

Ref: 213390

APR 12 2015

To: Interior Executive Directors

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

Re: Amendment No. 2 to the *Interior Appraisal Manual (IAM)*

The following sections have been amended:

- | | |
|-------------------|---|
| Section 1.1 | Section reference updated for uniformity. |
| Section 1.4 | Housekeeping item. |
| Section 1.5.1.1 | Added new section 6.4.2.2 to allow new cruise based salvage cutting authorities to use comparative cruise data.
Housekeeping item. |
| Section 1.5.2 | Updated web link to ECAS.
Added web link to the electronic version of the <i>Amortization Agreement</i> form. |
| Section 2.2.1 | Added the option for regional pricing staff to extend the deadline for Changed Circumstances Certifications. |
| Section 2.2.1.1 | Changed the deadline for changed circumstance reappraisal submissions to align with changes to section 2.2.1 above. |
| Section 4.3.1 | Changed the effective date to submission date to correctly identify those cutting authorities in an amortization agreement that must have their portion of the estimated development costs amended. |
| Section 6.1.2 | Housekeeping item. |
| Section 6.1.3 (1) | Housekeeping item. |
| Section 6.1.3 (2) | Changed the incidental conifer rates in deciduous leadings stand from Table 6-1 to Table 6-3. |

Interior Executive Directors

- Section 6.2 Clarified the addition of a silviculture levy (authorised under section 5.3) to the stumpage rate.
- Section 6.3 Housekeeping items (section references update).
- Section 6.4.1 Housekeeping item (new section header added).
- Section 6.4.1 (5) Clarified the addition of a silviculture levy (authorised under section 5.3) to the stumpage rate.
- Section 6.4.2 Housekeeping item (new section header added and clarification of tenures this section is applicable to).
- Section 6.4.2.1 Moved blanket salvage permit stumpage rates to Section 6.4 to better align with other salvage cutting authority stumpage rates.
Housekeeping item (for consistency, changed blanket salvage permits to blanket salvage cutting authorities).
- Section 6.4.2.2 Added a new cruise based pricing method for salvage cutting authorities with 75% or more grey lodgepole pine.
- Section 6.6 Housekeeping (table reference updated).
- Section 6.7 Housekeeping (table reference updated).
- Section 6.9 Added reference to new cruise based pricing method for salvage cutting authorities.
Added reference to new stand-as-a-whole pricing method for salvage cutting authorities.
- Appendix V Housekeeping (table reference updated).

This amendment will come into force on April 15, 2015. 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

pc: Keith Tudor, A/Director, Timber Pricing Branch

Interior Executive Directors

Len Marsh, Forest Revenue Manager, Thompson Okanagan Region
Anthony Giannotti, Revenue Team Leader, Omineca Region

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1 Introduction

1.1 Definitions

In this manual:

“**AAC**” means Allowable Annual Cut;

“**Act**” means *Forest Act*;

“**Agreement**” means a form of agreement granting rights to harvest Crown timber referred to in section 12 of the *Act*, or a pulpwood agreement;

“**Anniversary date**” means the annual recurrence of the month and day when the term of the cutting authority began;

“**Applicable Volume**” means:

1. Except as provided in sections 2.2.1(2)(e) and 4.3(12), and subject to paragraph (2) of this definition, where the harvesting is authorized on a cutting authority area under an agreement other than a BCTS licence, the Total Net Coniferous Volume
2. Where the cutting authority is cruised based and the deciduous timber has not been reserved, the Total Net Cruise Volume
3. Where the harvesting is authorized on a cutting authority area under a BCTS licence, the Total Net Cruise Volume;

“**Appraisal Data Submission (ADS)**” means the information required by the person who determines the stumpage rate to determine the stumpage rate including the forest professional’s signed submission in the form required by the director, and any other information required by the regional manager or district manager;

“**Appraisal Summary Report**” means the appraisal summary report from the cruise compilation for the cutting authority area;

“**Attack Volume**” means the volume of green, red, grey or other insect attack reported in the appraisal summary report;

“**BCTS**” means BC Timber Sales;

“**BCTS licence**” means a timber sale licence entered into under section 20 of the *Act* or section 21 as it was before it was repealed;

“**Billing history record**” means a record of log scale data derived from a record kept by Timber Pricing Branch of log scale data reported on stumpage invoices issued by the Timber Pricing Branch for timber scaled under section 94 of the *Act*;

“**Bonus Bid**” means a bonus bid described in section 103(1)(d) of the *Act*;

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

“**Changed Circumstance Certification**” means, for purposes of Section 2.2.1(1), a Changed Circumstance Certification statement signed by a forest professional;

“**Chipped**” means having been cut into small pieces by a chipper;

“**Comparative Cruise**” means cruise data that is used for a new cutting authority area being appraised that comes from another existing cutting authority area with similar stand and terrain characteristics;

“**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 the cutting authority being appraised, 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:

1. Except as provided in **paragraph (2)** of this definition, the district manager or district manager’s designate,
2. 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:

1. the date the stumpage rate is determined when required for advertising for competitive award,
2. the effective date of the cutting authority when the stumpage rate is determined for a cutting permit or a direct award licence;
3. 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
4. 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;

“**ECAS**” means the ministry’s Electronic Commerce Appraisal System;

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

“**First Fully Appraised Tributary Cutting Authority Area**” means the first tributary cutting authority area to have its appraisal submitted by the licensee in ECAS;

“**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 GAS 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;

“**GAS**” means the ministry’s General Appraisal System;

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

“**Harvest Method Volume**” means the net merchantable volume reported for the harvest method in the appraisal summary report;

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

“**Interior Area**” means the North and South Areas;

“**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 Area**” means the net area for all treatment units reported in the appraisal summary report;

“**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;

“**North Area**” means Northeast, Omineca, and Skeena Regions excluding that portion that lies geographically within the North Coast Timber Supply Area;

“**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 or 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;

“**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;

“**South Area**” means Cariboo, Kootenay-Boundary and Thompson-Okanagan Regions;

“**Species Net Volume**” means the species net merchantable volume reported in the appraisal summary report;

“**Stand as a Whole (SAAW) Pricing**” means that one stumpage rate is determined for all of the Total Net Coniferous Volume of timber on the cutting authority area. In a cruise based cutting authority, the single stumpage rate applies to the Total Net Cruise Volume;

“**Stud Log Percent**” means the species 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:

1. BC Consumer Price Index,
2. US Dollar Exchange rate,
3. Lumber Average Market Values;

“**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**” means the sum of all the coniferous species net volumes reported in the appraisal summary report;

“**Total Net Cruise Volume**” means the sum of all the species net volumes reported in the appraisal summary report;

1.3 Numbering and Calculation

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. Unless otherwise specified in this manual, 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.

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

1.4 Cutblocks within a Cutting Authority Area

1. Cutblocks within a cutting authority area must:
 - a. Each be a single unit,
 - b. Each be within the same forest district,
 - c. Collectively be tributary to the same common point of appraisal as chosen in accordance with section 3.5.2 (unless they are to be included in a blanket salvage **cutting authority**), and
 - d. Each not exceed a maximum distance of ten kilometres between the furthest boundaries of the furthest cutblocks, except when included in a blanket salvage **cutting authority**.
2. A cutting authority must not include both a cutblock where 35% or more of the Total Net Coniferous Volume¹ is red and grey **Mountain Pine Beetle** attacked Lodgepole pine and an authorization to harvest on a cutblock that does not have those same characteristics.

¹ As indicated in the appraisal summary report from the cruise compilation.

1.5 Appraisal Data Submission Requirements

1.5.1 Cruise Information

1. Unless otherwise specified by the director, cruise data must be gathered and compiled according to the approved interior standard timber merchantability specifications in Table 1-1 below and in accordance with the following Ministry publications:
 - a. *Cruising Manual* at the following web site:

<http://www.for.gov.bc.ca/hva/manuals/cruising.htm>
 - b. *Cruise Compilation Manual* at the following web site:

<http://www.for.gov.bc.ca/hva/manuals/cruisecompilation.htm>
2. When cruise information is submitted to the district manager or the regional manager in order to determine a stumpage rate or an upset stumpage rate, that information must include:
 - a. The Cruise Compilation Report, and
 - b. The ASCII data files (if applicable, also the percent reduction ASCII file).
 - c. The CSV (if applicable, also the percent reduction CSV file) for appraisals submitted on or after November 1, 2013, when the cruise was compiled using the 2014.00 or later version of the approved cruise compilation program.
3. When requested by the district manager, a copy of the original field data must be supplied by the licensee.

Table 1-1 Interior Timber Merchantability Specifications

Description	
The following standard timber merchantability specifications must be used for all appraisals.	
Stumps (Measured on the side of the stump adjacent to the highest ground.) no higher than	30.0 cm
Diameter (outside bark) at stump height	
lodgepole pine: all timber that meets or exceeds	15.0 cm
all other species: all timber that meets or exceeds	20.0 cm
Top diameter (inside bark or slab thickness) for all species and ages, except cedar older than 141 years, all timber that meets or exceeds	10.0 cm
Top diameter (inside bark or slab thickness) for cedar older than 141 years, all timber that meets or exceeds	15.0 cm
Minimum length log or slab	3.0 m

1.5.1.1 Comparative Cruise Data

1. Except for subsection (4), if there is time to perform a full cruise, then the timber will be cruised.
2. Comparative cruise data may be used:
 - a. If the estimated volume is greater than 5,000 m³, and the regional manager has determined that the requirement to perform a full operational cruise will delay expeditious harvesting and result in further damage, or
 - b. If the estimated volume is 5,000 m³ or less, and the district manager has determined that the requirement to perform a full operational cruise will delay expeditious harvesting and result in further damage.
3. Comparative cruise data may not be used where the submitting licensee has submitted appraisals for previous cutting authorities which utilized comparative cruise data in the appraisal and has not harvested these cutting authorities in a timely manner.
4. Notwithstanding the other subsections of this section, comparative cruise data may be used when the stumpage rate is determined under sections 6.2(6), 6.2.1(3) and 6.4.2.2 of this manual.
5. The district manager may require the selection of a comparable cutting authority to be made in accordance with the **requirements of the *Cruising Manual***.

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:

<https://apps.nrs.gov.bc.ca/ext/ecas/indexAction.do>

- i. A submission in ECAS must be signed by a forest professional.
- ii. Any cutting authority with a quarterly adjusting stumpage rate based on an appraisal with an original appraisal effective date prior to July 1, 2012 and that has not been subsequently reappraised using an updated appraisal data submission, shall be resubmitted in accordance with paragraph (iii) of this section through ECAS if a stumpage rate effective July 2, 2016, or later is required.
- iii. The resubmission shall use the same appraisal data as the most recent appraisal or reappraisal prior to the date of the resubmission.

If data in the resubmission is either missing or in a format that is incompatible with the procedures in the appraisal manual in effect on the effective date of the stumpage rate, the person who determines the stumpage rate shall add the missing data or change the data to be compatible prior to determining the stumpage rate.

- 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.
2. The form used for amortization agreements under section 4.3.1.4 must be the form in Appendix VII of this manual. **An electronic version of this form can be found at:**

<http://www.for.gov.bc.ca/pscripts/isb/forms/forms.asp>

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.

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10. Once Regional revenue staff determines the upset, BCTS will be advised by email from GAS of the upset determination.
11. a. Once Regional revenue staff determines the stumpage rate, Timber Pricing Branch's GAS will advise those licensees who have submitted an email address that the stumpage determination has been made.
 - b. The details of the licensee's stumpage determination will be made available in GAS accessed through Timber Pricing Branch's website.

2.2 Reappraisals

1. Where the policies and procedures in this manual require a reappraisal the stumpage rate must be redetermined in accordance with the policies and procedures that are or were in effect as the case may be on the effective date of the reappraisal except for the subsection of section 2.2.1 under which a changed circumstance occurred.
2. Except as otherwise provided in this section, or in sections 2.2.3 or 2.2.2.1, a reappraisal is a complete reassessment of the cutting authority area at the time of the reappraisal by the person who determines the stumpage rate taking into account:
 - a. A revised appraisal data submission submitted by the licensee in accordance with this manual, and/or
 - b. Information available to the person who determines the stumpage rate.
3. A reappraisal may not be used to change the appraisal from a full appraisal to a stumpage rate determined under chapter 6 or vice versa.
4. At the time of a reappraisal, except as directed under section 2.2.2 or 2.2.3, initial detailed engineering cost estimates may be re-estimated once after construction in accordance with section 4.3.3(4).
5. Where a reappraisal under sections 2.2.1.2(2) or 2.2.2 is warranted but there isn't any timber remaining on the cutting authority area to apply the redetermined stumpage rate to, then the reappraisal is redundant and not required.

2.2.1 Changed Circumstances

1. For cutting authorities with an expiry date after September 30, 2014:
 - a. The licensee must submit a Changed Circumstance Certification that a changed circumstance has not occurred on the cutting authority area, according to subsection 2 of this section, since the latest confirmed appraisal or reappraisal that is not a minister's direction or insect damage reappraisal.
 - b. The submission of a Changed Circumstance Certification to the appropriate regional revenue staff must occur:
 - i. no later than 60 days after the cutting authority expiry date; or
 - ii. no later than 60 days after the licensee completes root disease control activities where the appraisal data submission includes a cost estimate for root disease control, provided the activities occur after the cutting authority expiry date; **or**
 - iii. **no later than the submission date agreed to in paragraph (c) of this subsection.**

- c. The regional revenue staff may agree to a written request from the licensee to extend the submission deadline date of a Changed Circumstance Certification. Any request will require a work plan that includes a new proposed submission date.
2. This subsection applies to cutting authorities issued on or after July 2, 2014. For those cutting authorities issued prior to July 2, 2014 use section 2.2.1(1) as it was prior to July 1, 2014.

In this manual a changed circumstance means a circumstance where:

- a. i. the licensee or a contractor working on the licensee's behalf has harvested or will harvest the greater of either 1000 m³ or 10% of the Total Net Cruise Volume of timber on the cutting authority area using a harvest method that is different from the harvest method used in the most recent appraisal or reappraisal of the cutting authority area, and
- ii. the different harvest method when taken into account in a changed circumstance reappraisal will produce the highest stumpage rate within the meaning of section 3.1.
- b. The licensee or a contractor working on the licensee's behalf carries out or will carry out development on the cutting authority area such that there will be a difference of at least 10% between:
- i. the total appraised development cost estimate if it is recalculated under chapter 4 on the basis of the development actually carried out, to the extent this development is in accordance with chapter 4, and
- 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. Except as provided in subsections 4 or 5 of this section, the cutting authority is scale based and there has been a change¹ in the harvest area for the cutting authority when compared to the appraisal map submitted that exceeds the lesser of:
- i. 5 hectares, or
- ii. 5 percent of the harvest area for the cutting authority indicated on the appraisal map prior to the change,
- d. i. The cutting authority is cruise based and there has been a change¹ in the harvest area for the cutting authority when compared to the most recent appraisal map submitted that exceeds three hectares.
- ii. The area used for cruise based billing must only be changed to reflect the new area when:
- a. the harvest area has decreased and the cutting authority has been

¹ Measured as the absolute change, e.g. an addition of 5 hectares and the subtraction of 5 different hectares is a 10-hectare change for the purposes of this section.

- amended,
- b. the harvest area has increased, or
 - c. the change in harvest area described in this subsection triggers a changed circumstance under this section.
- e. 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 Total Net Cruise 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 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*. 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:
- i. included a Camp specified operation and a camp was never used ; or
 - ii. did not include a Camp specified operation but a camp was used that met the requirements of this manual.

- i. The most recent appraisal or reappraisal:
 - i. included a skyline specified operation, or root disease control as part of the tenure obligation adjustment, and a skyline was never used, or root disease control was never carried out on the cutting authority area in an amount that exceeds the greater of three hectares or three percent of the area indicated on the appraisal map; or
 - ii. did not include a skyline specified operation, or root disease control as part of the tenure obligation adjustment but was subsequently carried out by the licensee beyond the threshold in paragraph i. of this subsection that met the requirements of this manual.
3. Except as provided in subsections 4 or 5 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.
4. Except for paragraph (d) of subsection 2 of this section 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/m³ 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/m³, a changed circumstance reappraisal is not required.
5. 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(2) would be reduced, the changed circumstance reappraisal must be done only at the licensee's request.
6. 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(2)(e), the licensee must submit an appraisal data submission to the district manager within:
 - i. 60 days of completion of log transportation activities or no later than 30 days prior to the expiry of the cutting permit whichever comes first; or
 - ii. 60 days after the licensee completes root disease control activities where the appraisal data submission includes a cost estimate for root disease control, provided the activities occur after the cutting authority expiry date; or
 - iii. 60 days after the submission date agreed to in subsection 2.2.1(1)(c),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(2)(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(2)(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 (2) or (3) 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(2)(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(2)(f) or 2.2.1(2)(g) is the day after the date of the most recent appraisal or reappraisal that is not a reappraisal under sections 2.2.1(5), 2.2.2 or 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 sections 2.2.1(5), 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 must 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 must 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* before it was repealed may be reappraised on or after April 1, 2006 in accordance with this subsection if the licensee submits a revised ADS to the district manager.
 - i. Cutting authorities that have not been reappraised in accordance with this section may be reappraised once on or after July 1, 2014 during the remaining term and all extensions,
 - ii. Cutting authorities that have been reappraised once in accordance with this section prior to July 1, 2014 may be reappraised once on or after July 1, 2014 during the remaining term and all extensions,

- iii. Cutting authorities that have been reappraised twice in accordance with this section prior to July 1, 2014 may not be reappraised in accordance with this section.
- 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. Subject to subsection (1)(d) of this section, update the insect attack and the down tree code information for all the original trees in each plot in the field for codes 1, 2, 3, 5, 6, 7, 8, E and G 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 and down tree 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 must 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 reappraisal is submitted in ECAS.

necessitated by a changed circumstance reappraisal as authorized under paragraph (k) of this section.

- 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 determining 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, and must not be for a term, including extensions, longer than ten years unless otherwise approved by the regional manager.
 - h. The regional manager and licensee may not amend the agreement to adjust the total amount apportioned or, consequentially, any part amount apportioned to a tributary cutting authority, except as authorized under this subsection.
 - i. The apportionment specified in the agreement under this section may be adjusted 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.
 - j. One additional tributary cutting authority that was not previously identified in the agreement may be added once during the total term of the agreement.
 - k. In the event of a changed circumstance reappraisal of the first cutting authority, the amounts specified in the agreement must be amended to reflect proportionately the new total amount of the apportioned development cost estimate as determined in the changed circumstance reappraisal among only those cutting authorities included in the agreement that have not yet been issued as of the **submission** date of the changed circumstance reappraisal.
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

4.3.2 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:

- a. clearing,
- b. grubbing,
- c. stripping,
- d. debris disposal,
- e. stump removal,
- f. ditch construction,
- g. turnout construction (not landings),
- h. material costs, and
- i. 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 may be aggregated with a similar stand-alone non-adjacent road section.

2. Road Types:

- a. 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.
- b. 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.

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.
5. The sawlog stumpage rate for each species of coniferous timber harvested under a blanket salvage **cutting authority** issued for a woodlot licence is the rate prescribed in Table 6-2 for the forest zone in which the blanket salvage **cutting authority** 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	2.89	-	3.55	3.71	-	2.35	3.13	-	-	2.94
North East	0.83	-	-	-	-	1.07	1.16	-	-	1.13
North West	0.98	0.70	-	0.93	-	1.54	0.97	-	-	1.06
South Central	0.29	-	0.25	-	-	0.25	0.26	-	-	0.25
South East	2.29	2.93	2.76	2.62	2.54	2.59	2.38	2.46	2.03	2.58
South West	2.46	3.35	3.35	2.03	-	3.11	2.81	2.47	-	2.98

¹ Average for the Forest Zone

6.1.3 Incidental Conifer in Deciduous Leading Stands

1. Except as provided in section 5.1.1(6), 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 coniferous timber is the 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 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 must 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 must 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.
5. 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.

6.2 Cutting Authorities With 5000 m³ or Less Volume

1. Where the total estimated coniferous volume to be harvested in a cutting authority area is 2000 m³ 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 3000 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,
 - i. 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 **coniferous** timber must be the sum of the rate determined under paragraph (a) of this subsection and the basic silviculture cost¹ for the species in the applicable Interior Area, or
 - ii. **Where the Crown is responsible for basic silviculture on the cutting authority area, the stumpage rate for each species of coniferous timber must be the sum of the rate determined under paragraph (a) of this subsection and the silviculture levy determined under section 5.3.**
2. Except as provided in subsection 4 of this section or section 6.2.1, where the total estimated coniferous volume to be harvested on a cutting authority area is 5000 m³ 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 must 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 must be the rate requested by the district manager and approved by the regional manager.

¹ From the Interior Basic Silviculture Costs published quarterly and available on the Timber Pricing Branch website.

- d. Where the Crown is responsible for basic silviculture on the cutting authority area, the upset stumpage rate for each species of coniferous timber **must** be the sum of the rate determined under paragraphs (a), (b) or (c) of this subsection and the basic silviculture levy determined under section 5.3.
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 5000 m³ or less, and
 - b. The cutting authority has been approved as cruise based under section 106 of the *Act*, the upset must be no less than the district's cost to prepare the timber for sale as calculated by the district manager and the total stumpage must apply to all species of timber on the cutting authority area.
4. An upset stumpage rate determined under subsection (2) of this section must 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 5000 m³ or less, the stumpage rate may be determined through a full appraisal 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 Licence to Cut Regulation, or
 - ii. For the purpose of removing damaged timber from natural stands or plantations where:
 - aa. at least 70% of the total estimated volume of all species 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 2000 with a minimum diameter

6.3 Road Permit Stumpage Rates

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. **This section does 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 6-7.
3. A stumpage rate determined under **this** section, other than for a road permit for a BCTS licence under **subsection (7)**, must be re-determined annually on June 1st in accordance with **this** section.
4. Except as provided in **subsection (7)(b)**, stumpage rates determined under **this** section are scale based for billing.
5. Except as provided in subsections **(6)** and **(7)** of this section, the stumpage rate for a road permit must 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.
6. If there are no records from which the weighted average sawlog stumpage rate may be determined under paragraphs (a) or (b) of subsection **(5)** 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.
7. 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 must 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* must be the same as the total stumpage rate (\$/ha) of the timber sale licence which entitled the holder to apply for the road permit.
8. 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).
9. 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.

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

TSA is Smallest Geographic Unit			
District	Rate (\$/m³)	TSA	Rate (\$/m³)
Cascades	17.58	Lillooet	6.22
		Merritt	19.40
Coast Mountain (excluding North Coast Timber Supply Area)	3.69	Cascadia Blks 9,10,11	3.40
		Kalum	3.40
		Nass	6.58
		Pacific Bks 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
Prince George	21.04	Robson Valley	12.06
Quesnel	17.88	Cascadia Bks 5,6,7,8	17.88
		Quesnel	17.88
Rocky Mountain	13.17	Cranbrook	14.91
		Invermere	11.63
Selkirk	14.69	Arrow	15.85
		Boundary	15.40
		Cascadia Blks 1,2,3	15.85
		Cascadia Blk. 4	9.07
		Golden	15.05
		Kootenay Lake	14.66
		Revelstoke	9.07
Skeena Stikine	7.82	Bulkley	13.22
		Cassiar	0.88
		Kispiox	8.55

District is Smallest Unit			
TSA	Rate (\$/m³)	District	Rate (\$/m³)
Prince George	21.19	Fort St. James	16.70
		Vanderhoof	11.41
Williams Lake	21.03	Cariboo Chilcotin	23.62
		Williams Lake TSA Blocks, A, B, C, D	1.39

District & TSA are the same		
District	TSA	Rate (\$/m³)
Fort Nelson	Fort Nelson	7.29*
Mackenzie	Mackenzie	12.69
Okanagan Shuswap	Okanagan	18.76
Thompson Rivers	Kamloops	15.29
100 Mile House	100 Mile House	8.63

*Regional rate

Region is Smallest Unit			
Area	Rate (\$/m³)	Region	Rate (\$/m³)
North	13.72	Northeast	7.29
		Omenica	19.69
		Skeena	9.44
South	15.95	Cariboo	17.23
		Kootenay Boundary	14.10
		Thompson-Okanagan	17.37

6.4 Salvage Timber Stumpage Rates

6.4.1 Salvage Cutting Authorities - Licences without an AAC

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 must 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. a. Where salvaged timber is damaged timber, the sawlog stumpage rate for each species of coniferous timber must be the rate in Table 6-4 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 must be the sum of the rate determined under paragraph (a) of this subsection and the silviculture levy determined under section 5.3.
- 6. Where the salvaged timber is post harvest material, the sawlog stumpage rate for each species of coniferous timber must 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	11.55	-	21.29	14.84	-	11.75	18.77	-	-	11.77
North East	3.33	-	-	-	-	5.34	6.97	-	-	4.54
North West	3.94	4.21	-	3.73	-	7.71	5.82	-	-	4.25
South Central	1.16	-	1.10	-	-	1.04	1.58	-	-	0.89
South East	9.17	17.57	16.55	10.49	15.21	12.95	14.29	12.30	10.17	10.31
South West	9.84	20.11	20.10	8.10	-	15.55	16.83	12.36	-	11.91

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	4.81	-	11.83	6.19	-	7.84	10.43	-	-	4.91
North East	1.39	-	-	-	-	3.56	3.87	-	-	1.89
North West	1.64	3.74	-	1.55	-	5.14	3.24	-	-	1.77
South Central	0.48	-	0.61	-	-	0.69	0.88	-	-	0.37
South East	3.82	15.62	9.20	4.37	8.45	8.64	7.94	8.20	6.78	4.30
South West	4.10	17.87	11.17	3.38	-	10.37	9.35	8.24	-	4.96

¹ Average for the Forest Zone

6.4.2 Salvage Cutting Authorities – Licences with an AAC

1. This section applies to cutting authorities issued under licences with an allowable annual cut or maximum harvest volume; excluding Community Forest Agreements in section 6.1.1, Woodlots Licences in section 6.1.2, BCTS or any timber in the Research Forests noted in Table 6-7.

6.4.2.1 Blanket Salvage Cutting Authorities

1. Except as otherwise provided in this section, this section applies to existing blanket salvage cutting authorities and new blanket salvage cutting authorities issued on or after June 1, 2014.
2. For blanket salvage cutting authorities that were issued prior to June 1, 2014, and any cutblocks that were amended into those cutting authorities 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 cutting authorities issued on or after June 1, 2014 and any cutblocks amended into those cutting authorities or into cutting authorities issued prior to or after June 1, 2014, where the cutblocks:
 - a. are restricted to a maximum of 15 hectares and in no case greater than 5,000 m³,
 - 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.

4. All blanket salvage cutting authorities are scale based for billing.
5. A stumpage rate determined under this section must be re-determined annually on June 1st in accordance with this section.

6.4.2.2 Cruise Based Salvage Cutting Authorities

1. On or after April 15, 2015, a licensee may apply for cruise based salvage cutting authorities for the primary purpose of removing Mountain Pine Beetle (MPB) attacked Lodgepole pine where:
 - a. The total net coniferous volume of timber on each cutblock for the cutting authority area is comprised of 75% or more grey MPB attacked Lodgepole pine¹; and
 - b. The conifer species other than Lodgepole pine must be evenly distributed throughout each cutblock.
2. The stand-as-a-whole stumpage rate for all species of merchantable timber on the cutting authority area is the greater of:

- a. Stumpage rate

$$= \text{BASE RATE} - [1.266 * (\text{CYCLE} + (0.5 * \text{CYCLE_INC6})) - 5.253 * \text{ZONE 9}] * \text{CPIF} - [\text{SO's} * (\text{CPI}/138.1)];$$

Where:

BASE RATE = Rate indicated in Table 6-6 for the Forest Zone in which the cutting authority is located.

CYCLE = as defined in section 3.3 and measured in accordance with sections 3.5.1.1 and 3.5.1.3.

CYCLE_INC6, ZONE 9, CPI, and CPIF = as defined in section 3.3.

SO's = the sum of the transportation specified operations that apply to the transportation route from sections 3.6.1 and 3.6.2.

- b. The prescribed minimum stumpage rate.

Table 6-6 Base Rate* for Cruise Based Salvage Cutting Authorities by Forest Zone

FOREST ZONE	BASE RATE** (\$/m ³)
North Central	12.34
North East	12.34
North West	12.34
South Central	6.34
South East	13.71
South West	12.82

* Rate prior to adjustments for transportation and zone 9

** Average for the Forest Zone

¹ Seventy-five (75) percent or more of the estimated net conifer merchantable volume defined as grey attack in each cutblock, based on a professional estimate by a forest professional registered with the Association of BC Forest Professionals. The professional estimate must include a description and supporting information of how the estimate was generated.

3. All cruise based salvage cutting authorities under this section are cruise based for billing.
4. The net merchantable volume per hectare for the cutting authority area must be determined using the method described in section 2.9.1 of the *Cruising Manual*.
5. A stumpage rate determined under this section must be re-determined on June 1st of each year, starting June 1, 2016, in accordance with this section.

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 must be the total of the silviculture levy determined under section 5.3 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 must be the total of the silviculture levy determined under section 5.3 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 must be the total of the silviculture levy determined under section 5.3 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 must be the total of the silviculture levy determined under section 5.3 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 must 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 must be the rate approved by the regional manager.
- c. An upset stumpage rate determined under paragraphs (a) or (b) of this subsection must 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 must 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 5.3.
- 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 must 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 5.3.
7. Where the upset stumpage rate or the stumpage rate has been determined using this section the total stumpage rate must 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 6-7 are as prescribed in that table. This table does not apply to cruise based cutting authorities.

Table 6-7 Miscellaneous Stumpage Rates

All Interior Forest Regions

Species	Code ¹	Product	Reserve Stumpage Rate
All Species	SB	Shake & Shingle Bolts, Blocks and Blanks.	\$5.30/m ³
All Species	SK	Shakes	\$6.00/m ³
Cedar	PR	Posts & Rails (Split and Round)	\$3.00/m ³
All other Species	PR	Posts & Rails (Split and Round)	\$1.20/m ³
All Species	MT	Mining Timbers	\$3.00/m ³
All Species	FW	Firewood	\$0.50/m ³
Yew		All	\$0.25/m ³
All Species	CH	Wood chips from post-harvest material where a waste assessment has been made ²	\$0.25/m ³
All Species	HF	Hogged tree material from post-harvest material where a waste assessment has been made ²	\$0.25/m ³
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 ³
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 ³
All Species	SS	Stakes & Sticks.	\$1.20/m ³
All Species	XM	Christmas Tree Length: 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 ³
All Species		Marine Beachcomb	\$0.70/m ³
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 ³
All Species		Firmwood Reject	NIL

¹ Special Forest Products as described in the Special Forest Products Regulation under the *Act*.

² 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	Reserve Stumpage Rate
New Crown land area disturbed for mining exploration trails, seismic lines ¹ , gas or oil well sites and right-of-way to well sites ² , or, authorizations for investigative purposes issued under the <i>Land Act</i> .	Ft. Nelson Mackenzie Peace Rocky Mountain	\$ 836 /ha \$ 797 /ha \$ 1031 /ha \$ 1191 /ha

¹ The corresponding district reserve stumpage rate from the above table is adjusted according to the category of line clearing as follows:

Category 1 - no adjustment
 Category 2 - 1/2 of the reserve stumpage rate
 Category 3 - 1/3 of the reserve stumpage rate

The gross area for each category reported as new line on either; the Oil and Gas Commission's Geophysical Final Plan cover sheet or an As Cleared Plan is multiplied by the reserve stumpage rate as adjusted above (refer to Appendix V for category definitions).

² For pipe line rights-of-way a stumpage rate must be determined by using the above rates for cutting authorities containing 2000 m³ or less, of merchantable coniferous volume. For pipe line rights-of-way cutting authorities greater than 2000 m³ use section 6.7.

6.7 Specific Licences to Cut

1. This section applies to:
 - a. Master licences to cut,
 - b. Occupant licences to cut, and
 - c. Forestry licences to cut :
 - i. Issued under section 47.6(3) of the *Act* in conjunction with an activity funded out of the BCTS account,
 - ii. Issued in conjunction with a works contract other than BCTS, or
 - iii. Issued for a fence line or protection of a fence line administered under the *Range Act*.
2. This section does not apply to:
 - a. Cutting authorities issued for any of the activities listed in Table 6-7 that have an area reserve stumpage rate in the following districts: Fort Nelson, Peace, Mackenzie, or Rocky Mountain, or
 - b. The proposed Site C reservoir and dam site, or
 - c. Projects where cruising of the timber to be harvested on any tenure listed in subsection (1) has been initiated for use in a full appraisal prior to November 1, 2013.
3. Unless otherwise directed under section 2.2.2, the stumpage rate for any tenure listed in subsection (1) issued on or after November 1, 2013, must be the stumpage rate prescribed in Table 6-3 for the smaller of the area of the forest district, timber supply area, region, or Area in which the entire cutting authority area for the tenure is located, plus the average basic silviculture cost¹ for all species for the applicable Interior Area in which the cutting authority area is located at the time the stumpage rate is determined.
4. Where the licensee will have a silvicultural obligation imposed by the Ministry then the basic silviculture cost is not added under subsection (3) of this section.
5. Where the timber felled on the cutting authority area of any tenure listed in subsection (1) will not be removed from the site the volume used for billing may be estimated using an alternate method of scale approved by the Minister.

¹ From the Interior Basic Silviculture Costs published quarterly and available on the Timber Pricing Branch website.

6. Except as provided under paragraph (7) of this section, the stumpage rate determined under this section will be re-determined annually on June 1st.
7. The stumpage rate determined under this section for a forestry licence to cut issued under section 47.6(3) of the *Act* is fixed for the term 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 Total Net Coniferous Volume of timber on the cutting authority area is comprised of 35% or more red and grey Mountain Pine Beetle (MPB) attacked Lodgepole pine¹, 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 Total Net Coniferous Volume of timber on the cutting authority area is comprised of 35% or more red and grey MPB attacked Lodgepole pine¹, 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 Total Net Coniferous Volume in each cutblock within the cutting authority area is comprised of 35% or more red and grey MPB attacked Lodgepole pine¹, 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*, or
 - e. Under a cutting authority that meets the criteria of section 6.4.2.2.

¹ The absolute fraction to the nearest 0.1% derived from dividing the sum of the Red and Grey attack volumes in each cutblock by the total net coniferous cruise volume in each cut block (both from the appraisal summary report from the cruise compilation).

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 must be calculated as stand as a whole in accordance with the following:
 - a. the stumpage rate is determined using chapters 1, 2, 3, 4, 5, or section 6.4.2.2 of this manual,
 - b. the stumpage rate determined under paragraph (a) of this subsection must 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 Total Net 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 must 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 must 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 must be prorated by the person who determines the stumpage rate using Tables 4-5 or 4-6 of this manual as per section 4.6.

6.10 Section 103(3) of the Act

Stumpage for the purposes of section 103(3) of the *Act* must be calculated in accordance with the procedure approved by the Director. The stumpage rate is fixed.

Appendix V Geophysical Clearance Line Categories

The following categories of geophysical line clearing apply to Table 6-7. All clearing activity in the categories below must follow the best practices of meandering avoidance, line of site to a maximum of 200 metres, and avoidance of merchantable timber wherever possible. Failure to employ these best practices (as determined by the district manager) will result in the line clearing being billed as Category 1. The categories are defined as follows:

Category 1 - Any line section over 100 metres in length and over 4.25 metres in width.

Category 2 - Any line section over 100 metres in length and between 3.0 metres and 4.25 metres in width.

Category 3 - Any line section over 100 metres in length and less than 3.0 metres in width.

Appendix VI Appraisal Log Dumps

Area	District	Marine (M) Natural (N) or Reservoir (R)	Water Body Name	Dump Location Name
NORTH	Coast Mountain	M	Devastation Channel	Heysham Creek
NORTH	Coast Mountain	M	Devastation Channel	Hugh Creek
NORTH	Coast Mountain	M	Devastation Channel	North Kitsaway
NORTH	Coast Mountain	M	Devastation Channel	Pike/Sleeman
NORTH	Coast Mountain	M	Devastation Channel	South Kitsaway
NORTH	Coast Mountain	M	Douglas Channel	Miskatla
NORTH	Coast Mountain	M	Eagle Bay	Eagle Bay
NORTH	Coast Mountain	M	Gardner Canal	Barrie Creek
NORTH	Coast Mountain	M	Gardner Canal	Collins Bay
NORTH	Coast Mountain	M	Gardner Canal	Kemano Bay
NORTH	Coast Mountain	M	Kildala Arm	Dala River
NORTH	Coast Mountain	M	Kildala Arm	Falls River
NORTH	Coast Mountain	M	Kitimat Arm	Minette Bay
NORTH	Coast Mountain	M	Verney Passage	Cheenis Creek
NORTH	Mackenzie	R	Williston Lake	Bear Valley
NORTH	Mackenzie	R	Williston Lake	Chowika
NORTH	Mackenzie	R	Williston Lake	Clearwater
NORTH	Mackenzie	R	Williston Lake	Factor Ross
NORTH	Mackenzie	R	Williston Lake	Ingenika
NORTH	Mackenzie	R	Williston Lake	Lost Cabin
NORTH	Mackenzie	R	Williston Lake	Manson
NORTH	Mackenzie	R	Williston Lake	Mesilinka
NORTH	Mackenzie	R	Williston Lake	Nation
NORTH	Mackenzie	R	Williston Lake	Omineca
NORTH	Mackenzie	R	Williston Lake	Ospika
NORTH	Mackenzie	R	Williston Lake	Swannell
NORTH	Nadina	R	Knewstubb Lake	Ootsa Cheslatta
NORTH	Nadina	R	Knewstubb Lake	Ootsa Deerhorn
NORTH	Nadina	R	Knewstubb Lake	Table Bay
NORTH	Nadina	R	Knewstubb Lake	Tahtsa Reach
SOUTH	Okanagan Shuswap	N	Okanagan Lake	Bear Creek
SOUTH	Okanagan Shuswap	N	Shuswap Lake	Lee Creek
SOUTH	Okanagan Shuswap	N	Shuswap Lake	2 Mile
SOUTH	Okanagan Shuswap	N	Shuswap Lake	Wilson Creek
SOUTH	Selkirk	R	Arrow Lakes	Cayuse
SOUTH	Selkirk	R	Arrow Lakes	Fosthall
SOUTH	Selkirk	R	Arrow Lakes	Halfway
SOUTH	Selkirk	R	Arrow Lakes	Island Point - Gladstone

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