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MAY 29 2009

To: Jim Gowriluk
Regional Manager
Coast Forest Region

From: The John Dyble, Deputy Minister of Forests and Range


Re: Amendment No. 3 to the Coast Appraisal Manual

I hereby approve Amendment No. 3 to the *Coast Appraisal Manual* and attach a copy for your use. The following section has been amended:

- Section 4.2.2.3.1 Revised log grade source for tree farm licences.
- Section 4.4.7 Clarifies existing policy on EBM costs.
- Section 6.1.1 Cross reference to decked timber section.
- Section 7.3 AAC used for stumpage billing report used for road permit rates is revised to 7000 m³
- Section 7.6 revised procedures for pricing decked timber.



This amendment will come into force on June 1, 2009. Further amendments or revisions to this manual require my approval.



John Dyble
Deputy Minister

Attachment

pc: Murray Stech, Director, Revenue Branch

<p>FOR FURTHER INFORMATION OR IF YOU HAVE A CHANGE OF ADDRESS, PLEASE CONTACT:</p> <p>George Silvestrini Senior Timber Pricing Forester (Coast) Revenue Branch Ministry of Forests 1st Floor, 1520 Blanshard Street Victoria, BC V8W 3K1 Phone: 250 - 387-8377 PROFS userid: George.Silvestrini@gov.bc.ca FAX: 250 - 387-5670</p>	MANUAL TITLE	
	Coast Appraisal Manual	
	AMENDMENT	ISSUE DATE
	Amendment No. 3	June 1, 2009
MANUAL CO-ORDINATOR		
Judy Laton Publication/Administrative Co-ordinator		
AUTHORIZATION (Name, Title)		
Murray Stech Director, Revenue Branch		

Please make the following changes to your copy of the above Ministry manual.

ACTION (Remove/Insert)	(VOL.) CHAPTER-SECTION-SUBJECT	PAGE(S)	COMMENTS
	TABLE OF CONTENTS		
Remove	Table of Contents	1 - 2	After Table of Contents Tab
Insert		1 - 2	
Remove	Chapter 4	11 - 18 23 - 24	After Chapter 4 Tab
Insert		11 - 18 23 - 24	
Remove	Chapter 6	3 - 4	After Chapter 6 Tab
Insert		3 - 4	
Remove	Chapter 7	5 - 6 9 - 10	After Chapter 7 Tab
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Remove	Index	1 - 2	After Index Tab
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2. a. Where the cutting authority area is the only cutting authority area in the cutting authority and is entirely within the geographic boundaries of a single timber licence, the person determining the stumpage rate will proceed to subsection 3 of this section.
- b. Where subsection 2 (a) of this section is not applicable, the person determining the stumpage rate will proceed to subsection 4 of this section.
3. a. Where the species being considered has a billing history record for cutting permits issued under the timber licence under which the cutting permit that authorizes harvesting on the cutting authority area being appraised or reappraised has been issued that meets the criteria of subsection 4.2.2.2(4), then that billing history record will be the source of the log grade percentages for that species.
- b. Where there is no such billing history record, the person determining the stumpage rate will proceed to subsection 4 of this section.
4. a. Where the species being considered has a billing history record derived from cutting permits issued under the tree farm licence or licence to cut authorizing harvest in that part of the tree farm licence area that lies within the geographic boundaries of the forest district that contains the cutting authority area being appraised or reappraised and that billing history record meets the criteria of subsection 4.2.2.2(4), then that billing history record will be the source of the log grade percentages for that species.
- b. Where there is no such billing history record, the person determining the stumpage rate will proceed to subsection (5) of this section.
5. a. Where the species being considered has a billing history record derived from cutting permits issued under the tree farm licence or licence to cut authorizing harvest and that billing history meets the criteria of subsection 4.2.2.2(4), then that billing history record will be the source of the log grade percentages for that species.
- b. Where there is no such billing history record, the person determining the stumpage rate will proceed to subsection (6) of this section.
6. a. Where the species being considered has a billing history record for cutting authority areas in that part of the tree farm licence area that lies within the geographic boundaries of the forest district that contains the cutting authority area being appraised or reappraised that meets the criteria of subsection 4.2.2.2(4), then that billing history record will be the source of the log grade percentages for that species.
- b. Where there is no such billing history record, the person determining the stumpage rate will proceed to subsection (7) of this section.

7. a. Where the species being considered has a billing history record for cutting authority areas in a tree farm licence area that contains the cutting authority area being appraised or reappraised that meets the criteria of subsection 4.2.2.2(4), then that billing history record will be the source of the log grade percentages for that species.
- b. Where there is no such billing history record, the person determining the stumpage rate will proceed to subsection (8) of this section.
8. Where the species being considered has a five-year billing history for cutting authority areas in a tree farm licence area that contains the cutting authority area being appraised or reappraised that meets the criteria of subsection 4.2.2.2(4), then that billing history record will be the source of the log grade percentages for that species.

4.2.2.3.2 Log Grade Percentages for a Cutting Authority Area Within a Timber Supply Area

Where the cutting authority area being appraised or reappraised is entirely within the geographic boundaries of a single timber supply area, the log grade percentages for the cutting authority area will be determined in the following manner:

1. a. Where at least eighty percent of the timber in the cutting authority area is second growth coniferous timber, the log grade percentages for that cutting authority area will be determined in accordance with the requirements of subsection 4.2.2.2(6).
- b. Where at least eighty percent of the timber in the cutting authority area is not second growth coniferous timber the person determining the stumpage rate will proceed to subsection 2 of this section.
2. a. Where the cutting authority area is entirely within the geographic boundaries of one or more timber licences, the person determining the stumpage rate will proceed to subsection 3 of this section.
- b. Where the cutting authority area is not entirely within the geographic boundaries of one or more timber licences, the person determining the stumpage rate will then proceed to subsection 4 of this section.
3. a. Where the cutting authority area being appraised or reappraised is authorized for harvest under a cutting permit issued under a timber licence, and the species being considered has a billing history record for cutting permits issued under that timber licence and any other timber licence with which that licence has been amalgamated and approved by the district manager that meets the criteria of subsection 4.2.2.2(4), then that billing history record will be the source of the log grade percentages for that species.

- b. Where there is no such billing history record, the person determining the stumpage rate will proceed to subsection 6 of this section.
4.
 - a. Where the cutting authority area in a timber supply block being appraised or reappraised is authorized for harvest under a cutting permit issued under either a forest licence or licence to cut, and the species being considered has a billing history record for cutting permits issued under the licence authorizing harvest in that same timber supply block, and that billing history record meets the criteria of subsection 4.2.2.2(4), then that billing history record will be the source of the log grade percentages for that species.
 - b. Where there is no such billing history record, the person determining the stumpage rate will proceed to subsection 5 of this section.
5.
 - a. Where the cutting authority area in a timber supply area being appraised or reappraised is authorized for harvest under a cutting permit issued under either a forest licence or licence to cut, and the species being considered has a billing history record for the cutting **permits** issued under the licence authorizing harvest in that same timber supply area and that billing history record meets the criteria of subsection 4.2.2.2(4), then that billing history record will be the source of the log grade percentages for that species.
 - b. Where there is no such billing history record, the person determining the stumpage rate will proceed to subsection 6 of this section.
6.
 - a. Where the cutting authority area being appraised or reappraised is authorized for harvest under a cutting permit issued under either a forest licence, timber licence or licence to cut, and the species being considered has a billing history record for all cutting authority areas that have been authorized for harvest in that timber supply block that meets the criteria of subsection 4.2.2.2(4), then that billing history record will be the source of the log grade percentages for that species.
 - b. Where there is no such billing history record, the person determining the stumpage rate will proceed to subsection 7 of this section.
7.
 - a. Where the cutting authority area being appraised or reappraised is authorized for harvest under a cutting permit issued under either a forest licence, timber licence or licence to cut, and the species being considered has a billing history record for **all cutting authority areas that have been authorized for harvest in that** timber supply area that meets the criteria of subsection 4.2.2.2(4), then that billing history record will be the source of the log grade percentages for that species.
 - b. Where there is no such billing history record, the person determining the stumpage rate will proceed to subsection 8 of this section.

- 8. a. Where the cutting authority area being appraised or reappraised is authorized for harvest under a cutting permit issued under either a forest licence, timber licence or a licence to cut, and the species being considered has a five-year billing history for cutting authority areas in a timber supply area that contains the cutting authority area being appraised or reappraised that meets the criteria of subsection 4.2.2.2(4), then that billing history record will be the source of the log grade percentages for that species.

4.2.2.4 Damaged Timber

Where the regional manager determines that timber in a cutting authority area is suddenly and severely damaged, then notwithstanding section 4.2.2.1, 4.2.2.2, 4.2.2.3, 4.2.2.3.1 and 4.2.2.3.2 the log grade percentages for the cutting authority area being appraised or reappraised may be estimated from available site-specific information.

4.2.3 Stand Selling Price

- 1. The stand selling price shall be calculated in an appraisal or reappraisal by using the net cruise volumes and species selling prices of the following species of timber:

Balsam	Lodgepole Pine
Cedar	White Pine
Cypress	Sitka Spruce
Fir	Engelmann Spruce
Hemlock	

4.2.3.1 Stand Selling Price Calculation

- 1. Subject to subsection 2 of this section:
 - a. a species grade value for a species of timber in a cutting authority area is the product of the percentage of that grade of that species as derived from section 4.2.2 multiplied by the average log market value for that grade of that species of timber,
 - b. a species selling price for a species of timber in a cutting authority area is the sum of all of the species grade values for that species of timber in the cutting authority area,
 - c. the rounded species selling price is the species selling price for a species of timber in a cutting authority area rounded to the nearest cent,
 - d. a species value is the product of the rounded species selling price multiplied by the species net cruise volume in the cutting authority area, and

- e. the stand selling price is the quotient of the sum of all of the species values in a cutting authority area divided by the total net cruise volume of all of the species in the cutting authority area.
2. For the purposes of determining a stand selling price:
 - a. in the Pemberton, Yale and Nahatlatch timber supply blocks:
 - i. all spruce is deemed to be Engelmann spruce, and
 - ii. the hemlock and balsam species grade average log market values will be used to determine the species grade values for all spruce in the cutting authority area,
 - b. where outside the Pemberton, Yale and Nahatlatch timber supply blocks:
 - i. Engelmann spruce is identified as the predominant spruce species in the cruise of the cutting authority area, or
 - ii. the district manager determines that Engelmann spruce is the predominant spruce species in the cutting authority area,

the hemlock and balsam species grade average log market values will be used to determine the species grade values of all spruce in the cutting authority area,
 - c. where a cutting authority area is located on Cortes Island or on an Island between Vancouver Island and the British Columbia mainland west of a line drawn between Grief Point near Powell River and the Tsawwassen ferry terminal, and south of 50 degrees north latitude, the second growth Douglas-fir species grade average log market values will be used to calculate the species selling price for all Douglas-fir timber.

4.2.4 Haul Distance

1. Haul distance does not contribute to the calculation of a stumpage rate but must be determined and reported on the appraisal data submission.
2. The haul distance for a cutting authority area being appraised or reappraised shall be determined as follows:
 - a. For each cutblock in the cutting authority area from which any timber may be removed by road from that cutblock:
 - i. determine for that cutblock the point that is the closest point on a road to the geographical centre of the cutblock,

- ii. determine the shortest distance by road from the point on the road determined in subparagraph (i) of this paragraph to the appraisal log dump for that cutblock, measured in kilometres (km) and rounded to the nearest 0.1 km,
 - iii. weight for that cutblock the distance determined in subparagraph (ii) of this paragraph by the net cruise volume of timber on the cutblock.
- b. Determine the average weighted distance of all the cutblocks for which a weighted distance was determined in subparagraph (iii) of paragraph (a), rounded to the nearest 0.1 km.
 - c. Haul distance is the average weighted distance calculated in paragraph (b) of this subsection plus the rehaul distance in the case of inland water transportation as described in section 4.4.2.
 - d. Where a rehaul is required for inland water transportation, the appraisal log dump is the final log dump at the end of the rehaul.

4.2.5 Marine Log Transportation

4.2.5.1 Point of Appraisal

1. The Points of Appraisal are:

<u>Points of Appraisal</u>	<u>Location</u>
Alberni	At the head of Alberni Inlet.
Chemainus	At Chemainus Bay.
Gambier Island	At Gambier Harbour on Gambier Island.
Pitt River Bridge	At the confluence of the Fraser and Pitt Rivers.

4.2.5.2 Appraisal Log Dump

1. Except as provided in subsection 2 of this section, where any timber may be removed from any part of a cutblock by road, the appraisal log dump for that cutblock that must be used in the appraisal or reappraisal of the cutting authority area is the closest location by road listed in Appendix VI to that cutblock,
2. Where any timber may be removed from any part of a cutblock by road, and a log dump exists or will exist during the removal of the timber from the cutblock at a location that is closer to the cutblock than any location listed in Appendix VI, then that log dump location is the appraisal log dump for that cutblock that must be used in the appraisal or reappraisal of the cutting authority area.
3. a. When no timber may be removed from any part of a cutblock by road, and except as provided in paragraph (b) of this subsection, the appraisal log dump

for that cutblock that must be used in the appraisal or reappraisal of a cutting authority area is the closest location to that cutblock listed in Appendix VI to which logs may be yarded by helicopter or A-frame and placed in water.

- b. If a location to which timber will be yarded by helicopter or A-frame from the cutblock and placed in water is closer to the cutblock than any location listed in Appendix VI, then that location must be used as the appraisal log dump for that cutblock in the appraisal or reappraisal of the cutting authority area.

4.2.5.3 Log Towing

1.
 - a. The information in Table 4-5 is not used in the calculation of a stumpage rate but must be used by the licensee when completing the appraisal data submission.
 - b. Where the appraisal log dump is at a towing point of origin listed in Table 4-5, that towing point of origin must be reported in the appraisal data submission.
 - c. Where the appraisal log dump lies between two towing points of origin, both towing points of origin must be reported in the appraisal data submission.

4.2.5.4 Log Barging

1.
 - a. The information in Table 4-6 is not used in the calculation of a stumpage rate but must be used by the licensee when completing the appraisal data submission.
 - b. Where the appraisal log dump is at a barging point of origin listed in Table 4-6, that barging point of origin must be reported in the appraisal data submission.
 - c. Where the appraisal log dump lies between two barging points of origin, both barging points of origin must be reported in the appraisal data submission.

Table 4-5 Towing Points of Origin

Code	Point of Origin	P/A	Code	Point of Origin	P/A
ALBE	ALBERNI	A	BUIM	M. OF BUTE INLET	G
CHCK	CHINA CREEK	A	KIIM	M. OF KINGCOME INLET	G
COCK	COLEMAN CREEK	A	KNIM	M. OF KNIGHT INLET	G
SARV	SARITA RIVER	A	LOUM	M. OF LOUGHBOROUGH	G
SPCK	SPENCER CREEK	A	TOIM	M. OF TOBA	G
TOBY	TOQUART BAY	A	NACK	NAKA CREEK	G
UCHU	UCHUCKLESIT	A	NOBY	NORTHWEST BAY	G
UCLU	UCLUELET	A	PHAR	PHILLIPS ARM	G
CHEM	CHEMAINUS	C	PTEB	PORT ELIZABETH	G
COBY	COWICHAN BAY	C	PTHD	PORT HARDY	G
JORV	JORDAN RIVER	C	PTHV	PORT HARVEY	G
LADY	LADYSMITH	C	PTMN	PORT McNEILL	G
NANA	NANAIMO	C	PTNE	PORT NEVILLE	G
SOOK	SOOKE	C	PORV	POWELL RIVER	G
VICT	VICTORIA	C	SENA	SECOND NARROWS	G
AGAM	AGAMEMNON	G	SYIN	SEYMOUR INLET	G
BECV	BEAVER COVE	G	SEBY	SOUTHEAST BAY	G
COUR	COURTENAY	G	SQUA	SQUAMISH	G
DRIN	DRURY INLET	G	STIL	STILLWATER	G
EVRV	EVE RIVER	G	TEAR	TEAKERNE ARM	G
FOHA	FORWARD HARBOUR	G	THIN	THEODOSIA INLET	G
FRAR	FREDERICK ARM	G	THSO	THOMPSON SOUND	G
BUIH	H. OF BUTE INLET	G	WASA	WAKEMAN SOUND	G
JEIH	H. OF JERVIS INLET	G	GAMB	GAMBIER ISLAND	G
KIIH	H. OF KINGCOME INLET	G	CHWK	CHILLIWACK	P
KNIH	H. OF KNIGHT INLET	G	HALF	FOOT HARRISON LAKE	P
LOUH	H. LOUGHBOROUGH	G	PILF	FOOT OF PITT LAKE	P
SEIH	H. OF SECHELT INLET	G	HABY	HARRISON BAY	P
TOIH	H. OF TOBA INLET	G	HATZ	HATZIC	P
INAR	INDIAN ARM	G	HALH	HEAD HARRISON LAKE	P
KLBY	KELSEY BAY	G	PILH	HEAD OF PITT LAKE	P
MNCK	McNAB CREEK	G	HALM	MID HARRISON LAKE	P
MEBY	MENZIES BAY	G	PIRV	PITT RIVER BRIDGE	P
MESD	MEREWORTH SOUND	G	SICK	SILVERHOPE CREEK	P
JEIM	MOUTH JERVIS INLET	G	WHON	WHONNOCK	P

P/A = Point of Appraisal as follows:

A = ALBE = Alberni
 C = CHEM = Chemainus
 G = GAMB = Gambier Island
 P = PIRV = Pitt River Bridge

3. Where tree crown modification is approved:
 - a. the rate for each old growth coniferous tree that is modified is \$53.50, and
 - b. the rate for each second growth coniferous tree that is modified is \$36.38.

4.4.7 Ecosystem Based Management Operating Costs

1. Except as provided in subsection (2) of this section, the ecosystem based management adjustment may be considered in the appraisal of a cutting authority issued on and after June 1, 2008 and that lies wholly within that part of the Coast Forest Region to which land use objectives have been made applicable by orders made by the Minister of Agriculture and Lands pursuant to Section 93.4 of the *Land Act* entitled:
 - a. South Central Coast Order, dated July 27, 2007, and
 - b. Central and North Coast Order, dated December 19, 2007.
2. The ecosystem based management adjustment shall not be considered in the appraisal or reappraisal of a cutting authority area that is authorized for harvest under:
 - a. a woodlot licence referred to in section 1(3) of the orders,
 - b. a community forest agreement referred to in section 1(4) of the orders, **or**
 - c. **the tree farm licence or non-replaceable forest licences that are referred to in section 1(4) of the South Central Coast Order.**
3. The adjustment shall be \$2.75 per cubic metre.

4.5 Final Estimated Winning Bid

1. Subject to subsection 3 of this section the Final Estimated Winning Bid (FEWB) is the difference between the estimated winning bid and the total of the specified operations adjustments that are applicable to the appraisal or reappraisal of the cutting authority.
2. Expressed as an equation:

$$\text{FEWB} = \text{EWB} - \text{SOA}$$

Where:

EWB = The Estimated Winning Bid determined under section 4.3.

SOA = The sum of specified operations adjustments in an appraisal or a reappraisal of a cutting authority area as may be calculated under sections 4.4.1 through 4.4.7 and expressed in $\$/\text{m}^3$.

3. Where the FEWB calculated is less than $\$0.25/\text{m}^3$, then the FEWB shall be $\$0.25/\text{m}^3$.

to tender requires a bonus offer, and where the amount of stumpage payable will be based on a cruise of the timber under section 106 of the *Act*, the IUSR shall be the rate approved by the Director of Operations, BC Timber Sales. The rate approved under this section shall not be less than the variable cost to prepare the timber for sale. This section will expire on August 15, 2009.

6. Where decked timber is sold competitively, refer to section 7.6(2) and (4).
7. The variable cost to prepare the timber for sale shall be calculated by the Timber Sales Manager.

6.1.2 Prescribed Minimum Stumpage Rate

The minimum stumpage rate is prescribed by the minimum stumpage rate regulation (BC Regulation 354/87). The current minimum stumpage rate is \$0.25 per cubic metre.

6.1.3 Upset Stumpage Rate

The upset stumpage rate for a timber sale licence is the greater of:

1. The indicated upset stumpage rate, or
2. the prescribed minimum stumpage rate.

6.1.4 Stumpage Rate

1. The stumpage rate is the total of the upset stumpage rate plus the bonus bid, if any, that must be paid by the licensee.
2. Where the upset stumpage rate is determined under section 6.1.1(5) the stumpage rate applies to the timber species and volumes specified by the Director of Operations, BC Timber Sales.

6.1.5 Market Price

The stumpage rate is the market price.

6.2 Stumpage Rate Calculation for a Cutting Authority Other than a Cutting Authority Entered into Under Section 20 of the Act or a Cutting Authority for which a Stumpage Rate is Determined Under Chapter 7

Sections 6.2.1 through 6.2.5 are the policies and procedures for determining a stumpage rate for a cutting authority other than timber sale licence entered into under section 20 of the *Act* or a cutting authority for which a stumpage rate is determined under chapter 7.

6.2.1 Indicated Rate (IR)

1. The IR is the difference between the final estimated winning bid (FEWB) determined for the cutting authority under section 4.5 and the tenure obligation adjustment (TOA) determined under section 5.10.
2. Expressed as an equation:

$$\text{IR} = \text{FEWB} - \text{TOA}$$

6.2.2 Prescribed Minimum Stumpage Rate

The minimum stumpage rate is prescribed by the Minimum Stumpage Rate Regulation (BC Regulation 354/87). The current minimum stumpage rate is \$0.25 per cubic metre.

6.2.3 Reserve Stumpage Rate

The reserve stumpage rate for a cutting authority is determined by selecting the greater of:

1. the indicated rate, or
2. the prescribed minimum stumpage rate.

6.2.4 Upset Stumpage Rate

The upset stumpage rate is the total of the reserve stumpage rate plus any administration and silviculture levies which may be charged under section 7.4.1.

6.2.5 Total Stumpage Rate

The total stumpage rate is the upset stumpage rate plus the bonus bid, if any, that must be paid by the licensee.

7.3 Road Permits

1. Except as provided in subsection (2) of this section, the stumpage rate for a road permit will be determined using Ministry stumpage billing records.
2. The stumpage rate for a road permit issued in conjunction with a timber sale licence entered into under sections 20, 21 and 23 of the *Act* or a licence to cut entered into under Section 47.6 of the *Act* will be the stumpage rate applicable to the cutting authority that authorizes harvesting in the cutting authority area to which the road permit provides access.
3. For the purposes of this section, a stumpage billing history record of timber harvested under a timber licence, where the timber licence area is within a tree farm licence area will be included with and be considered the stumpage billing history record of timber harvested under the tree farm licence.
4.
 - a. Where the Ministry has a stumpage billing history record of timber harvested under a licence, the stumpage rate for a road permit is the weighted average sawlog stumpage rate of cutting authorities, other than a road permit, for cutting authority areas that are located in the same forest district as the area to which the road permit applies, and that are issued under the licence that entitles the licensee to apply for the road permit.
 - b. The weighted average stumpage rate is the sum of the stumpage billed for all coniferous sawlogs during the billing period referred to in paragraph (c) of this subsection, divided by the sum of the volume of those species and grades.
 - c. The billing period referred to in paragraph (b) of this subsection for a road permit appraisal or reappraisal, will be updated annually effective February 1st and will be the twelve month period ending November 30th.
5. Where there are no stumpage billing history records from which the stumpage rate may be determined under subsection (4), and the licence that the cutting authority is issued under does not provide for an allowable annual cut or has an allowable annual cut of Crown timber equal to or greater than 7 000 m³, the stumpage rate for a road permit is the weighted average sawlog stumpage rate of:
 - a. all cutting authorities, other than road permits, that are issued under the licence that entitles the licensee to apply for the road permit, or
 - b. where there is no volume in the stumpage billing history record, all the cutting authorities that do not provide for an allowable annual cut or have an allowable annual cut of Crown timber equal to or greater than 7 000 m³ other than road permits, that are for areas located in the same forest district as the area to which the road permit applies.

6. Where there are no stumpage billing history records from which the stumpage rate may be determined under subsection (4), and the licence that the cutting authority is issued under has an allowable annual cut of Crown timber less than 7 000 m³ per year, the stumpage rate for a road permit is the weighted average sawlog stumpage rate of:
 - a. all cutting authorities, other than road permits, that are for licences that have an allowable annual cut of less than 7 000 m³ in the same forest district as the area to which the road permit applies, or
 - b. where there is no volume in the billing history record, all cutting authorities, other than road permits, that are for licences that have an allowable annual cut of less than 7 000 m³ in the same timber supply area as the area to which the road permit applies, or
 - c. where there is no volume in the billing history record, all cutting authorities, other than road permits, in the same forest district as the area to which the road permit applies.
7. The cost of a road constructed under a road permit may be eligible for inclusion as a tenure obligation adjustment under chapter 5 in the appraisal of the first tributary cutting authority.
8. All road permits will be reappraised in accordance with section 3.3.2.

7.5 Cutting Authority Area With Less than 2 500 m³ of Timber Volume

1. Where a cutting authority area has less than 2 500 m³ of timber the stumpage rate may, at the discretion of the regional appraisal coordinator, be determined by using the stumpage rates that the Revenue Branch determines under section 7.1 for each of those species in the forest district in which the cutting authority area is located.
2. The stumpage rate calculated under this section is not adjusted quarterly.

7.6 Decked Timber

1. The stumpage rates for decked timber to be sold non-competitively shall be obtained from the schedule of average sawlog stumpage rates approved by the director under section 7.1 for the forest district in which the decked timber is located.
2.
 - a. Except as provided for under subsections 2(b) and (c), where decked timber is to be sold competitively, the upset stumpage rate(s) or total amount of upset stumpage will be calculated using fifty percent of the values shown in the average sawlog stumpage rate table approved by the director under section 7.1.
 - b. Where applications for the sale of decked timber have been invited but no applications have been received, the upset stumpage rate(s) for the re-advertised sale shall be equal to the rate approved by the director of operations, BC Timber Sales and requested by the timber sales manager. The upset stumpage rate determined under this section shall not be greater than an estimate of the upset stumpage rate(s) that would be determined under 2(a) of this section and not less than the variable cost to prepare the timber for sale.
 - c. Where the director of operations, BC Timber Sales, does not anticipate that applications for a timber sale licence with an upset stumpage rate determined under 2(a) of this section will be received due to market conditions, the upset stumpage rate shall be equal to the rate approved by the director of operations, BC Timber Sales and requested by the timber sales manager. The upset stumpage rate determined under this section shall not be greater than the upset stumpage rate(s) determined under 2(a) of this section and not less than the variable cost to prepare the timber for sale.
3. Where the stumpage rate(s) have been calculated under 1 of this section, the total stumpage rate(s) shall be fixed for a period not exceeding twelve months. If stumpage rates are required beyond twelve months, new rates are to be re-calculated using the applicable average sawlog stumpage rate table approved by the director.
4. Where the upset stumpage rate has been calculated under 2 of this section, the total stumpage rate shall be fixed for the term and all extensions.

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