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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. 5 to the *Interior Appraisal Manual (IAM)*

I hereby approve Amendment No. 5 to the *IAM*. The following sections have been amended:

Section 6.1 & Chapter 6 South Central Forest Zone added; and Tables 6-1, 6-2, 6-4, and 6-5 updated accordingly.

Table 6-2 Missing table values for spruce added.

Section 6.3 Implements changes for major licensee blanket salvage permits.

Table 6-4 Table values for "Other" revised.

This amendment will come into force on June 1, 2014. Copies of the amendment and the amended *IAM* are available at the following link:

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

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
Len Marsh, Forest Revenue Manager, Thompson Okanagan Region
Anthony Giannotti, Revenue Team Leader, Omineca 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 1st 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>	<p>MANUAL TITLE <i>Interior Appraisal Manual</i></p>	
	<p>AMENDMENT Amendment No. 5</p>	<p>ISSUE DATE June 1, 2014</p>
	<p>MANUAL CO-ORDINATOR Ashley Sasaki Publication/Administrative Co-ordinator</p>	
	<p>AUTHORIZATION Murray Stech Director, Timber Pricing Branch</p>	

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 6	1-4 7-12	
Insert	Memorandum from Minister and Transmittal Sheet		After Amendments Tab

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Miscellaneous Policies

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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 Central Zone – Chilcotin Forest District**
 - v. South East Zone - Arrow Boundary, Columbia, Headwaters, Kamloops, Kootenay Lake Okanagan Shuswap, and Rocky Mountain Forest Districts.
 - vi. South West Zone - 100 Mile House, Cascades, **and** Central Cariboo 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 \$/m³ by Forest Zone and Species

FOREST ZONE	BALSAM	CEDAR	FIR	HEMLOCK	LARCH	L. PINE	SPRUCE	W. PINE	Y. PINE	OTHER ¹
North Central	16.93	-	18.39	11.55	-	14.22	19.21	-	-	17.80
North East	8.90	-	-	-	5.57	7.29	7.25	-	-	7.29
North West	5.82	4.51	-	4.91	-	9.39	6.15	-	-	6.39
South Central	1.94	-	0.51	-	-	1.47	1.59	-	-	1.39
South East	13.89	18.53	16.02	15.55	16.04	15.58	14.65	13.94	9.47	15.56
South West	15.56	21.67	18.50	12.75	-	18.64	17.37	13.51	-	17.76

¹ 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. Section 1.4(1)(d), sections 6.1.2 through 6.5 and sections 6.7 through 6.9 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 6.3.1.
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, and sections 6.7 through 6.9 do not apply to Woodlot Licence cutting authorities.

**Table 6-2 Community Forest Agreements and Woodlot Licences:
Coniferous Average Sawlog Stumpage Rates in \$/m³**

FOREST ZONE	BALSAM	CEDAR	FIR	HEMLOCK	LARCH	L. PINE	SPRUCE	W. PINE	Y. PINE	OTHER ¹
North Central	2.54	-	2.76	1.73	-	2.13	2.88	-	-	2.67
North East	1.34	-	-	-	0.84	1.09	1.09	-	-	1.09
North West	0.87	0.68	-	0.74	-	1.41	0.92	-	-	0.96
South Central	0.29	-	0.25	-	-	0.25	0.25	-	-	0.25
South East	2.08	2.78	2.40	2.33	2.41	2.34	2.20	2.09	1.42	2.33
South West	2.33	3.25	2.78	1.91	-	2.80	2.61	2.03	-	2.66

¹ 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 estimated volume of all deciduous species to be harvested is greater than 70% of the total estimated volume of all species 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 5.3.
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.

- 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 (1)(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 (1)(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), 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 (1)(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 (1)(a)(ii) of this section, the coniferous sawlog stumpage rate shall be \$1.20/m³ when the licence to cut is issued to the lowest eligible bidder on a contract issued for the purpose referred to in paragraph (1)(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 through a full appraisal 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. Sections 6.3.1 and 6.3.2 do not apply to Community Forest Agreements in section 6.1.1, Woodlots Licences in section 6.1.2 except 6.1.2(4), or any timber in the Research Forests noted in Table 6-6.
3. Section 6.3.2 does not apply to BCTS.
4. Where the stumpage rate is determined under sections 6.3.1 or 6.3.2, other than for a road permit for a BCTS licence under section 6.3.1, the stumpage rate must be re-determined annually on June 1st in accordance with those sections.
5. Except as provided in section 6.3.1(3)(b) all road permits and blanket salvage permits where the stumpage rate is determined under sections 6.3.1 and 6.3.2 are scale based for billing.

6.3.1 Road Permits

1. Except as provided in subsections (2) and (3) of this section, the stumpage rate for a road 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 permit cutting authority area is located, and that are issued under the licence that entitles the licensee to apply for the road permit, if there is a minimum positive scale 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 cutting authority area is located.
2. If there are no records from which the weighted average sawlog stumpage rate may be determined under paragraphs (a) or (b) of subsection (1) 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.
3. a. The total stumpage rate (\$/m³) for a road permit granted to the holder of a scale based timber sale licence entered into under section 20 of the *Act* shall be the

- same as the total stumpage rate (\$/m³) for the timber sale licence which entitled the holder to apply for the road permit.
- b. The total stumpage rate (\$/ha) for a road permit granted to the holder of a cruise based timber sale licence entered into under section 20 of the *Act* shall be the same as the total stumpage rate (\$/ha) of the timber sale licence which entitled the holder to apply for the road permit.
4. 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).
 5. 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.

6.3.2 Blanket Salvage Permits

1. Except as otherwise provided in this section, this section applies to existing blanket salvage permits and new blanket salvage permits issued on or after June 1, 2014.
2. For blanket salvage permits that were issued prior to June 1, 2014 and any cutblocks that were amended into those permits prior to June 1, 2014, the stumpage rate for each species of coniferous timber on the cutting authority area is the stumpage rate for that species indicated in Table 6-4 for the forest zone in which the cutting authority area is located.
3. For blanket salvage permits issued on or after June 1, 2014 and any cutblocks amended into those permits on or after June 1, 2014 where the cutblocks:
 - a. are restricted to 5,000 m³ or 15 hectares,
 - b. are issued for the purposes of harvesting damaged timber as defined in section 6.4(3), and
 - c. are consistent with the district's forest health strategy, then

the stumpage rate for each species of coniferous timber on the cutting authority area is the stumpage rate for that species indicated in Table 6-4 for the forest zone in which the cutting authority area is located.

Table 6-3 Coniferous Average Sawlog Stumpage Rates by Smallest Geographic Unit

TSA is Smallest Geographic Unit			
District	Rate (\$/m³)	TSA	Rate (\$/m³)
Arrow Boundary	15.59	Arrow	15.85
		Boundary	15.40
		Cascadia Blks 1, 2, 3	15.85
Cascades	17.58	Lillooet	6.22
		Merritt	19.40
Columbia	12.46	Cascadia Bk 4	9.07
		Golden	15.05
		Revelstoke	9.07
Headwaters	13.38	Robson Valley	12.06
Kalum	3.69	Cascadia Blks 9, 10, 11	3.40
		Kalum	3.40
		Nass	6.58
		Pacific Blks 28A, 28B	3.40
Nadina	13.24	Lakes	13.55
		Morice	13.24
Peace	7.29	Dawson Creek	8.47
		Fort St John	6.75
Quesnel	17.88	Cascadia Bks 5,6,7,8	17.88
		Quesnel	17.88
Rocky Mountain	13.17	Cranbrook	14.91
		Invermere	11.63
Skeena Stikine	7.82	Bulkley	13.22
		Cassiar	0.88
		Kispiox	8.55

District is Smallest Unit			
TSA	Rate (\$/m³)	District	Rate (\$/m³)
Kamloops	15.29	Headwaters	13.38
		Kamloops	16.84
Prince George	21.19	Fort St. James	16.70
		Prince George	22.62
		Vanderhoof	11.41
Williams Lake	21.03	Central Cariboo	23.62
		Chilcotin	1.39

District & TSA are the same		
District	TSA	Rate (\$/m³)
Fort Nelson	Fort Nelson	13.73*
Kootenay Lake	Kootenay Lake	14.66
Mackenzie	Mackenzie	12.69
Okanagan Shuswap	Okanagan	18.76
100 Mile House	100 Mile House	8.63

* Regional rate

Regions	
Region	Rate (\$/m³)
RNI	13.73
RSI	15.94

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 estimated 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 \$/m³

FOREST ZONE	BALSAM	CEDAR	FIR	HEMLOCK	LARCH	L. PINE	SPRUCE	W. PINE	Y. PINE	OTHER ¹
North Central	10.16	-	16.55	6.93	-	10.67	17.29	-	-	10.68
North East	5.34	-	-	-	5.01	5.47	6.53	-	-	4.37
North West	3.49	4.06	-	2.95	-	7.04	5.54	-	-	3.83
South Central	1.16	-	0.46	-	-	1.10	1.43	-	-	0.83
South East	8.33	16.68	14.42	9.33	14.44	11.69	13.19	10.46	7.10	9.34
South West	9.34	19.50	16.65	7.65	-	13.98	15.63	10.13	-	10.66

¹ 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 \$/m³

FOREST ZONE	BALSAM	CEDAR	FIR	HEMLOCK	LARCH	L. PINE	SPRUCE	W. PINE	Y. PINE	OTHER ¹
North Central	4.23	-	9.20	2.89	-	7.11	9.61	-	-	4.45
North East	2.23	-	-	-	2.79	3.65	3.63	-	-	1.82
North West	1.46	3.61	-	1.23	-	4.70	3.08	-	-	1.60
South Central	0.49	-	0.26	-	-	0.74	0.80	-	-	0.35
South East	3.47	14.82	8.01	3.89	8.02	7.79	7.33	6.97	4.74	3.89
South West	3.89	17.34	9.25	3.19	-	9.32	8.69	6.76	-	4.44

¹ Average for the Forest Zone