provided in subsections (3) and (7) of this section, the stumpage rate for a road permit shall be the weighted average sawlog stumpage rate for:
 - a. 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 permit cutting authority area is located, and that are issued under the licence that entitles the licensee to apply for the road permit, or
 - b. if the licence permitting the granting of the road permit has an allowable annual cut of 3 000 m³ or more per year, and there are no records from which the weighted average sawlog stumpage rate may be determined under:
 - i. paragraph (a), then, except as provided under subsection (6) of this section, all the cutting authorities, authorizing harvesting on cutting authority areas that have been fully appraised, that authorize the harvesting of timber on land located in the smaller of the area of the same forest district or the area of the same timber supply area in which the road permit cutting authority area is located, or
 - ii. paragraphs (a) or (b)(i), then, except as provided under subsection (6) of this section, all cutting authorities, authorizing harvesting on cutting authority areas that have been fully appraised, that authorize the harvesting of timber on land located in the larger of the area of the same forest district or the area of the same timber supply area in which the road permit cutting authority area is located, or
 - c. if the licence permitting the granting of the road permit has an allowable annual cut of less than 3 000 m³ per year, and there are no records from which the weighted average sawlog stumpage rate may be determined under:
 - i. paragraph (a), then, except as provided under subsection (6) of this section, all cutting authorities authorizing harvesting on cutting authority areas that have been fully appraised, that are for licences that have an allowable annual cut of less than 3 000 m³ in the smaller of the area of the same forest district or the area of the same timber supply area in which the road permit cutting authority area is located, or
 - ii. paragraphs (a) or (c)(i), then, except as provided under subsection (6) of this section, all cutting authorities, authorizing harvesting on cutting authority areas that have been fully appraised, that are for licences that have an allowable annual cut of less than 3 000 m³ in the larger of the area of the same forest district or the area of the same timber supply area in which the road permit cutting authority area is located, or

- iii. paragraphs (a), (c)(i) or (c)(ii) then, except as provided under subsection (6) of this section, all cutting authorities, authorizing harvesting on cutting authority areas that have been fully appraised that authorize the harvesting of timber on land located in the smaller of the area of the same forest district or the area of the same timber supply area in which the road permit cutting authority area is located, or
 - iv. paragraphs (a), (c)(i), (c)(ii), or (c)(iii) then, except as provided under subsection (6) of this section, all cutting authorities, authorizing harvesting on cutting authority areas that have been fully appraised that authorize the harvesting of timber on land located in the larger of the area of the same forest district or the area of the same timber supply area in which the road permit cutting authority area is located.
3. If there are no records from which the weighted average sawlog stumpage rate may be determined under paragraphs (a), (b) or (c) 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 permit cutting authority area is located.
 4. a. In paragraph (a) of subsection (2) of this section, the weighted average sawlog stumpage rate that is in effect for the period between June 1 of one year in this subsection hereinafter referred to as the first year, and May 31 of the following year is determined as follows:

$$\$/\text{m}^3 = \frac{(\text{sum of Grade 1 value billed}) + (\text{sum of Grade 2 value billed})}{(\text{sum of Grade 1 volume billed}) + (\text{sum of Grade 2 volume billed})}$$

- b. Subject to subsection (10) of this section, volumes and values in the formula above are taken from the history billing records for coniferous sawlogs during the 12-month billing period ending on March 31 in the first year, if the volume of those coniferous sawlogs is greater than 500 cubic metres.
5. a. In paragraphs (b) and (c) of subsection (2) of this section, the weighted average sawlog stumpage rate that is in effect for the period between June 1 of one year hereinafter referred in this section to as the first year, and May 31 of the following year is determined as follows:

$$\$/\text{m}^3 = \frac{(\text{sum of Grade 1 value billed}) + (\text{sum of Grade 2 value billed})}{(\text{sum of Grade 1 volume billed}) + (\text{sum of Grade 2 volume billed})}$$

- b. Subject to subsection (10) of this section, volumes and values in the formula above are taken from the history billing records for coniferous sawlogs during the 12-month billing period ending on March 31 in the first year, if the volume of those coniferous sawlogs is greater than 500 cubic metres.
6. A fully appraised cutting authority issued under a woodlot licence that has a non-adjusting stumpage rate at any time during the twelve-month billing period ending on March 31 in the first year may not be used to determine a stumpage rate under

paragraphs (b) and (c) of subsection (2) of this section for the period between June 1 of the first year and May 31 of the following year.

7. 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.
8. Except as provided in Appendix VI, the stumpage rate for a road permit shall be redetermined on June 1 of each year in accordance with the procedure in this section.
9. The costs of roads constructed 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).
10. No information from a billing history record may be used in the determination of a weighted average sawlog stumpage rate under this section if the information on the record is in a horizontal line of information that contains a negative number.

6.3.1 Blanket Salvage Cutting Permits

1. 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.
2. Except as provided in subsection (3) or subsection (5) of this section the stumpage rate for a blanket salvage cutting permit shall be the weighted average sawlog stumpage rate for:
 - a. 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 as is the land in which the blanket salvage permit cutting authority area is located, and that have been issued under the same licence, or
 - b. if the licence permitting the granting of the blanket salvage permit has an allowable annual cut of 3 000 m³ or more per year, and there are no records from which the weighted average sawlog stumpage rate may be determined under:
 - i. paragraph (a), then, except as provided under subsection (5) of this section, all cutting authorities, authorizing harvesting on cutting authority areas that have been fully appraised, that authorize the harvesting of timber on land located in the smaller of the area of the same forest district or the area of the same timber supply area in which the blanket salvage permit cutting authority area is located, or
 - ii. paragraphs (a) or (b)(i), then, except as provided under subsection (6) of this section, all cutting authorities, authorizing harvesting on cutting authority areas that have been fully appraised, that authorize the harvesting of timber on land located in the larger of the area of the same forest district

- or the area of the same timber supply area in which the blanket salvage permit cutting authority area is located, or
- c. if the licence permitting the granting of the blanket salvage permit has an allowable annual cut of less than 3 000 m³ per year, and there are no records from which the weighted average sawlog stumpage rate may be determined under:
 - i. paragraph (a), then, except as provided under subsection (5) of this section, all cutting authorities, authorizing harvesting on cutting authority areas that have been fully appraised, that are for licences that have an allowable annual cut of less than 3 000 m³ in the smaller of the area of the same forest district or the area of the same timber supply area in which the blanket salvage permit cutting authority area is located, or
 - ii. paragraphs (a) or (c)(i), then, except as provided under subsection (5) of this section, all cutting authorities, authorizing harvesting on cutting authority areas that have been fully appraised, that are for licences that have an allowable annual cut of less than 3 000 m³ in the larger of the area of the same forest district or the area of the same timber supply area in which the blanket salvage permit cutting authority area is located, or
 - iii. paragraphs (a), (c)(i) or (c)(ii) then, except as provided under subsection (5) of this section, all cutting authorities, authorizing harvesting on cutting authority areas that have been fully appraised, that authorize the harvesting of timber on land located in the smaller of the area of the same forest district or the area of the same timber supply area in which the blanket salvage permit cutting authority area is located, or
 - iv. paragraphs (a), (c)(i), (c)(ii) or (c)(iii) then, except as provided under subsection (5) of this section, all cutting authorities, authorizing harvesting on cutting authority areas that have been fully appraised, that authorize the harvesting of timber on land located in the larger of the area of the same forest district or the area of the same timber supply area in which the blanket salvage permit cutting authority area is located.
 3. If there are no records from which the weighted average sawlog stumpage rate may be determined under paragraphs (a), (b) or (c) of subsection (2), then the stumpage rate for each species of coniferous timber must be determined, using Table 6-1 for the forest zone in which the blanket salvage cutting authority area is located.
 4. a. In paragraph (a) of subsection (2) of this section, the weighted average sawlog stumpage rate that is in effect for the period between August 1 of one year hereinafter referred in this section to as the first year, and July 31 of the following year is determined as follows:

$$\$/\text{m}^3 = \frac{(\text{sum of Grade 1 value billed}) + (\text{sum of Grade 2 value billed})}{(\text{sum of Grade 1 volume billed}) + (\text{sum of Grade 2 volume billed})}$$

- b. Subject to subsection (8) of this section volumes and values in the formula above are taken from the billing history records for coniferous sawlogs during the 12-month billing period ending on March 31 in the first year, if the volume of those coniferous sawlogs is greater than 500 cubic metres.
5. A fully appraised cutting authority issued under a woodlot licence that has a non-adjusting stumpage rate at any time during the twelve-month billing period ending on March 31 in the first year may not be used to determine a stumpage rate under paragraphs (b) and (c) of subsection (2) of this section for the period between August 1 of the first year and July 31 of the following year.
6. a. In paragraphs (b) and (c) of subsection (2) of this section, the weighted average sawlog stumpage rate that is in effect for the period between August 1 of one year in this subsection hereinafter referred to as the first year, and July 31 of the following year is determined as follows:

$$$/m^3 = \frac{(\text{sum of Grade 1 value billed}) + (\text{sum of Grade 2 value billed})}{(\text{sum of Grade 1 volume billed}) + (\text{sum of Grade 2 volume billed})}$$

- b. Subject to subsection (8) of this section, volumes and values in the formula above are taken from the billing history records for coniferous sawlogs during the 12-month billing period ending on March 31 in the first year, if the volume of those coniferous sawlogs is greater than 500 cubic metres.
7. Except as provided in Appendix VI, the stumpage rate for a blanket salvage cutting permit shall be redetermined on August 1 each year in accordance with the procedure in this section.
8. No information from a billing history record may be used in the determination of a weighted average sawlog stumpage rate under this section if the information on the record is in a horizontal line of information that contains a negative number.

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.
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 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 stumpage rate for each species of the salvaged timber will be determined using the schedule of Sawlog Stumpage Rates for Salvage of Damaged Timber by Forest Zone and Species found in Table 6-2.
 - effective April 1, 2007, where the licensee 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 the sum of rate determined under paragraph (a) of this subsection and the silviculture levy determined under section 5.6.4.
6. Where the source of the salvaged timber is post harvest material, the stumpage rate for each species of timber will be determined using the schedule of Sawlog Stumpage Rates of Post Harvest Material by Forest Zone and Species found in Table 6-3.
7. Where a species of timber is not listed in Table 6-2 and 6-3, the rate that shall be used for that species of timber is the rate listed in the column headed as OTHER.

Table 6-2 Average Sawlog Stumpage Rates for Salvage of Damaged Timber by Forest Zone and Species (\$/m³)

FOREST ZONE	BALSAM	CEDAR	FIR	HEMLOCK	LARCH	L. PINE	SPRUCE	Y. PINE	OTHER
North Central	8.35	-	10.83	8.29	-	9.55	12.61	-	7.88
North East	1.62	-	-	-	-	3.95	5.57	-	3.35
North West	2.30	3.09	-	2.29	-	2.57	4.32	-	2.29
South East	9.23	20.12	13.43	9.32	11.84	10.74	14.13	1.46	9.12
South West	7.79	8.13	11.14	5.92	14.48	8.37	11.74	9.07	7.05

Table 6-3 Average Sawlog Stumpage Rates for Salvage of Post Harvest Material by Forest Zone and Species (\$/m³)

FOREST ZONE	BALSAM	CEDAR	FIR	HEMLOCK	LARCH	L. PINE	SPRUCE	Y. PINE	OTHER
North Central	3.48	-	6.02	3.45	-	6.37	7.00	-	3.28
North East	0.68	-	-	-	-	2.63	3.09	-	1.40
North West	0.96	2.75	-	0.95	-	1.71	2.40	-	0.96
South East	3.85	17.89	7.46	3.89	6.58	7.16	7.85	0.97	3.80
South West	3.24	7.22	6.19	2.47	8.04	5.58	6.52	6.05	2.94

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 5.6.4 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 6-2 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 5.6.4 and:**
 - a. The district's 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 6-2 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 5.6.4 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 6-3 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 5.6.4 and:
 - a. The district's variable cost to prepare the timber for sale if three years or more have past since the timber was felled, or
 - b. The stumpage rate from Table 6-3 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) and 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 subsections (1) of this section, as if the timber was all decked timber and the silviculture levy determined under section 5.6.4.
 - 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 5.6.4.
- 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).
 - 9. Notwithstanding any other paragraph of this section the stumpage rate shall not be less than the minimum stumpage rate.

6.6 Miscellaneous Stumpage Rates

1. 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 6-4 are as prescribed in that table.

Table 6-4 Miscellaneous Stumpage Rates

All Interior Forest Regions

Species	Code	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		All post harvest material where a waste assessment has been made and the material will be chipped or ground at the roadside or the landing	\$0.25/m ³
All Species		Grades 4 and 6, except where the upset stumpage rate is determined under section 6.2.1(1)(b),(c) and 7.5.1(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)(b),(c) and 7.5.1(7)	\$0.50/m ³
All Species		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 Species		Trees classified as "Dead Potential" on Cruise-based cutting authorities (except where the MPS upset stumpage rate is calculated under Section 7.5.1(7))	\$0.25/m ³
All Coniferous		For logs harvested from the Alex Fraser (UBC), Aleza Lake (UBC and UNBC) and Fort St. James (UNBC) Research Forests	\$0.25/m ³
All Species		Firmwood Reject	NIL

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	\$2,771/ha
	Peace	\$1,284/ha
	Ft. Nelson	\$773/ha
	Mackenzie	\$1,404/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 m³ or less, of merchantable coniferous volume. For pipe line rights-of-way cutting authorities greater than 2 000 m³ 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 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,
- A highway right-of-way for a road administered by the *Ministry of Transportation*, or
- A fence line or protection of a fence line on Crown range administered by the ministry under the *Range Act*.

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

“Weighted average sawlog stumpage rate” means the weighted average sawlog stumpage rate determined in accordance with section 6.3(4).

2. The stumpage rate for a linear tenure shall be:

- a. The weighted average sawlog stumpage rate for all cutting authorities in the smaller of the same forest district, timber supply area or region in which the entire cutting authority area for the linear tenure is located, or
- b. If a weighted average sawlog stumpage rate is not available for the area in paragraph (a) above, then the weighted average sawlog stumpage rate for the next largest area.

3. The cost 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 cost were not used in a full appraisal under paragraph (4) of this section.

4. Notwithstanding any other paragraph in this section the stumpage rate for a linear tenure may be determined through a full appraisal using the best information available to the person who determines the stumpage rate.

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

7.4 Market Price Calculation

The market price must be calculated in accordance with this section

7.4.1 Market Price Variables

The calculation of each market price variable must include the total net deciduous volume unless otherwise indicated in the description of that variable below.

MP	=	Market Price for the cutting authority in (\$/m ³).
RSP	=	Real Stand Selling Price for coniferous species (\$/m ³). See section 7.3.
PC	=	Fraction of harvest method volume that is appraised as partial cut. $PC = (100 - CAPCUT \%) / 100$. See section 4.9 for definition of CAPCUT %. The 80% limit in section 4.9 does not apply.
FIR	=	Fraction of total net coniferous volume that is Douglas fir.
VOL	=	Total net coniferous volume (m ³).
CY	=	Fraction of total harvest method volume that is appraised as overhead cable yarding.
HP	=	Fraction of total harvest method volume that is appraised as helicopter yarding.
HORSE	=	Fraction of total harvest method volume that is appraised as horse 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 section 4.5.1.
HB	=	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).
DECID	=	Total net deciduous volume (m ³) / (total net deciduous volume (m ³) + total net coniferous volume (m ³)).
SLOPE	=	Cutting permit average slope from cruise (%).

DANB	=	Average number of bidders by district from the auction dataset (see Table 7-2).
DECAY	=	Prorated coniferous species decay (%) from cruise/100.
Z9	=	Fort Nelson - Peace selling price zone variable. Z9 = 1 if cutting authority is appraised with selling price zone 9, otherwise Z9 = 0.
AUC2007	=	2007 Auctions variable. AUC2007 = 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.
GO	=	Fraction of the total net coniferous volume that is Lodgepole pine green attack plus the fraction of total net coniferous volume that is other attack.
RG	=	Fraction of the total net coniferous volume that is Lodgepole pine red attack plus the fraction of the total net coniferous volume that is Lodgepole pine grey attack.
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 Revenue Branch.
CD	=	Competitive Deciduous Equals 1 if the upset stumpage rate is determined under section 7.5.1(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.

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