

Ref: 3319

December 16, 2021

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 Sections 4.2 and 4.3 of the CAM contain an error.

Please replace pages 4-5, 4-6 and 4-13 to 4-16 with the attached copies.

A copy of the revised CAM is available at:

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

We apologize for any inconvenience.



Patrick Asante
Manager, Timber Pricing
Timber Pricing Branch

Attachments

pc: Melissa Sanderson, Assistant Deputy Minister, Forest Policy and Indigenous Relations Division
Jim Schaffthuisen, 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

	This is calculated by dividing the total volume of timber that must be helicopter yarded or skyline yarded over 600 m by the total net cruise volume of the cutting authority area. HELI is in decimal form, rounded to 2 decimal places.
HELILAND	The fraction of HELI that is not water dropped.
HELIWATER	The fraction of HELI that is water dropped.
LOCATION	The net cruise volume weighted average straight line distance based on a BC Albers projection measured in kilometres between the geographic centre of each cutblock of a cutting authority area and the BC Albers Coordinate listed in Table 4-1 (which lists the major centres) that is closest to that part of the cutting authority area.
ISOLATED	<p>As applicable, an isolated cutting authority area or individual cut block(s) is one where all parts of the cutting authority area or individual cut block(s) are not connected, or the service landings used to support the yarding of timber from a cutting authority area or individual cut block(s) by helicopter are not connected, by a road suitable for motor vehicles to the centre of the nearest community.</p> <p>The nearest community must be a city, district municipality, town or village and must have retail food and gasoline services located nearby. This includes all communities serviced by public ferry.</p> <p>ISOLATED will be the fraction that results from dividing the net cruise volume of the individual cut block(s) that is/are ISOLATED, by the net cruise volume of the cutting authority.</p>
LUMPSUM	<p>If the cutting authority is a cruise-based competitive timber sale with a stand-as-a-whole rate, then $LUMPSUM = 1$,</p> <p>otherwise $LUMPSUM = 0$</p>
NAJHS	Number of North American and Japanese Housing Starts, as published in the approved stumpage appraisal parameters.
TOTAL HARVEST	Rolling 12-month total Coast harvest volume, as published in the approved stumpage appraisal parameters.

*CEDARCYPRESS	The fraction of the coniferous cruise volume that is cedar and cypress. CEDARCYPRESS is in decimal form, rounded to 2 decimal places.
DISTAVGNBID	The average number of bidders for the forest district within which the cutting authority area is located is listed in Table 4-2.
VOL	That part of the total net cruise volume in the cutting authority area that is coniferous timber except that where the cutting authority is a timber licence or is issued under a licence with an AAC greater than 10,000 m ³ , then VOL = 34,100. VOL is expressed in m ³ , rounded to the nearest whole number.
FRZ	<p>The fraction of the total waste assessed area in the cutting authority subject to Fibre Recovery Zone (FRZ) waste billing rates, as described in the <i>Provincial Logging Residue and Waste Measurements Procedure Manual</i>.</p> <p>FRZ=0 for cruise-based cutting authorities and for scale-based cutting authorities with a fibre recovery zone adjustment factor of 1 as described in the <i>Waste Manual</i>.</p>
OTHER_CONIFERS	The fraction of total coniferous volume that is a sum of balsam, spruce and lodgepole pine.

4.3 Estimated Winning Bid (EWB) Equation

1. In this section, the equation that must be used in the calculation of the estimated winning bid (EWB) is determined as follows:
 - a. for cutting authorities under Section 20 of the Act (BCTS), use the equation specified in Section 4.3.1;
 - b. for non-BCTS cutting authorities, use the equation specified in:
 - i. Section 4.3.1 where Loss Factor cruise information will be used; or
 - ii. Section 4.3.2 where Call Grade Net Factor cruise information¹ will be used for appraisal purposes.
2. The EWB shall be rounded to 2 decimal places.
3. Where the calculated EWB is less than \$0.25, the EWB shall be \$0.25.

¹ Applies to cruise-based cutting authorities outside of GBRN only.

4.3.1 EWB – Loss Factor Based

$$\begin{aligned}
 \text{EWB } (\$/\text{m}^3) = & \text{CPIF} * [- 22.5869 \\
 & + 0.0345 ((\text{HEMLOCK}) * (\text{HEMLOCK_HG}) * (\text{HEMLBRAMV}/\text{CPIF})) \\
 & + 0.0332 ((\text{HEMLOCK}) * (\text{HEMLOCK_MG}) * (\text{HEMLBRAMV}/\text{CPIF})) \\
 & + 0.2371 ((\text{CEDAR}) * (\text{CEDAR_HG}) * (\text{CEDLBRAMV}/\text{CPIF})) \\
 & + 0.1037 ((\text{CEDAR}) * (\text{CEDAR_MG}) * (\text{CEDLBRAMV}/\text{CPIF})) \\
 & + 0.1841 ((\text{CYPRESS}) * (\text{CYPRESS_HG}) * (\text{CYPLBRSC}/\text{CPIF})) \\
 & + 0.1841 ((\text{CYPRESS}) * (\text{CYPRESS_MG}) * (\text{CYPLBRSC}/\text{CPIF})) \\
 & + 0.5008 ((\text{FIR}) * (\text{FIR_HG}) * (\text{FIRLVAMV}/\text{CPIF})) \\
 & + 0.5008 ((\text{FIR}) * (\text{FIR_MG}) * (\text{FIRLVAMV}/\text{CPIF})) \\
 & + 12.9720 [\text{Ln}(\text{VPL})] * \text{OG_FR} \\
 & + 22.8215 [\text{Ln}(\text{VPH}/1000)] \\
 & - 0.3695 (\text{SLOPE} * (1-\text{HELI})) \\
 & - 54.2979 (\text{HELILAND} * \text{HELI}) \\
 & - 52.8141 (\text{HELIWATER} * \text{HELI}) \\
 & - 0.1109 (\text{LOCATION}) \\
 & - 11.8888 (\text{ISOLATED}) \\
 & - 4.1364 (\text{LUMPSUM}) \\
 & + 0.013946 (\text{NAJHS}) \\
 & + 1.3204 (\text{TOTALHARVEST}) \\
 & + 2.6206 (\text{DISTAVGNBID}) \\
 & + 1.4175 (\text{Ln}(\text{VOL}/1000)) \\
 & - 3.9819 (\text{FRZ} * (1-\text{LUMPSUM})/\text{CPIF}) \\
 & + 25.7477 (\text{OTHER_CONIFERS})]
 \end{aligned}$$

Note: Ln = natural logarithm

4.3.2 EWB – Call Grade Net Factor Based

$$\begin{aligned}
 \text{EWB } (\$/\text{m}^3) = & \text{CPIF} * [+2.4802 \\
 & + 0.1700 ((\text{CEDAR}) * (\text{CEDAR_HG}) * (\text{CEDLBRAMV}/\text{CPIF})) \\
 & + 0.0673 ((\text{CEDAR}) * (\text{CEDAR_MG}) * (\text{CEDLBRAMV}/\text{CPIF})) \\
 & + 0.0875 ((\text{CYPRESS}) * (\text{CYPRESS_HG}) * (\text{CYPLBRSC}/\text{CPIF})) \\
 & + 0.0875 ((\text{CYPRESS}) * (\text{CYPRESS_MG}) * (\text{CYPLBRSC}/\text{CPIF})) \\
 & + 0.3099 ((\text{FIR}) * (\text{FIR_HG}) * (\text{FIRLVAMV}/\text{CPIF})) \\
 & + 0.3099 ((\text{FIR}) * (\text{FIR_MG}) * (\text{FIRLVAMV}/\text{CPIF})) \\
 & + 21.7548 [\text{Ln}(\text{VPL})] * \text{OG_FR} \\
 & + 30.6221 [\text{Ln}(\text{VPH}/1000)] \\
 & - 0.5091 (\text{SLOPE} * (1-\text{HELI})) \\
 & - 59.1412 (\text{HELILAND} * \text{HELI}) \\
 & - 43.9420 (\text{HELIWATER} * \text{HELI}) \\
 & - 0.1180 (\text{LOCATION}) \\
 & - 10.6529 (\text{ISOLATED}) \\
 & - 4.7403 (\text{LUMPSUM}) \\
 & + 0.031165 (\text{NAJHS}) \\
 & + 1.0407 (\text{TOTALHARVEST}) \\
 & + 2.2190 (\text{DISTAVGNBID}) \\
 & + 0.6152 (\text{Ln}(\text{VOL}/1000))]
 \end{aligned}$$

Note: Ln = natural logarithm

4.4 Specified Operations

1. The specified operations in **this** Section may be considered in an appraisal or a reappraisal.

4.4.1 Inland Water Transportation

1. An inland water transportation adjustment will be determined for that part of the cutting authority area where timber must be towed on Great Central, Owikeno or Powell Lake or any other inland water authorized by the person that determines the stumpage rate.
2. The adjustment shall be **\$13.12** per cubic metre.

4.4.2 Clayoquot Sound Operating Costs

1. The Clayoquot Sound operation adjustment may be considered in the appraisal of a cutting authority that lies within that part of the Coast Area when the licensee has an approved forest stewardship plan which conforms with the land use objectives made applicable under the order by the Ministry of Agriculture and Lands pursuant to Section 93.4(1) of the *Land Act* entitled:
 - a. order Establishing Land Use Objectives for Clayoquot Sound, dated May 28, 2008.
2. A Clayoquot Sound Operation adjustment will be determined based on the following criteria. For an appraisal or a reappraisal of a cutting authority area that is:
 - a. located entirely within the Clayoquot Sound area, the adjustment shall be **\$ 11.11/m³**; or
 - b. not located entirely within the Clayoquot Sound area, the adjustment shall be the product of
 - i. **\$11.11/m³** multiplied by
 - ii. the fraction that results from dividing the net cruise volume portion of the cutting authority located within the Clayoquot Sound area by the total net cruise volume of the entire cutting authority.
3. In the case of paragraph (b) above, the licensee must provide the prorated Clayoquot operating cost calculation in the appraisal data submission.