

Ref: 252783

December 19, 2019

To: Coast Regional Executive Directors

From: Patrick Asante, Manager, Timber Pricing

Re: Errata No. 1 - Coast Appraisal Manual (CAM)

This is to advise you that the following sections of the CAM contain an error:

Section 1.1 Definitions – Added “Partially harvested timber”;
4.3.1 EWB – Loss-Factor Based;
4.3.2 EWB – Call Grade Net Factor Based; and
Table 5-5 Basic Silviculture Cost

Please replace those pages with copies of the attached.

A copy of the revised CAM is available at:

<http://www2.gov.bc.ca/gov/content/industry/forestry/competitive-forest-industry/timber-pricing/coast-timber-pricing/coast-appraisal-manual>

We apologize for any inconvenience.



On behalf of,
Patrick Asante
Manager, Timber Pricing
Timber Pricing Branch Attachments

pc:

Jim Schafthuizen, A/Executive Director, Forest Policy and Indigenous Relations Division
Allan Bennett, Director, Timber Pricing Branch
Randy Husband, Director, Pricing, Tenures and Administration, Coast Area

Distribution List/Industry:

Coast MPS Technical Subcommittee
Coast Timber Pricing Advisory Committee Members
Coast Timber Pricing Committee Stakeholders

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

“Forest Professional” means a Registered Professional Forester (RPF) or 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) that has been used by GAS to calculate an indicated stumpage rate or has been included in an appraisal for a BCTS cutting authority;

“Great Bear Rainforest North” means all Crown land that is within the geographic boundaries of:

- a. the Great Bear Rainforest North Timber Supply Area as prescribed by regulation; and
- b. that part of the Tree Farm Licence No. 25 within the Coast Mountain and North – Island Central Coast Forest Districts; and
- c. within Forest Licences A91438 and A94535 cutting authority areas;

“Harvest Area” means the area indicated for harvest on an appraisal map submitted by the licensee;

“Helicopter Selection” means the harvesting of single trees within standing residual timber that have been felled and then removed using a helicopter;

“Hogged Tree Material” means tree residues or by-products that have been shredded into smaller fragments by mechanical action and is made from post-harvest material where a waste assessment has been made. Where the post-harvest material is removed from an area that is or was a cruise-based billing cutting authority, a waste assessment is not required;

“Immature coniferous timber” means coniferous timber that is younger than 121 years old;

“Initial Appraisal Data Submission (initial ADS)” means the appraisal data submission effective on the same effective date as the fully appraised cutting authority;

“Intact cutblock” means 90% or more of a cutblock’s total net cruise volume approved under the cutting authority remains unharvested (standing, felled or decked);

“Licensee” means the holder of a cutting authority;

“Low grade” means grades ‘X’ and ‘Y’ of all species and ‘U’ grade hemlock and balsam;

“**Main Access Road**” means a long-term (i.e., in use for more than ten years) mainline road that is tributary to the appraised cutting authority area, or is used to transport bulk fuels, supplies, equipment or harvesting crews necessary to carry out day-to-day harvesting activities on that area, and has an average stabilized subgrade width greater than seven metres;

“**Manual**” means *Coast Appraisal Manual*;

“**Mature coniferous timber**” means coniferous timber that is 121 years old or older;

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

“**Ministry**” means Ministry of Forests, Lands, Natural Resource Operations and Rural Development (FLNRORD);

“**Net cruise volume**” means the gross volume of the **species balsam, cedar, cypress, Douglas fir, hemlock, lodgepole pine, white pine, Sitka spruce, Engelmann spruce** plus alder, birch, cottonwood and maple in the cutting authority area minus the volume of decay, waste and breakage in that timber unless otherwise specified in the *Cruising Manual*;

“**Old growth coniferous timber**” means coniferous timber that is 141 years old or greater;

“**Partially Harvested Timber**” means timber that has been felled and/or bucked and not yet forwarded to roadside;

“**Post-Harvest Appraisal Data Submission (post-harvest ADS)**” means the appraisal data submission effective on the day after the effective date of the fully appraised cutting authority;

“**Primary Harvesting Activities**” means the cutting and removal of timber from a cutting authority area;

“**Regional Executive Director**” means regional executive director of the West Coast Region or South Coast Region or the regional executive director’s designate;

“**Regional manager**” means regional executive director of the Ministry or except for Section 2.1.1(1)(a), regional executive director’s designate;

“**Regulations**” means regulations under the *Act*;

“**Remaining volume**” means the total net cruise volume of a cutting authority area minus the total volume of timber in the billing history record of the cutting authority area on the effective date of the reappraisal of the cutting authority area;

“**Road Permit**” means road permit or the timber mark for a road permit that is associated with the applicable tenure listed in Section 115(1) of the *Act*;

“Scale-Based billing cutting authority” means a cutting authority where under Part 6 of the *Act*, the stumpage payable is based on a scale of the timber harvested from the cutting authority area;

“Second growth coniferous timber” means coniferous timber that is less than 141 years old;

“Selling price zone 51” means the table of coast market pricing system log values for old growth coniferous timber, approved by the Director;

“Selling price zone 52” means the table of coast market pricing system log values for second growth coniferous timber, approved by the Director;

“Skyline” means any method of yarding where the logs are fully suspended above the ground by a short span, long span, or multi-span system using a carriage with standing or running lines;

“Stand as a Whole (SAAW) Pricing” means the stumpage payable is a single amount for the Total Net Cruise Volume of the cutting authority area that will be based on a cruise of the timber as authorized under Section 106 of the *Act*,

“Stumpage Appraisal Parameters” means the following as approved and published by the Director:

- a. BC Consumer Price Index (CPI);
- b. Applicable Coast Domestic or Export-Adjusted Log Average Market Values;
- c. Total Coast Harvest and Export Share;
- d. Lumber Average Market Values for each of Cedar, Fir and Hemlock;
- e. Statistics Canada Index Values for each of Cypress and Hemlock;
- f. Lumber and Veneer Average Market Value for Fir; and
- g. North American Housing Starts;

“Timber Pricing Branch” means Timber Pricing Branch of the Ministry of Forests, Lands, Natural Resource Operations and Rural Development;

“Timber Sales Manager” means a timber sales manager appointed under the *Ministry of Forests and Range Act* for a BC Timber Sale business area, or the timber sales manager’s designate;

“**Total net cruise volume**” of a cutting authority area (tncv) is the product of the net cruise volume per hectare of the cutting authority area (ncv/ha) multiplied by the total merchantable timbered area to be harvested under the cutting authority (tmta). Expressed

as an equation:
$$\text{tncv} = \frac{\text{ncv}}{\text{ha}} \times \text{tmta}$$
 ;

“**Tributary cutting authority area**” means a cutting authority area from which timber must be transported over the road that is developed, or a cutting authority area to which bulk fuels, supplies, equipment and harvesting crews necessary to carry out the day-to-day harvesting activities on that area must be taken on a regular basis over the road that is developed;

“**Unit cost**” means costs expressed in dollars per cubic metre;

“**Woodchips**” means timber that has been cut into small pieces by a chipper and is made from post-harvest material where a waste assessment has been made. Where the post-harvest material is removed from an area that is or was a cruise-based billing cutting authority, a waste assessment is not required.

4.3.1 EWB – Loss Factor Based

$$\begin{aligned}
 \text{EWB } (\$/\text{m}^3) = & \text{CPIF} * [- 11.98 \\
 & + 0.2862 ((\text{HEMLOCK}) * (\text{HEMLOCK_HG}) * (\text{HEMLBRSC}/\text{CPIF})) \\
 & + 0.1307 ((\text{HEMLOCK}) * (\text{HEMLOCK_MG}) * (\text{HEMLBRSC}/\text{CPIF})) \\
 & + 0.2356 ((\text{CEDAR}) * (\text{CEDAR_HG}) * (\text{CEDLBRAMV}/\text{CPIF})) \\
 & + 0.09588 ((\text{CEDAR}) * (\text{CEDAR_MG}) * (\text{CEDLBRAMV}/\text{CPIF})) \\
 & + 0.2023 ((\text{CYPRESS}) * (\text{CYPRESS_HG}) * (\text{CYPLBRSC}/\text{CPIF})) \\
 & + 0.2023 ((\text{CYPRESS}) * (\text{CYPRESS_MG}) * (\text{CYPLBRSC}/\text{CPIF})) \\
 & + 0.7159 ((\text{FIR}) * (\text{FIR_HG}) * (\text{FIRLVAMV}/\text{CPIF})) \\
 & + 0.3874 ((\text{FIR}) * (\text{FIR_MG}) * (\text{FIRLVAMV}/\text{CPIF})) \\
 & + 14.52 [\text{Ln}(\text{VPL})] * \text{OG_FR} \\
 & + 18.05 [\text{Ln}(\text{VPH}/1000)] \\
 & - 0.3612 (\text{SLOPE} * (1 - \text{HELI})) \\
 & - 53.56 (\text{HELILAND} * \text{HELI}) \\
 & - 46.97 (\text{HELIWATER} * \text{HELI}) \\
 & - 0.08023 (\text{LOCATION}) \\
 & - 13.47 (\text{ISOLATED}) \\
 & - 3.700 (\text{LUMPSUM}) \\
 & + 0.02053 (\text{NAHS}) \\
 & + 35.15 ((\text{EXPORTSHARE}) * (1 - \text{CEDAR} * \text{CYPRESS})) \\
 & + 2.347 (\text{DISTAVGNBID}) \\
 & + 1.144 [\text{Ln}(\text{VOL}/1000)]]
 \end{aligned}$$

Note: Ln = natural logarithm

4.3.2 EWB – Call Grade Net Factor Based

$$\begin{aligned}
 \text{EWB } (\$/\text{m}^3) = & \text{CPIF} * [2.999 \\
 & + 0.2615 ((\text{HEMLOCK}) * (\text{HEMLOCK_HG}) * (\text{HEMLBRSC}/\text{CPIF})) \\
 & + 0.2615 ((\text{HEMLOCK}) * (\text{HEMLOCK_MG}) * (\text{HEMLBRSC}/\text{CPIF})) \\
 & + 0.1828 ((\text{CEDAR}) * (\text{CEDAR_HG}) * (\text{CEDLBRAMV}/\text{CPIF})) \\
 & + 0.1094 ((\text{CEDAR}) * (\text{CEDAR_MG}) * (\text{CEDLBRAMV}/\text{CPIF})) \\
 & + 0.1729 ((\text{CYPRESS}) * (\text{CYPRESS_HG}) * (\text{CYPLBRSC}/\text{CPIF})) \\
 & + 0.1729 ((\text{CYPRESS}) * (\text{CYPRESS_MG}) * (\text{CYPLBRSC}/\text{CPIF})) \\
 & + 0.6544 ((\text{FIR}) * (\text{FIR_HG}) * (\text{FIRLVAMV}/\text{CPIF})) \\
 & + 0.4995 ((\text{FIR}) * (\text{FIR_MG}) * (\text{FIRLVAMV}/\text{CPIF})) \\
 & + 29.51 [\text{Ln}(\text{VPL})] * \text{OG_FR} \\
 & + 21.20 [\text{Ln}(\text{VPH}/1000)] \\
 & - 0.3803 (\text{SLOPE} * (1 - \text{HELI})) \\
 & - 53.09 (\text{HELILAND} * \text{HELI}) \\
 & - 44.02 (\text{HELIWATER} * \text{HELI}) \\
 & - 0.07945 (\text{LOCATION}) \\
 & - 12.79 (\text{ISOLATED}) \\
 & - 8.148 (\text{LUMPSUM}) \\
 & + 41.34 ((\text{EXPORTSHARE}) * (1 - \text{CEDARCYPRESS})) \\
 & + 1.760 (\text{DISTAVGNBID}) \\
 & + 1.044 [\text{Ln}(\text{VOL}/1000)]]
 \end{aligned}$$

Note: Ln = natural logarithm

5.6 Basic Silviculture Cost

1. Except where basic silviculture performed or to be performed on a cutting authority area is or will be funded by the Crown or an agent of the Crown a basic silviculture cost may be used in the calculation of a tenure obligation adjustment where the licensee is required to perform basic silviculture on the cutting authority area being appraised or reappraised.
2. The basic silviculture cost depends on the geographic location of the cutting authority area being appraised or reappraised as described in Table 5-5.

Table 5-5: Basic Silviculture Cost

Where the cutting authority area is located in:	The basic silviculture cost expressed in \$/m ³ is:
Campbell River Forest District	2.43
Chilliwack Forest District	3.69
Coast Mountain (North Coast) Forest District	6.98
Haida Gwaii Forest District	6.98
North Island - Central Coast Forest District	2.67
Sea to Sky (Squamish) Forest District	3.91
South Island Forest District	2.33
Sunshine Coast Forest District	3.17

5.7 Low Grade Number

1. The forest district low grade fractions by timber species as shown in Table 5-6 shall be used in the calculation of the tenure obligation adjustment to account for the low grade timber that is not subject to the appraised stumpage rate.
2. The low grade fraction for each timber species to be used in the appraisal or reappraisal of the cutting authority area shall be the fraction by timber species by the forest district in which the cutting authority area is located (refer to Table 5-6).
3. The low grade number to be used in the calculation of the tenure obligation adjustment for a cutting authority area being appraised or reappraised is the sum of the products of the net cruise volume of each timber species in the cutting authority area multiplied by the low grade fraction for that species, divided by the total net cruise volume in the cutting authority area.

Table 5-6: Forest District Low Grade Fractions by Timber Species

District	BA	CE	CY	FI	HE	LO	SP	WH	Deciduous
Campbell River	0.1999	0.0585	0.2052	0.0345	0.2141	0.1060	0.0486	0.1455	1.0000
Chilliwack	0.2707	0.0459	0.2238	0.0465	0.3068	0.2067	0.0608	0.1800	1.0000
Coast Mountain (North Coast)	0.1844	0.2158	0.2589	0.2954	0.4056	0.0443	0.4337	0.2954	1.0000
Haida Gwaii	0.1430	0.0666	0.1592	0.1430	0.3228	0.2046	0.0501	0.1430	1.0000
North Island – Central Coast	0.2102	0.1148	0.2674	0.0360	0.2396	0.1748	0.0939	0.2131	1.0000
Sea to Sky (Squamish)	0.2971	0.1021	0.1314	0.0835	0.3689	0.3711	0.0985	0.3563	1.0000
South Island	0.1797	0.0826	0.1897	0.0346	0.2070	0.0521	0.0392	0.3351	1.0000
Sunshine Coast	0.1668	0.0707	0.2485	0.0421	0.2203	0.1416	0.0356	0.0745	1.0000