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To: Interior Regional Executive Directors

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

Re: Amendment No. 2 to the Interior Appraisal Manual

I hereby approve Amendment No. 2 to the *Interior Appraisal Manual* and attach a copy for your use. The following sections have been amended:

**Section 1.1** – New definitions added in order to define the effective date of a stumpage rate determined under Section 103 (3) of the *Forest Act*.

**Section 2.2.1(d)** – Revised wording to clarify when the area for billing on a cruise based cutting authority will be changed if the harvest area change is less than the changed circumstance thresholds.

**Section 2.5** – Updated text to reflect that stumpage advisory notices are no longer issued.

**Section 4.3.1.4** – New and revised wording regarding opening and adjusting of amortization agreements as well as application of the monetary threshold value.

**Section 6.3** – exception added for road permits for BC Timber Sale Licences, Community Forest Agreements and Research Forests.

The amendment also contains several housekeeping changes.

This amendment will come into force on March 1, 2013. Further amendments or revisions to this manual require my approval.

Steve Thomson  
Minister

Attachment

pc: Murray Stech, Director, Timber Pricing Branch  
Shawn Rice, Team Leader Revenue, Omineca Region  
Vicky Groves, Acting Revenue Manager, Thompson-Okanagan, Region





**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. 2	March 1, 2013
<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	iii-iv	After Table of Contents Tab
Remove Insert	Chapter 1	3-8 11 -12	After Chapter 1 Tab
Remove Insert	Chapter 2	5-14	After Chapter 2 Tab
Remove Insert	Chapter 4	7-10 17-22	After Chapter 4 Tab
Remove Insert	Chapter 5	5-6	After Chapter 5 Tab
Remove Insert	Chapter 6	7-10 19-20	After Chapter 6 Tab
INSERT	Letter from Minister and Transmittal Sheet		After Amendments Tab



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**“Controlled Recreation Area”** means controlled recreation area as defined in the *Resort Timber Administration Act*;

**“Cruise Based”** means a cutting authority where under section 106 of the *Act* the stumpage payable is calculated using information provided by a cruise of the timber conducted before the timber is cut;

**“Cutting Authority”** means:

1. A cutting permit issued under:
  - a. a forest licence,
  - b. a timber sale licence that provides for 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,
  - i. a forestry licence to cut, or
  - j. a woodland licence,
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 Timber Pricing Branch of the Ministry of Forests, Lands and Natural Resource Operations;

**“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*, then district manager means an employee of the Ministry, to whom the Minister has delegated the minister's powers and duties under section 2 of the *Resort Timber Administration Act*;

**“Effective Date”** means, unless otherwise specified in the manual:

- i. the date the stumpage rate is determined when required for advertising for competitive award,
- ii. the effective date of the cutting authority when the stumpage rate is determined for a cutting permit or a direct award licence;
- iii. for the purposes of section 103(3) of the *Forest Act*, in respect of Crown timber that was cut, damaged or destroyed without authorization contrary to section 52(1) of the *Forest and Range Practices Act*, or damaged or destroyed within the meaning of section 27(1)(c) of the *Wildfire Act*, the day immediately preceding the date when the timber was cut, damaged or destroyed; or
- iv. for the purposes of section 103(3) of the *Forest Act*, in respect of Crown timber that was removed without authorization contrary to section 52(3) of the *Forest and Range Practices Act*, the date when the timber was removed.

**“Executive Director, BCTS”** means Executive Director, BCTS or Executive Director, BCTS' designate;

**“F.O.B.”** means ‘free on board’. The specified destination point at which ownership of the goods transfers from the seller to the buyer. ‘F.O.B. origin’ would mean the buyer assumes responsibility for the goods, shipping costs and insurance once the goods leave the seller's premises;

**“Forest Professional”** means a Registered Professional Forester (RPF), a Registered Forest Technologist (RFT) or a special permit holder acting within the scope of their permit, registered and in good standing with the Association of British Columbia Forest Professionals;

**“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 where the upset was set at the variable cost to prepare the timber for sale;

**“Harvest Method”** means ground skidding, overhead cable, helicopter or horse;

**“Hogged Tree Material”** means tree residues or by-products that have been shredded into smaller fragments by mechanical action;

**“Licensee”** means the holder of a cutting authority;



“**Manual**” means *Interior Appraisal Manual*;

“**Minister**” means Minister of Forests, Lands and Natural Resource Operations;

“**Ministry**” means Ministry of Forests, Lands and Natural Resource Operations;

“**Net Merchantable Volume**” means unless otherwise specified in the manual, the post reduction cruise volume compiled to the Interior Standard Merchantable Specifications in Table 1-1 of this manual;

“**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 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:

- |           |                          |           |   |
|-----------|--------------------------|-----------|---|
| <u>a.</u> | BC Consumer Price Index, | <u>c.</u> | Lumber Average Market Values,                 |
| <u>b.</u> | US Dollar Exchange rate, | <u>d.</u> | Interior Basic Silviculture Costs by Species, |

“**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 Pricing Branch**” means the Timber Pricing Branch of the Ministry;

“**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 are authorized to determine, redetermine and vary stumpage:
  - a. director and employees of Timber Pricing Branch of the Ministry.
  - b. regional managers, regional timber pricing co-ordinators, and employees of the regional revenue sections of the Ministry.
2. The employees of the Timber Administration section, Resort Development Branch of the Ministry are authorized to determine or redetermine stumpage rates in accordance with section 6.8(1) or (2).

### 1.2.2 Stumpage Appraisal Parameters

1. The stumpage appraisal parameters are compiled, calculated, and/or adopted by Timber Pricing Branch.
2. Once approved by the director they become an integral part of this manual.
3. The parameters are published by Timber Pricing Branch.
4. Current and historical parameters may be found at the following web site:

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

### 1.2.3 Minimum Stumpage Rate

A stumpage rate or an upset determined using this manual shall not be less than the prescribed minimum stumpage rate.

### **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.
- 1.1.1(2)(a) = Section with subsection and paragraph.
- Table 4-2 = Table 2 within chapter 4.

2. 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.
3. Each calculation of a tenure obligation adjustment or specified operation expressed in dollars per cubic metre will be rounded to the nearest cent.

### 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(3) 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 harvest area described in this subsection does not exceed the thresholds in either paragraph i. or ii. of this subsection the area used for billing shall be changed to reflect the new area when:

- a. The harvest area has decreased and the cutting authority has been amended, or
- b. The harvest area has increased as authorized in the cutting authority.
- 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 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.

### 2.2.3 Reappraisals Due to Insect Damage

1. a. A cutting authority with an adjustable stumpage rate or a cutting authority issued under a licence entered into under section 21 of the *Act* as it was before it was repealed may be reappraised on or after April 1, 2006 only twice 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 the 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).

#### 2.2.3.2 Effective Date of an Insect Damage Reappraisal

1. The effective date of an insect damage reappraisal is the first day of the month following the month in which the district manager receives the revised appraisal data submission.

## **2.3 Stumpage Adjustments**

1. Unless otherwise specified by this manual or by the Minister, and subject to section 6.6, a stumpage rate must be adjusted quarterly on each of January 1, April 1, July 1 and October 1, of each year.
2. The adjustment will be the recalculation of the stumpage rate that was determined in the most recent appraisal or reappraisal by using:
  - a. the appraisal data used in the most recent appraisal or reappraisal,
  - b. the manual in effect on the effective date of the most recent appraisal or reappraisal, and
  - c. the stumpage appraisal parameters that the director approves for use in the recalculation of stumpage rates for that quarter.
3. Woodlot Adjustable Stumpage Rates:

The stumpage rate for a cutting authority issued for a woodlot that meets the criteria in section 6.1.2(2) shall be adjusted quarterly.

## 2.4 Correctable Errors

1. In this section, a correctable error means:
  - a. an error in transcribing or compiling approved cruise field data or in the application of approved loss factor and taper equations,
  - b. an error in a calculation made as part of the appraisal data submission,
  - c. an error in transcribing the data from an appraisal data submission or in performing the calculations specified in the manual, or
  - d. an error in the calculation or application of published appraisal parameters.
2. Where a person believes that a correctable error has been made in a stumpage determination, that person shall give written notice of the correctable error as follows:
  - a. in the case of an appraisal or a reappraisal, the notice shall be given to the regional manager, and in the case of a quarterly adjustment, the notice shall be given to the director, and
  - b. the notice shall identify the stumpage determination, the correctable error, and the cause of the correctable error to the extent reasonably possible.
3. The regional manager or the director, upon receipt of the notice shall determine whether or not a correctable error was made.
4. Where the regional manager or the director determines that a correctable error has not been made, the person who determined the stumpage rate or director shall notify the person who gave the notice of the correctable error.
5. Where the regional manager or the director determines that a correctable error has been made, then:
  - a. the regional manager or the director will notify the person who gave the notice of the correctable error,
  - b. the regional manager or the director will take reasonable steps to ensure that all licensees who may have been affected by the error are informed of the decision, and
  - c.
    - i. where the regional manager determines that a correctable error has been made in an appraisal or a reappraisal the cutting authority area shall be reappraised to correct the error by the person who determined the stumpage rate.
    - ii. the effective date of the reappraisal shall be the first day of the month following the date on which the notice of the correctable error was received by the regional manager.

- d. i. where the director has determined that a correctable error has been made in the calculation of a quarterly stumpage adjustment, the adjustment must be correctly recalculated unless the cutting authority, the appraisal manual or the application and tender for a timber sale licence specifies that the stumpage rate is fixed, and
- ii. the effective date of the redetermined rate shall be the first day of the month following the date on which the notice of the correctable error was received by the director.

## 2.5 Redetermination of Stumpage Rate by Agreement

1. If within twenty-one days of the date of determination or redetermination of a stumpage rate (the “original stumpage rate”) the licensee and an employee of the ministry authorized under section 1.2.1 (the “employee”) agree to a redetermination consistent with the version of the manual used for the original stumpage rate, the employee may redetermine the original stumpage rate.
2. The stumpage rate redetermined under subsection (1) shall be effective on the same date as the original stumpage rate.
3. The licensee and the employee may agree to extend the twenty-one day period referred to in subsection (1).

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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 in an appraisal of a cutting authority (the “first cutting authority”)
  - a. includes development costs for an authorized project that the licensee requires to access one or more cutting authority areas tributary to the first cutting authority area, and
  - b. exceeds \$4.00/m<sup>3</sup> exclusive of development costs apportioned to the first cutting authority under any prior agreement under this section

the regional manager may enter into a written agreement with the licensee authorizing distribution of a portion of the development cost estimate, exclusive of previously apportioned costs as specified in subsection (b), to one or more cutting authorities that are tributary to, and may be issued under the same licence as, the first cutting authority, and in the case of distribution to two or more such tributary cutting authorities, specifying the apportionment between or among them. The portion of the development cost estimate that the regional manager may agree to apportion under this section is only that which the person who determines the stumpage rate determines is required to access timber that is tributary to the first cutting authority.

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. 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.
  - c. 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.
  - d. The road portion that may be included in the agreement ends at the far boundary of the first cutting authority being appraised.
  - e. The agreement is entered into only for the purposes of determining a stumpage rate and confers no obligation on the Crown to compensate the licensee for any unamortized costs.

- f. The agreement must be signed by the licensee and the regional manager, and must not be for a term, including extensions, longer than ten years unless otherwise approved by the regional manager.
3. The regional manager and licensee may agree to adjust the apportionment specified in the agreement under this section once during the total term of the agreement, provided the adjustment is between or among only those tributary cutting authorities included in the agreement that have not yet been issued at the time of the adjustment.
4. 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.

### 4.3.2 Tabular Cost Estimates

Tabular costs are determined using the procedures and criteria in this section for the total length of road that the submitting professional certifies is required to remove the timber from the cutting authority area.

#### 4.3.2.1 Subgrade Construction

The subgrade construction cost estimate includes:

- clearing,
- grubbing,
- stripping,
- debris disposal,
- stump removal,
- ditch construction,
- turnout construction (not landings),
- material costs, and
- installation of culverts with diameters under 950 mm or the equivalent cross-section area or single log abutment culverts up to 3.4 m span.

Right-of-way felling and logging is excluded.

#### 4.3.2.2 Subgrade Construction Variables

For appraisal purposes the following subgrade construction variables are recognized:

1. Section length: (L)
  - a. Each section should be representative of a single moisture class. Section lengths are recorded to the nearest 0.1 km. Each section should be 1 km or longer, although some individual section lengths less than 1 km but greater than or equal to 0.100 km are acceptable for extreme variations of slope or % rock. The section length includes that portion traversing through landings.

- b. All road segments less than 0.100 km, are to be aggregated with other adjacent road segments, making appropriate adjustments to average site conditions using the distance-weighted averages for the site variables for that section.
- c. A short spur road less than 0.100 km that does not access a single landing may be aggregated with a similar stand-alone non-adjacent road section.

## 2. Road Types :

- **Snow/Ice Road** : - A snow/ice road is a single lane seasonal winter road including turnouts, with a flat road profile that is built with a combination of snow, ice and dirt, on a surface that may or may not have been stumped. The driving surface is built up using multiple layers of snow and ice such that extra stabilizing material costs are not applicable. A flat road profile means the side slope is less than or equal to 15% and there is minimal side cut. Minimal means that cuts into mineral or organic soil must not exceed 0.5 m in depth for distances up to 0.1 km. Seismic lines being used for roads, that have not previously been used as roads, will be considered as new construction and qualify as snow/ice roads provided they fall within the above criteria.
- **Long Term (LT)** - A long term road is a road with a continuous raised sub-grade and ditch line (the raised sub-grade and ditch line may be interrupted for short section <100 m in length (e.g., when crossing a short section of rock or at the crest of a hill). In flat terrain the ditch line may simply be the depression created when sub-grade material is excavated to create a raised sub-grade.
- **Short Term (S)** - A short term road is a road with the stumps removed and a bladed running surface. There may be elements of ditching and elevated grade, particularly around wet areas but these features are not continuous.

## 3. Uphill Side Slope: (SLOPE %)

Uphill side slope % may show a variation of (+/- 15% about the average) within any section length and represents the average of all slopes in the section to a maximum of 50%. To derive an average for uphill side slope %, several representative cross-section measurements are taken along the section length and the sum of one-half of the distance on each side of the measurement is applied as a weight against the measurement at that cross-section. The uphill side slope % is measured at right angles to the road centreline and is recorded to the nearest integer. Where the road is located on a bench, the uphill side slope of the bench is used.

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  
(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, unless otherwise agreed to between the district manager and the licensee.
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 allowed for special equipment not required for the construction of the tabular roads. The costs for placement or addition of stabilizing material must be determined using section 4.3.2.5 unless the material is placed in conjunction with geo fabric, geo grids, corduroy or where the stabilizing material requires processing such as screening or crushing.
7. The following specific situations are considered for detailed engineering cost estimates:
  - a. New construction of long term, primary access road sections, that will have 300 000 cubic metres of harvested Crown timber hauled over them annually for at least ten years.
  - b. Road construction on uphill side slopes greater than 50%.
  - c. When rock percent as calculated in section 4.3.2.2(4) is greater than 50%, or terrain class 4 and 5.
  - d. End haul construction (of roads and landings) requiring removal by truck of excavated material to a separate area to avoid side casting on steep and/or sensitive sites.
  - e. Overland construction to provide a roadbed by trucking in material for extensive filling; see page 81 of *Forest Road Engineering Guidebook* for a more detailed description.
  - f. Log bridges and non-log bridges (including ice bridges) that are not included in the subgrade cost estimates. Eligible costs are described in section 4.3.3(10).
  - g. Structural maintenance of bridges, substructure and cribwork.
  - h. Reconstruction of roads and pertinent structures. Cost estimates for reconstruction are not to exceed the tabular cost for new construction under similar conditions.
  - i. Upgrade of roads and pertinent structures resulting in a change in the standard of the road and structure or where the licensee was not obligated to carry out road maintenance prior to the appraisal. Where road maintenance obligations exist, road upgrade is limited to widening the running surface, vertical and horizontal realignment, and additional culverts.
  - j.
    - i. Placement or addition of stabilizing material to the existing road running surface or where stabilizing material was not previously used, for uninterrupted road lengths of 0.3 km, or greater.

- ii. Road lengths less than 0.3 km are included in the road management cost estimate.
  - k. Culverts greater than 1.8 m in diameter, or culverts greater than 30 m in length regardless of diameter. The cost estimate includes all costs of transporting the culvert to the jobsite and all costs of installation of the culvert to the final subgrade stage.
  - l. Placement of additional stabilizing material where geo fabric, corduroy, crushed and/or screened rock/gravel are used.
  - m. Retaining walls, railway crossings and other structures (such as multiple culverts, baffled culverts, arched culverts and other structures determined by the timber pricing co-ordinator).
  - n. Subgrade and ballast cost estimate in road group 1, Kalum District. The subgrade and ballast cost estimate will be determined using the detailed engineering cost methodology specified by the Northern Interior Forest Region.
  - o. The costs of designing and constructing a forwarding road, where the timber pricing co-ordinator is satisfied that it will produce the highest stumpage rate. A forwarding road is not a trail but a road built to a designed standard which includes stripping, grubbing, stumping and primary excavation to establish subgrade that is used for transporting crews and equipment and forwarding timber but not for hauling logs.
8. The data which may be required for excavation and fill estimates are:
- a. Plans, profiles, cross-sections showing the ground and design grade lines.
  - b. Volume summary sheets showing excavation quantities by various soil types, for subgrade and stabilization.
  - c. Type of construction equipment and quantity of material to be used, or Ministry approved competitive bid costing.
  - d. Location of borrow and waste areas to calculate material haul distances.
9. The data required for bridges, culverts and for other structures are:
- a. Where the bridge span is 15.4 m or less and the crib height is 5.4 m or less and a permanent structure is proposed, an economic life cycle comparison between a log structure and the permanent proposal is required.
  - b. Where the bridge span is greater than 15.4 m, and/or the crib height is greater than 5.4 m or more and for pipe culverts greater than 1.8 m in diameter or 30 m in length: plans, specifications and design for the proposed structure; detailed



estimate of costs of materials; equipment and labour or ministry approved competitive bid pricing; amount of timber accessed by the structure and the number of years of use for harvesting all timber are required.

10. Costs that may be included in the detailed engineered cost estimate are:

- a. Freight (for materials).
- b. Provincial sales tax if applicable (for materials purchased prior to July 1, 2010).
- c. Supervision of construction of complex structures by a professional engineer.
- d. Bridge Costs
  - i. In addition to other costs described in this section, bridge costs may include:
    - Crib back fills to a maximum distance of 15 m on either end.
    - Site preparation.
    - Protection features such as rip rap.
    - Material and equipment supply and delivery (subject to paragraphs (ii) and (iii) in this subsection).
    - Bridge certification by a professional engineer either employed by the licensee or contracted. A maximum of three field visits are permitted unless otherwise approved by the regional timber pricing co-ordinator.
  - ii. Where bridge materials are re-used by the original purchaser at a different site, the bridge cost estimate may include the cost of dismantling the materials at the site where they were previously used, and transportation to and installation at the different site, but may not include the initial materials and delivery costs.
  - iii. Where used bridge materials are purchased by the licensee from a legally non-associated party, only the cost of purchasing and transporting those materials approved by the person determining the stumpage rate may be included in the bridge cost estimate in addition to the costs listed above.
- e. Site plans, designs and layouts.
- f. Where equipment is not, or will not be already on site for adjoining tabular road, bridge or culvert construction, then the costs of mob and demob may be included in the engineered cost estimate.

11. GST/HST and supervision costs other than as stated above, are not to be included in the engineered estimate.

12. Where different timber volumes are used for separate cost estimates, the unit costs are rounded to the nearest cent before totalling.

#### 4.3.3.1 Trending of Detailed Engineering Costs

1. All detailed engineering costs must be adjusted to match the cost base of the manual in effect at the time of the appraisal or reappraisal (refer to Table 4-3). This includes development costs in apportionment agreements, ministry approved competitive bid tenders, and ECE's prepared using Appendix I.
2. ECE Cost Year means:
  - a. For ECEs (or portion(s) thereof) which are calculated using this manual, the ECE Cost Year is 2010.
  - b. For ECEs (or portions(s) thereof) which are calculated using tenders, materials costs, design and survey costs, etc. the year the costs are based on or incurred is the ECE Cost Year.
  - c. Where all components of an ECE have a common ECE Cost Year, the trend factor can be directly determined from Table 4-3.
  - d. For new or re-estimated (section 2.2(3)) ECEs where components of an ECE have different ECE Cost Years, it is necessary to trend all components to the Cost Base Year of the manual in effect at the time (based on the effective date of the cutting authority). The Cost Base Year then becomes the ECE Cost Year for future trending.

## 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 5.2.4 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.

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 [6.1.1](#), 6.1.2(3) and (5) and subsections (3) and (4) [and \(5\)](#) of this section [and for all timber in the Research Forests noted in Table 6-6](#) 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(1).

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.



## 6.9 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), ~~(5)~~ 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.