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July 12, 2012

BY EMAIL

To: Interior Regional Managers

From: Bob Bull
A/Manager
Timber Pricing

Re: Errata No. 3 – July 1, 2012 *Interior Appraisal Manual*

The purpose of this memo is to advise you that page 4–28 of the full manual copy (Printing Version), contained typographical omissions.

In order to have the correct copy of the July 1, 2012, *Interior Appraisal Manual* you must ensure the errata pages have been inserted in place of the existing pages in your copy.

We sincerely apologize for any inconvenience this may have caused.

A handwritten signature in black ink, appearing to read "Bob Bull".

Bob Bull
A/Manager
Timber Pricing

Attachment

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:

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

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

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

Where:

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