



File: 280-20  
Ref: 192083

OCT 31 2012

To: Interior Executive Directors

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

Re: Amendment No. 1 to the *Interior Appraisal Manual*

I hereby approve Amendment No. 1 to the *Interior Appraisal Manual* and attach a copy for your use. Please see the attached highlights document for the sections that have been amended.

This amendment will come into force on November 1, 2012. Further amendments or revisions to this manual require my approval.

Steve Thomson  
Minister

Attachment

pc: Murray Stech, Director, Timber Pricing Branch  
Grant Loeb, Manager Timber Pricing, Timber Pricing Branch  
Merva Lyons, Forest Revenue Manager, Thompson Okanagan Region  
Shawn Rice, Team Leader Revenue, Omineca Region

**Interior Appraisal Manual - Amendment 1 Highlights**

Section 1.1 – Definition topic bolded.

Section 1.5.1.1 – Section references corrected.

Section 2.2.1(1)(h)(iii)&(iv) – typos corrected.

Section 2.2.1 (4) – Typo corrected.

Section 2.2.1.2(4) – Typo corrected and errata from July 1, 2012, confirmed.

Section 3.3 – VOL variable (b) clarification added.

Section 3.5.1.1 (4) (b) – Typo corrected.

Section 4.2.2 – Section title revised for clarity.

Section 4.3.1.4 (2)(c)&(d) – Errata from July 1, 2012, is confirmed and additional text inadvertently omitted July 1, 2012, is re-instated.

Section 4.3.2.2(5) – Text added for clarity.

Section 4.3.3(3) – omitted text re-instated.

Section 4.4.2 – Revised text now uses the term “Interim Road Management cost estimate” and “Interim Road and Land Use Charges”

Section 5.2.4(1)(b) – section references updated.

Section 6.1 – The coniferous average sawlog stumpage rates in Table 6-1 are updated.

Section 6.1.2 – The coniferous average sawlog stumpage rates in Table 6-2 are updated.

Section 6.1.3 – Option for full appraisal added

Section 6.2(6)(b) – Stumpage rate now fixed instead of adjustable for the term and all extensions.

Section 6.2.1(1)(e) – Reference changed to Table 6-6.

Section 6.4 – The coniferous average sawlog stumpage rates in Tables 6-4 and 6-5 are updated.

Section 6.5 – Revised section title for clarity.

Section 6.6 – Table 6-6 - Removed the restriction on application of “chips and hogged material” stumpage rate to the primary timber mark.

Section 6.9(3) – Revised section reference.



**MANUAL REVISION  
TRANSMITTAL**

<p>FOR FURTHER INFORMATION OR IF YOU HAVE A CHANGE OF ADDRESS, PLEASE CONTACT:</p> <p>Bob Bull Senior Timber Pricing Forester (Interior) Timber Pricing Branch Ministry of Forests, Lands and Natural Resource Operations 1<sup>st</sup> Floor, 1520 Blanshard Street Victoria, BC V8W 3K1</p> <p>Phone: 250 – 356 – 7709 Email: Bob.Bull@gov.bc.ca FAX: 250 - 387-8393</p>	<b>MANUAL TITLE</b>	
	Interior Appraisal Manual	
	<b>AMENDMENT</b>	<b>ISSUE DATE</b>
	Amendment No. 1	November 1, 2012
<b>MANUAL CO-ORDINATOR</b>		
Ashley Sasaki Publication/Administrative Co-ordinator		
<b>AUTHORIZATION</b>		
Murray Stech Director, Timber Pricing Branch		

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

ACTION (Remove/Insert)	(VOL.) CHAPTER-SECTION-SUBJECT TABLE OF CONTENTS	PAGE(S)	COMMENTS
Remove Insert	Table of Contents	3-4	After Table of Contents Tab
Remove Insert	Chapter 1	5-6 11 -12	After Chapter 1 Tab
Remove Insert	Chapter 2	5-8	After Chapter 2 Tab
Remove Insert	Chapter 3	5-8 11-12 17-18	After Chapter 3 Tab
Remove Insert	Chapter 4	3-4 7-8 11-12 17-18 27-28	After Chapter 4 Tab
Remove Insert	Chapter 5	5-6	After Chapter 5 Tab
Remove	Chapter 6	1-22	After Chapter 6 Tab Pages 21 and 22 no longer exist due to formatting/shifting of pages.
Insert	Chapter 6	1-20	
INSERT	Letter from Minister and Transmittal Sheet		After Amendments Tab



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**“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);

**“Timber Pricing Branch”** means the Timber 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 a regional executive director of the Ministry or except for section 1.2.1(1)(b), 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 harvested from the cutting authority area 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 compilation;

**“Skyline System”** means a cable logging system used to fully suspend logs for protection of the soil, for crossing streams without damage, or to yard logs for long distances. Skyline systems may use intermediate supports to reduce the sag in long cables.

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



### 1.5.1.1 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<sup>3</sup> if:
    - i. the area is in an approved Emergency Bark Beetle Management Area (EBBMA) as designated by the Minister 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.
5. Comparative cruise data may be utilized when the stumpage rate is determined according to sections 6.2(6), 6.2.1 and 6.7(4).

### **1.5.2 Appraisal Data Forms**

1. Unless otherwise specified in paragraph (b) of this section, the form of ADS required by the director for:
  - a. The Market Pricing System is the Electronic Commerce Appraisal System (ECAS) which can be found at:

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

A submission in ECAS must be signed by a forest professional.

- b. Miscellaneous timber pricing is the Interior Stumpage Rate Request Form (short form). Contact the appropriate regional office for the form. The short form must be signed by a forest professional unless appraised under sections 6.1.1, 6.1.2 or 6.3.

### **1.5.3 Appraisal Map**

The appraisal map must be completed in accordance with the requirements of Appendix IV and must be submitted with the ADS in ECAS.

- ii. the total appraised development cost estimate used in the most recent appraisal or reappraisal, where this difference results from circumstances other than a change in the manual or a change as a result of a stumpage adjustment.
- c. If the cutting authority is scale based and there has been a change in the harvest area when compared to the appraisal map submitted that exceeds the lesser of:
  - i. 15 hectares, or
  - ii. 15 percent of the harvest area for the cutting authority indicated on the appraisal map prior to the change,
- d. If the cutting authority is cruise based and there has been a change in the harvest area when compared to the appraisal map submitted that exceeds the greater of:
  - i. three hectares; or
  - ii. three percent of the harvest area indicated on the appraisal map prior to the change.

If the change in the harvest area does not exceed the above thresholds of this subsection, the net merchantable area used for billing purposes shall still be updated to the new harvest area in the ministry's billing system.

- 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 15% 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 July 1, 2010 and surrendered on or after July 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 25% 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 July 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 July 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.
- h. The most recent appraisal or reappraisal included:
  - i. a Skyline or Camp specified operation; or
  - ii. root disease control as part of the tenure obligation adjustment; and
  - iii. a Camp or skyline was never used or skyline, or root disease control was never carried out on the cutting authority area in an amount greater than three hectares or three percent of the area indicated on the appraisal map; or
  - iv. the operations listed in paragraphs i. and ii in this subsection were not included in the most recent appraisal or reappraisal but were subsequently carried out by the licensee beyond the threshold in paragraph iii. of this subsection and met the requirements of this manual.
- 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  $\$0.25/\text{m}^3$  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  $\$0.25/\text{m}^3$ , 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 or bonus offer 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.
  - a. Except for a changed circumstance under section 2.2.1(1)(e), the licensee must submit an appraisal data submission to the district manager within sixty days of completion of log transportation activities or no later than thirty days prior to the expiry of the cutting permit whichever comes first, if the cutting authority must be reappraised because of a changed circumstance under section 2.2.1.
  - b. If the change in harvest area referred to under sections 2.2.1(c) and (d) includes a portion of the cutting authority area for which cruise information is not available, the person who determines the stumpage rate may use the best information that person deems available in the reappraisal.
  - c. For a changed circumstance under section 2.2.1(1)(e), the licensee must submit an appraisal data submission to the district manager within thirty days of the date when the event that caused the sudden and severe damage stopped on the cutting authority area.
  - d. Thereafter the changed circumstance procedure for paragraph (a) or (b) of this section is the same as required by sections 2.1(3) to 2.1(11).
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 (2) 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(11).

#### 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,

the changed circumstance reappraisal is effective on the day after the date the changed circumstance reappraisal stumpage rate is calculated.

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. Except as provided in subsection 2 of this section, where the most recent reappraisal is a minister's directed reappraisal under section 2.2.2 or an insect damage reappraisal under section 2.2.3, the effective date of a changed circumstance reappraisal:
  - a. Under section 2.2.1(1)(f) or 2.2.1(1)(g) is the day after the date of the most recent appraisal or reappraisal that is not a reappraisal under section 2.2.2 or section 2.2.3.
  - b. Under any other subsection of this section, is the day after the date of the most recent appraisal or reappraisal that is not a reappraisal under section 2.2.2 dated after July 1, 2010, or a reappraisal under section 2.2.3.

## 2.2.2 Minister's Direction

1. The Minister may at any time 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(11) except as may otherwise be directed by the Minister.

### 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<sup>3</sup>). 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<sup>3</sup>).
- a. If the cutting authority being appraised is a BCTS licence, use the total net coniferous volume from the cutting authority area cruise compilation.
  - b. **If the cutting authority being appraised is issued under a licence** indicated in the small volume table and procedures approved by the Director, the initial small volume (ISV) is the greater of:
    - i. The volume of the cutting authority being appraised, or
    - ii. The volume indicated in the table and procedures approved by the director for the licence under which the cutting authority being appraised has been issued.

If the ISV is less than the applicable zonal volume indicated in Table 3-3 for the cutting authority being appraised, then use the ISV. If not, use the Zonal volume from Table 3-3. Otherwise,
  - c. Use the applicable zonal volume from table 3-3 for the cutting authority being appraised.
- CABLE = Fraction of total harvest method volume that is appraised as overhead cable yarding (includes Skyline < 600m horizontal)
- 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 3.5.1.3.
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.
CEDAR DECAY	= Cedar decay % (from cruise)/100
ZONE 6	= Skeena selling price zone variable. Zone 6 = 1 if cutting authority is appraised with selling price zone 6, otherwise zone 6 = 0.
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 ( $m^3/ha$ ).
OTHER ATTACK	= Fraction of total net coniferous cruise volume that is other insect attack (not green, red, or grey mountain pine beetle attack).
CB	= Cruise based billing for mountain pine beetle damage variable. CB = 1 if section 6.9 is applicable, otherwise CB = 0.
AUC2011	= 2011 Auctions variable. AUC2011 = 1.
HWY	= 1 if primary haul method is Highway, otherwise HWY = 0.
ER	= Exchange Rate (\$US per \$C). Bank of Canada three-month average rate beginning five months prior to the stumpage rate effective date, as published by Timber Pricing Branch.
CD	= Competitive Deciduous Equals 1 if the upset stumpage rate is determined under section 5.1.1(5), otherwise CD = 0.
DECID	= Fraction of deciduous volume of total net cruise volume.
CPI	= Monthly B.C. Consumer Price Index (CANSIM 326-0020, 2002 = 100) x 1.1787.



- CPIF = Consumer Price Index Factor calculated as  $CPI/109.3$ .
- FIR = Fraction of total net coniferous volume that is Douglas Fir.
- DRY BELT = Fraction of area in Dry Belt Douglas Fir Zones as per the definition in the *Cruising Manual*.

**Table 3-2 District Average Number of Bidders (DANB)<sup>1</sup>**

Forest District	DANB	Forest District	DANB
100 Mile House	4.0	Kootenay Lake	2.4
Arrow Boundary	2.3	Mackenzie	1.7
Cascades	3.9	Nadina	3.4
Central Cariboo	4.4	Okanagan Shuswap	3.4
Chilcotin	3.0	Peace	1.7
Columbia	2.5	Prince George	3.5
Fort Nelson	1.0	Quesnel	4.3
Fort St. James	2.1	Rocky Mountain	2.2
Headwaters	2.6	Skeena Stikine	3.2
Kalum	1.9	Vanderhoof	2.0
Kamloops	3.7		

**Table 3-3 Zonal Volume<sup>2</sup>**

Zone	Volume (m <sup>3</sup> )
5	64945
6	41209
7 OK	50971
7 SE	43154
8	62532
9	34566

<sup>1</sup> From the 5-year auction dataset.

<sup>2</sup> 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.

- b. from the junction in subparagraph (a), determine the cycle time to the nearest point over which all appraised timber on the cutting authority area must travel on the way to the POA. This will be the common junction.
  - c. weight the cycle time from the junction for each cutblock by the cutblock volume to determine the average weighted cycle time to the common junction.
  - d. Determine the cycle time from the common junction to:
    - i. the point of appraisal as per section 3.5.2,
    - ii. the appraisal place of unloading,
    - iii. if the conditions under section 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.

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 calculation 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, 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.

**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			

5. Where two licensees share the costs referred to in paragraph three and four of this section for a single camp:
  - a. There is a written agreement between the two licensees documenting the cost sharing arrangement and specifying each party's contribution,
  - b. One of the two licensees does not contribute more than 60% of the costs, and
  - c. Each licensee compiles a statement of costs net of recoveries and volume attributable to its harvesting operations serviced by the camp.
6. Where a cutting authority area serviced by a camp may be accessed only by rail, the camp specified operation is \$2.50/m<sup>3</sup>, otherwise the specified operation is \$1.33/m<sup>3</sup> for all other types of access.

**3.6.4 Skyline and Intermediate Support Skyline**

1. Except as provided in paragraph 4 of this section, a skyline specified operation cost estimate may be included in an appraisal for each cut block where the average yarding distance (slope) is greater than 300 meters, or intermediate supports are used.
2. The average yarding distance is determined by:
  - a. Drawing a series of transects (minimum four) with their origin at a tower 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.
  - b. Yarding distance will be measured as slope distance from the centre of the tower landing to the falling boundary.
  - c. The sum of transect lengths divided by the number of transects equals the average yarding distance.
3. 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.
4. Cut blocks where the average yarding distance is 600 meters or greater (measured horizontally) will be considered as helicopter in the appraisal.

5. The specified operation is \$1.39/m<sup>3</sup> for the volume appraised as skyline.

### **3.6.5 Horse Logging**

The specified operation is \$8.67/m<sup>3</sup> 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 \$3.09/m<sup>3</sup>, the high development cost specified operations estimate (HDC) is calculated as follows:

$$\text{HDC } \$/\text{m}^3 = \text{DC} - 1.29$$

$$\text{If } \text{DC} \leq 3.09, \text{ HDC} = 0$$

## 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:

$$\text{FMA } (\$/\text{m}^3) = 0.8748 + (0.2318 \times \text{CP slope } \%)$$

Where:

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

There is a minimum value of \$1.20/m<sup>3</sup> for this equation and a maximum value of \$14.19/m<sup>3</sup>.

### 4.2.2 Final Forest Management Administration (FFMA)

1. For cruise based cutting authorities:

$$\text{FFMA } (\$/\text{m}^3) = \text{FMA } (\$/\text{m}^3)$$

2. For scale based cutting authorities:

$$\text{FFMA } (\$/\text{m}^3) = \text{FMA } (\$/\text{m}^3) * \frac{[\text{TNCV } (\text{m}^3) + \text{D}(\text{m}^3)]}{\text{TNCV}(\text{m}^3)}$$

Where:

TNCV = Total net coniferous volume from the cruise

D = Total net deciduous volume from the cruise

### 4.3 Development

1. The total development cost estimate in an appraisal or reappraisal must be determined in accordance with and subject to the conditions of this section.
2. There are two categories of development, namely:
  - a. New construction projects.
  - b. Reconstruction and replacement projects.
3. A development cost estimate that may be calculated under this section is calculated for each road, bridge or other drainage structure that is required to be newly constructed, reconstructed or replaced by the licensee on Crown land, or as provided in section 4.3.1.2, in order for the licensee to access Crown timber that it is authorized to harvest.
4. The total development cost estimate is the total of all of the development cost estimates that are calculated under subsection 3 in accordance with the procedures in the document titled “*Specifications: the Interior Market Pricing System.*”
5. The two methods of estimating development costs are as follows:
  - a. Tabular cost estimate: A tabular cost estimate is made in accordance with sections 4.3.2 through 4.3.2.6 when the project is a new construction project, other than a situation listed in section 4.3.3(7).
  - b. Detailed engineering cost estimate (ECE): an ECE is made in accordance with sections 4.3.3 and 4.3.3.1 when:
    - i. a new construction project is a situation listed in section 4.3.3(7), or,
    - ii. the project is a reconstruction or replacement project.
6. Subject to section 4.3.1.4 and to subsection 12 of this section, the development cost estimate of a project, or the licensee’s share of the cost of a project, that has been authorized may only be used in the appraisal or reappraisal of the licensee’s first fully appraised tributary cutting authority area that is authorized for harvest by the licence under which or because of which that authorization has been given.
7. A development cost allocation made in accordance with section 4.3.1 applies to all development cost estimates made under this section.
8. Where a licensee undertakes a new construction project or a reconstruction or replacement project using materials that it has either purchased from a person who is not at arm’s length from the licensee or that it has previously used at another location, the cost estimate of the project may only include the cost of:



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

All cost estimates are prorated between appraised timber and non-appraised timber or non-timber resources as determined by the person who determines the stumpage rate. The appraised timber portion is then included in the appraisal.

#### 4.3.1.2 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 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) and then the Crown portion is included in the appraisal.

#### 4.3.1.3 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. 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.

#### 4.3.1.4 Amortization Agreements

1. Where the development cost estimate for an authorized project in respect of a road or roads accessing more than one tributary cutting authority exceeds \$4.00 per cubic metre, the regional manager may enter into a written agreement with the licensee which authorizes the distribution of that portion of the development cost estimate that the person who determines the stumpage rate determines is required in order to access future tributary timber, between or among, as the case may be, two or more tributary cutting authorities that are issued under the licence under which or because of which the authorization for the project was given.
2. An agreement under subsection (1) is subject to the following conditions:
  - a. For the purposes of this section, “authorized project” means a project that the person who determines the stumpage rate has accepted as consistent with this manual.
  - b. Previously apportioned costs may not be used to exceed the \$4.00 per cubic metre threshold specified in subsection (1) of this section.
  - c. The agreement must identify any future tributary timber included in the agreement by a unique identifier for each future cutting authority **along with the costs being apportioned to each cutting authority identified in the agreement.**
  - d. Costs for in-block development are **not** eligible for inclusion in the agreement unless the person who determines the stumpage rate is satisfied that they are required to access future tributary timber.
  - e. The road portion that may be included in the agreement ends at the far boundary of the first cutting authority being appraised.
  - f. The agreement 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.
  - g. The agreement must be signed by the licensee and the regional manager.
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. 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 % may show a variation (+/- 15% about the average) within any section length and represents the average of all rock % in the section to a maximum of 50%. To derive an average % rock, representative cross-section measurements are taken along the section length and the % 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 % 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 %.

## 5. Soil Moisture Regime (SMR):

Those biogeoclimatic zones/subzones with site series identified as “M”, “VM” or “W” in the dark shaded area of the table in Appendix III are considered “Wet” for appraisal purposes. The zones/subzones with site series identified as “SD” and “F” in the light shaded area are considered “Moist”. **Those zones/subzones with the site series identified as “ED”, “VD”, “MD” in the unshaded area are considered “DRY”.**

## 6. Biogeoclimatic Zone Abbreviations Used in This Chapter

SBS	-	Sub-Boreal Spruce
ESSF	-	Engelmann Spruce Subalpine Fir
IDF	-	Interior Douglas 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(7)(n)
2	$7998 + (110 * \text{SLOPE}\%)$
3	$3857 + (75 * \text{SLOPE}\%) + (1911 * \text{LT})$
4	$2862 + (104 * \text{SLOPE}\%) + (3346 * \text{LT}) + (1193 * \text{SBS})$
5	$4683 + (59 * \text{SLOPE}\%) + (2464 * \text{LT}) - (892 * \text{ESSF})$
6	$4683 + (59 * \text{SLOPE}\%) + (2464 * \text{LT}) - (892 * \text{ESSF})$
7	$4737 + (100 * \text{SLOPE}\%) + (1929 * \text{LT})$
8	$3870 + (2188 * \text{LT}) + (1100 * \text{SBS}) - (1255 * \text{IDF})$
9	$3846 + (82 * \text{SLOPE}\%) + (130 * \text{ROCK}\%) + (7296 * \text{LT}) - (1714 * \text{MS})$
10	$1647 + (234 * \text{SLOPE}\%) + (7285 * \text{LT})$
11	$- 18 + (438 * \text{SLOPE}\%) + (474 * \text{ROCK}\%) + (14384 * \text{LT})$ (\$5812/km set as minimum. If equation yields less than \$5812 then use \$5812)
12	$3264 + (348 * \text{SLOPE}\%) + (5154 * \text{LT})$ (\$3283/km set as minimum. If equation yields less than \$3283 then use \$3283)

Where:

Road groups are defined in Table 4-1.

LT	=	1 if a long term road, otherwise = 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
IDF	=	1 if road construction is within this biogeoclimatic zone. Otherwise IDF = 0
MS	=	1 if road construction is within this biogeoclimatic zone Otherwise MS = 0

#### Snow and Ice (Winter) Roads

The subgrade cost estimate for new snow and ice roads is \$2870/km.

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(7)(n)
2	7771
3	9609
4	$5381 + (486 * D)$
5	10282
6	10282
7	10282
8	6863
9	6863
10	9533
11	9533
12	9533

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)

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                   | \$5546 each  |
| b. | Remedial Fences and Wing Fences | \$830 per 100 m<br>(post and wire, post and rail and/or log snake fence construction only) |

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

\$4271 per single pipe crossing

\$2570 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 (ECE)

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 from the manual in effect at the time the costs were incurred. Due consideration is given to arm's length competitive bids for any specific project. The Crown is not liable for any difference between the appraisal estimate and the 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 the actual on-site information is known prior to the appraisal that information shall be used in the ECE as determined by the person who determines the stumpage rate.
6. Where road sections estimated as a detailed engineered cost estimate are contiguous with tabular cost estimates, costs for mobilization and demobilization will only be

#### **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 provincial government.

###### **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 Final Road Management (FRM)

The Final Road Management (FRM) cost estimate is determined as follows:

1. For cruise based cutting authorities:

$$\text{FRM } (\$/\text{m}^3) = \text{RM } (\$/\text{m}^3) + \text{RU } (\$/\text{m}^3)$$

2. For scale based cutting authorities:

$$\text{IRM } (\$/\text{m}^3) = \frac{\text{RM } (\$/\text{m}^3) * [\text{TNCV } (\text{m}^3) + \text{D } (\text{m}^3)]}{\text{TNCV } (\text{m}^3)}$$

$$\text{IRU } (\$/\text{m}^3) = \frac{\text{RU } (\$/\text{m}^3) * [\text{TNCV } (\text{m}^3) + \text{D } (\text{m}^3)]}{\text{TNCV } (\text{m}^3)}$$

$$\text{FRM } (\$/\text{m}^3) = \text{IRM } (\$/\text{m}^3) + \text{IRU } (\$/\text{m}^3)$$

Where:

**IRM** = Interim Road Management cost estimate

**IRU** = Interim Road and Land Use Charges

**RM** = Road Management cost estimate from table 4-4

**RU** = Road and land use charges applicable under section 4.4.1

**TNCV** = Total Net Coniferous Volume from the cruise

**D** = Total net deciduous volume from the cruise



## **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:

$$\text{IR} = \text{FEWB} - \text{FTOA}$$

### **5.2.2 Reserve Stumpage**

The reserve stumpage for a cutting authority is determined by selecting:

1. The greater of:
  - a. the indicated rate, or
  - b. the minimum stumpage rate.
2. The greater of:
  - c. the upset stumpage rate or value, or
  - d. the minimum stumpage rate or equivalent value.

### **5.2.3 Stumpage Rate**

1. Unless otherwise provided in subsection 2 of this section, the total stumpage is the sum of the reserve stumpage plus any administration and silviculture levies which may apply under section 5.2.4.
2. If the cutting authority is awarded on the basis of competition, the total stumpage is:
  - a. the sum of the reserve stumpage plus the bonus bid, or
  - b. the sum of the reserve stumpage plus the bonus offer.

#### **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), 6.2(3) 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

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**6**

## 6.1 Coniferous Average Sawlog 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<sup>3</sup> by Forest Zone and Species**

FOREST ZONE	BALSAM	CEDAR	FIR	HEMLOCK	LARCH	L. PINE	SPRUCE	Y. PINE	OTHER <sup>1</sup>
North Central	5.64	-	14.04	-	-	3.74	7.77	-	6.52
North East	0.97	-	-	-	-	2.11	2.77	-	2.53
North West	1.77	3.85	-	2.86	-	4.62	2.94	-	3.02
South East	6.86	13.22	10.82	8.51	10.41	7.05	6.67	9.21	8.37
South West	7.15	10.47	9.49	5.79	-	8.29	6.34	-	7.93

<sup>1</sup> 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<sup>3</sup>**

FOREST ZONE	BALSAM	CEDAR	FIR	HEMLOCK	LARCH	L. PINE	SPRUCE	Y. PINE	OTHER <sup>1</sup>
North Central	0.85	-	2.11	-	-	0.56	1.17	-	0.98
North East	0.25	-	-	-	-	0.32	0.42	-	0.38
North West	0.27	0.58	-	0.43	-	0.69	0.44	-	0.45
South East	1.03	1.98	1.62	1.28	1.56	1.06	1.00	1.38	1.26
South West	1.07	1.57	1.42	0.87	-	1.24	0.95	-	1.19

<sup>1</sup> 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% 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.
4. Notwithstanding subsection (2) in this section, the stumpage rate may be determined through a full appraisal in accordance with chapters 1, 2, 3, 4, and 5.

## 6.2 Cutting Authorities With 5 000 m<sup>3</sup> or Less Volume

1. Where the total coniferous volume to be harvested in a cutting authority area is 2 000 m<sup>3</sup> 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 4 of this section or section 6.2.1, where the total coniferous volume to be harvested on a cutting authority area is 5 000 m<sup>3</sup> 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. Except as provided in 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. Where the cutting authority authorizing harvesting is a competitively awarded licence to cut other than a BCTS licence, and
  - a. The total net cruise volume is 5000m<sup>3</sup> or less, and
  - b. The cutting authority has been approved as cruise based under section 106 of the Act,  
  
the upset shall be no less than the district's cost to prepare the timber for sale as calculated by the district manager and the total stumpage shall apply to all species of timber on the cutting authority area.
4. 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.
5. Except as provided in section 2.2.2, where the upset stumpage rate is determined under this section, the total stumpage is fixed for the term of the cutting authority and all extensions.
6.
  - a. Notwithstanding subsections (1), (2) or (3) of this section, where the total coniferous volume to be harvested on a cutting authority area is 5 000 m<sup>3</sup> 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 the total stumpage rate is **fixed for the term** 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 70% 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, and shall apply to the net merchantable volume on the cutting authority area.
  - c. Where the forestry licence to cut is issued without competition for the purposes described in paragraph (a)(i) of this section the sawlog stumpage rate for such species of coniferous timber shall be:
    - i. Except as provided in (ii), the stumpage rate in Table 6-1 for the forest zone in which the cutting authority area is located.
    - ii. If more than one-third of the total volume of coniferous timber on the cutting authority area is damaged timber as defined in section 6.4(3) then the stumpage rate in Table 6-4 for the forest zone in which the cutting authority area is located.
    - iii. When the licence to cut is issued to the lowest eligible bidder on a contract issued for the purpose referred to in paragraph (a)(i) of this subsection, the stumpage rate determined from the applicable paragraph (c)(i) or (c)(ii) above.
  - d. Where the forestry licence to cut is issued without competition meets the requirements set out in paragraph (a)(ii) of this section, the coniferous sawlog stumpage rate shall be \$1.20/m<sup>3</sup> when the licence to cut is issued to the lowest eligible bidder on a contract issued for the purpose referred to in paragraph (a)(ii).
  - e. Notwithstanding any paragraph in this subsection when the timber on the cutting authority area will be scaled as chips or hogged tree material the **reserve** stumpage rate shall be the **rate from Table 6.6**.
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 and must not be less than the district's variable cost to prepare the timber for sale as calculated by the district manager.
  3. Notwithstanding subsections 1(c) or (d) the stumpage rate for the forestry licence to cut may be determined in accordance with chapters 1, 2, 3, 4 and 5. The cruise data that is used in the appraisal may be from the cruise of a comparable cutting authority as per section 1.5.1.1.
  4. Except as provided in section 2.2.2, when 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 Timber 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 scaled based 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 <sup>3</sup> )	TSA	Rate (\$/m <sup>3</sup> )
Arrow Boundary Forest District	7.22	Arrow TSA	8.27
		Boundary TSA	6.15
		Cascadia TSA Blks 1, 2, 3, 4	8.27
Cascades Forest District	9.58	Merritt TSA	10.32
		Lillooet TSA	1.61
Columbia Forest District	3.70	Golden TSA	3.37
		Revelstoke TSA	3.95
Headwaters Forest District	7.55	Robson Valley TSA	0.73
Kalum Forest District	0.70	Nass TSA	0.25
		Kalum TSA	0.76
		Cascadia TSA Blks 9, 10, 11	0.76
		Pacific TSA Blks 28A, 28B	0.76
Nadina Forest District	2.29	Lakes TSA	2.88
		Morice TSA	2.20
Peace Forest District	2.13	Dawson Creek TSA	1.63
		Fort St John TSA	2.62
Rocky Mountain Forest District	4.67	Cranbrook TSA	5.24
		Invermere TSA	3.94
Skeena Stikine Forest District	3.58	Bulkley TSA	4.82
		Kispiox TSA	4.92
		Cassiar TSA	0.25

<b>District is Smallest Unit<sup>1</sup></b>			
<b>TSA</b>	<b>Rate (\$/m<sup>3</sup>)</b>	<b>District</b>	<b>Rate (\$/m<sup>3</sup>)</b>
Kamloops TSA	8.45	Kamloops Forest District	8.26
		Headwaters Forest District	7.55
Williams Lake TSA	6.31	Central Cariboo Forest District	7.21
		Chilcotin Forest District	0.31
Prince George TSA	8.16	Fort St. James Forest District	5.83
		Prince George Forest District	9.64
		Vanderhoof Forest District	6.04

<sup>1</sup>Smallest geographic unit

<b>District &amp; TSA are the same</b>		
<b>District</b>	<b>TSA</b>	<b>\$/m<sup>3</sup></b>
100 Mile House Forest District	100 Mile House TSA	4.12
Kootenay Lake Forest District	Kootenay Lake TSA	6.12
Fort Nelson Forest District	Fort Nelson TSA	4.56*
Mackenzie Forest District	Mackenzie TSA	4.95
Okanagan Shushwap Forest District	Okanagan TSA	9.01
Quesnel Forest District	Quesnel TSA	6.62
	Cascadia TSA Blks 5, 6, 7, 8	6.62

\* Regional rate

<b>Regions</b>	
<b>Regions</b>	<b>Rate (\$/m<sup>3</sup>)</b>
RNI	4.56
RSI	7.22

4. 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.
5. a. The total stumpage rate (\$/m<sup>3</sup>) for a road permit granted to the holder of a timber sale licence entered into under section 20 of the *Act* shall be the same as the total stumpage rate for the timber sale licence which entitled the holder to apply for the road permit.
- b. The total stumpage value (\$/ha) for a road permit granted to the holder of cruise based timber sale licence entered into under section 20 of the *Act* shall be the same as the total stumpage value of the timber sale licence which entitled the holder to apply for the road permit.
6. 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.
7. 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 4.3.1.3(2).

8. 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.
9. The stumpage rate for a blanket salvage cutting permit shall be redetermined on June 1 each year in accordance with the procedures in this section.
10. Except as provided in 6.3(5), all new Road and Blanket Salvage Permits must be scale based for billing.

## **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. Except as provided in section 6.2.1(1)(c)(ii), 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<sup>3</sup>**

FOREST ZONE	BALSAM	CEDAR	FIR	HEMLOCK	LARCH	L. PINE	SPRUCE	Y. PINE	OTHER <sup>1</sup>
North Central	3.38	-	12.64	-	-	2.81	6.99	-	3.91
North East	0.58	-	-	-	-	1.58	2.49	-	1.52
North West	1.06	3.47	-	1.72	-	3.47	2.65	-	1.81
South East	4.12	11.90	9.74	5.11	9.37	5.29	6.00	6.91	5.02
South West	4.29	9.42	8.54	3.47	-	6.22	5.71	-	4.76

<sup>1</sup> 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<sup>3</sup>**

FOREST ZONE	BALSAM	CEDAR	FIR	HEMLOCK	LARCH	L. PINE	SPRUCE	Y. PINE	OTHER <sup>1</sup>
North Central	1.41	-	7.02	-	-	1.87	3.89	-	1.63
North East	0.25	-	-	-	-	1.06	1.39	-	0.63
North West	0.44	3.08	-	0.72	-	2.31	1.47	-	0.76
South East	1.72	10.58	5.41	2.13	5.21	3.53	3.34	4.61	2.09
South West	1.79	8.38	4.75	1.45	-	4.15	3.17	-	1.98

<sup>1</sup> Average for the Forest Zone

## **6.5 Decked and Partially Harvested Timber for a Cutting Authority Other than a Cutting Authority Entered Into Under a BCTS Licence**

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. 70% 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. 70% 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 <sup>1</sup>	Product	Reserve Stumpage Rate
All Species	SB	Shake & Shingle Bolts, Blocks and Blanks.	\$5.30/m <sup>3</sup>
All Species	SK	Shakes	\$6.00/m <sup>3</sup>
Cedar	PR	Posts & Rails (Split and Round)	\$3.00/m <sup>3</sup>
All other Species	PR	Posts & Rails (Split and Round)	\$1.20/m <sup>3</sup>
All Species	MT	Mining Timbers	\$3.00/m <sup>3</sup>
All Species	FW	Firewood	\$0.50/m <sup>3</sup>
Yew		All	\$0.25/m <sup>3</sup>
All Species	CH	Wood chips from post-harvest material where a waste assessment has been made <sup>2</sup>	\$0.25/m <sup>3</sup>
All Species	HF	Hogged tree material from post-harvest material where a waste assessment has been made <sup>2</sup>	\$0.25/m <sup>3</sup>
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(5)	\$0.25/m <sup>3</sup>
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)	\$0.50/m <sup>3</sup>
All Species	SS	Stakes & Sticks.	\$1.20/m <sup>3</sup>
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 Shuswap, Slocan, Kootenay, Mineral, Babine and Ootsa Lakes	\$0.25/m <sup>3</sup>
All Species		Marine Beachcomb	\$0.70/m <sup>3</sup>
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 <sup>3</sup>
All Species		Firmwood Reject	NIL

<sup>1</sup> Special Forest Products as described in the Special Forest Products Regulation under the Act.

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

**District/TSA Specific**

Description of Activity	Forest District/TSA	Reserve Stumpage Rate
New Crown land area disturbed for mining exploration trails, seismic lines <sup>1</sup> , gas or oil well sites and right-of-way to well sites <sup>2</sup> , mine sites and rights of way to mine sites <sup>3</sup> , or, authorizations for investigative purposes issued under the <i>Land Act</i> .	Rocky Mountain Peace Ft. Nelson Mackenzie Cassiar	\$1,821/ha \$724/ha \$836/ha \$424/ha \$872/ha

<sup>1</sup> 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).

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

<sup>3</sup> Cassiar TSA only

## 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
- Activities listed in Table 6-6 with an area reserve stumpage rate in a district other than Fort Nelson, Peace, Mackenzie, Rocky Mountain, Cassiar TSA, 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 m<sup>3</sup> or less in a district other than Fort Nelson, Peace, Mackenzie, or Rocky Mountain, Cassiar TSA, or
- A hydro transmission line, or
- A highway right-of-way for a road administered by the *Ministry of Transportation and Infrastructure*, or
- A forestry licence to cut issued under section 47.6(3) of the *Act* in conjunction with a BCTS road development contract, or
- A fence line or protection of a fence line administered under the *Range Act*, or
- Roads authorized under the *Land Act*.

“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 1.5.1.1.
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 coniferous 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 ADS to the district manager before June 1, 2010, and,
    - iii. the net merchantable coniferous 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 ADS to the district manager on or after June 1, 2010, and
    - iii. the net merchantable coniferous volume in each cutblock within the cutting authority area is comprised of 35% or more red and grey MPB attacked Lodgepole pine, or,
  - d. Except as provided in subsection (4) of this section, under a timber sale licence with a fixed stumpage rate, which meets the criteria in paragraph (1)(c) (ii) and (iii) of this section, or a timber sale licence with a fixed stumpage rate where the executive director, BCTS has approved cruise based under section 106 of the *Act*.

2. Except as provided in subsections (3) and (4) of this section, and section 5.1.3(4), 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 (6) of this section, if, after a reappraisal under section 2.2.3 of this manual:
  - a. the net merchantable coniferous 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 an occupant licence to cut has been issued for the purposes of removing timber for agriculture, the stumpage payable shall be scale based.
6. 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.
7. Where the sawlog volume of 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 as per section 4.6.