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MAY 30 2008

To: Jim Gowriluk
Regional Manager
Coast Forest Region

From: The Honourable Rich Coleman, Minister of Forests and Range

Re: **Amendment No. 4 to the *Coast Appraisal Manual***

I hereby approve Amendment No. 4 to the *Coast Appraisal Manual* and attach a copy for your use. The following sections have been amended:

- 
- Chapter 1: Definition of district manager revised.
- Section 2.3 (1) Updated URLs.
- Section 3.3.4 Revised wording more consistent with *Forest Act*.
- Section 3.3.4.1 Revised wording more consistent with *Forest Act*.
- Section 3.5 (4) (iii) Salvage cutting authorities under a woodlot license do not have an adjusting stumpage rate.
- Section 3.5 (4) (c) Changes to the timing of the selection of non-adjusting stumpage rates.
(i) & (ii)
- Section 3.5 (5) Updated section references.
- Section 3.7 Updated section reference.
- Section 4.2.1 (1) (b) Updated URL.
- Section 4.2.2.2 (8) Log grade source for tree farm licence subdivisions and consolidations will be combined with the “parent” licence for two years.
- Section 4.4 (1) Updated section reference.
- Section 4.4.5 (1) Revised definition for destumping.
- Section 4.4.6 (3) (a) Corrected reference to “old growth” instead of “mature”.


Jim Gowriluk

Section 6.2.4 Housekeeping.

Section 7.3 (6) Revised stumpage rate source for road permits for licencees with less than 5000m³ AAC.

Section 7.5 Clarification on application for this section.

This amendment will come into force on June 1, 2008. Further amendments or revisions to this manual require my approval.


Dep. Minister
Rich Coleman
Minister

Attachment

pc: Murray Stech, Director, Revenue Branch



Ministry of
Forests
and Range



MANUAL REVISION TRANSMITTAL

<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 6th Floor - 727 Fisgard Street Victoria, BC V8W 1R8 Phone: 387-8377 PROFS userid: George.Silvestrini@gov.bc.ca FAX: 387-5670</p>	MANUAL TITLE	
	Coast Appraisal Manual	
	AMENDMENT	ISSUE DATE
	Amendment No. 4	June 1, 2008
MANUAL CO-ORDINATOR		
Judy Laton Manuals 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	i - iv	After Table of Contents Tab
Insert		i - iv	
Remove	Chapter 1	3 - 4	After Chapter 1 Tab
Insert		3 - 4	
Remove	Chapter 2	5 - 6	After Chapter 2 Tab
Insert		5 - 6	
Remove	Chapter 3	7 - 10 13 - 14	After Chapter 3 Tab
Insert		7 - 10 13 - 14	
Remove	Chapter 4	5 - 6 9 - 12 21 - 24	After Chapter 4 Tab
Insert		5 - 6 9 - 12 21 - 24	
Remove	Chapter 6	3 - 4	After Chapter 6 Tab
Insert		3 - 4	
Remove	Chapter 7	5 - 8	After Chapter 7 Tab
Insert		5 - 8	
Remove	Index	i - iv	After Index Tab
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INSERT	Letter from Minister and Transmittal Sheet		After Amendments Tab

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“Detailed engineering” means non-tabular;

"Director" means director of Revenue Branch of the Ministry of Forests and Range;

"District manager" means:

- (a) Except as provided in paragraph (b) of this definition, the district manager or district manager's designate.
- (b) Where the cutting authority area being appraised or reappraised is located in a controlled recreation area designated under the *Resort Timber Administration Act*, (RTAA) then district manager means an employee of the Ministry of Tourism, Sports and the Arts to whom the minister of that ministry has delegated the minister's powers and duties under section 2 of the RTAA.

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

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

"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 and Range;

"Ministry" means Ministry of Forests and Range;

"Net cruise volume" means the gross volume of all species listed in section 4.2.3(1), 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 timber that is 141 years old or greater;

"Regional manager" means regional executive director or 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;

"Revenue Branch" means Revenue Branch of the Ministry;

"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, Revenue Branch;

"Selling price zone 52" means the table of coast market pricing system log values for second growth coniferous timber, approved by the director, Revenue Branch;

"Stumpage price" means the market stumpage price;

"Stumpage rate" means market stumpage rate;

"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;

"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 cost estimate expressed in dollars per cubic metre.

2.3 Cruise Information

1. A licensee or BCTS must gather and compile cruise data in accordance with the following ministry publications and the coast timber merchantability specifications in Table 2-1:

- a. *Cruising Manual*, (*Cruising Manual* web site: <http://www.for.gov.bc.ca/hva/manuals/cruising.htm>,

- b. *Cruise Compilation Manual*.

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

Table 2-1 Coast Timber Merchantability Specifications

Description		
The following coast timber merchantability specifications must be used in all appraisals.		
	Mature	Immature
1. Maximum stump height (measured from the top of the stump down to the highest ground level adjacent to the stump)	30.0 cm	30.0 cm
2. Minimum slab thickness for cedar only	15.0 cm	10.0 cm
3. Minimum top diameter (inside of the bark)	15.0 cm	10.0 cm
4. Minimum length of a log or slab	3.0 m	3.0 m

2. The licensee must provide, when requested by the district manager a photocopy of the tally sheets and an electronic version of the compilation in a format specified by the regional manager.
3.
 - a. The cutting authority area will be appraised using the total net cruise volume of timber authorized for harvest in that area.
 - b. The total area of merchantable timber in the cutting authority area is obtained from the appraisal summary of the cruise compilation report.
4. If the licensee or BCTS modifies its application for a cutting authority the applicant must recompile the cruise data when any of compiled plots used in the cruise lie outside the boundaries of the proposed cutting authority area.
5.
 - a. Where a boundary of a cutting authority area has been changed after the appraisal or reappraisal of the cutting authority area, every reappraisal of the cutting authority area must use the total net cruise volume of the cutting authority area as it is after the boundary has changed.

- b. If, after a cruise compilation or recompile was used for an appraisal or reappraisal, the total of all additions or deletions of areas containing merchantable timber made to the cutting authority area exceeds twenty-five hectares or twenty-five percent of the area containing merchantable timber, whichever is less, the entire cruise must be recompiled.

4. Where the changed circumstance is a result of sudden and severe damage referred to in subsection 3.3.1(1)(d) or 3.3.1(2)(d), 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.

3.3.2 Annual Reappraisal of a Road Permit

1. Subject to section 7.3, a cutting authority area that is the subject of a road permit must be reappraised effective February 1st of every year.
2. The stumpage rate determined under subsection (1) of this section will be a fixed stumpage rate until the cutting authority area is reappraised.

3.3.3 Annual Reappraisal of Salvage Logging Stumpage Rates

1. Except where a cutting authority requires the payment of a bonus bid or a bonus offer, where the stumpage rate for a cutting authority has been determined under section 7.4, the cutting authority area authorized for harvest under that cutting authority must be reappraised effective March 1st of every year.
2. A stumpage rate determined under subsection 1 of this section will be a fixed stumpage rate between the time that the cutting authority area is reappraised and the time that it is subsequently reappraised.

3.3.4 Minister's Direction

1. The Minister may direct:
 - a. a **determination, redetermination or variance of a stumpage rate** at any time, and that
 - b. the **determined, redetermined or varied** stumpage rate will be effective on any future date.

3.3.4.1 Minister's Direction Procedure

1. **If requested by the person responsible for stumpage determinations**, the licensee shall submit **to the district manager** an appraisal data submission within forty-five days of the **request**.
2. Thereafter, the procedure **for determining, redetermining or varying a stumpage rate under section 3.3.4** shall be the **same** procedure as that required by **subsections 3.2 (3) through 3.2 (8) except as may otherwise be directed by the minister**.

3.4 Quarterly Adjustments

1. Unless a cutting authority, previous manual, or a provision of this manual specifies that the stumpage rates of a cutting authority are fixed, the stumpage rate of a cutting authority is adjusted quarterly on January 1, April 1, July 1, and October 1 of each year.
2.
 - a. At the time of the quarterly adjustment referred to in subsection (1) of this section, the stumpage rate will be recalculated in accordance with the equations applicable for the appraisal effective date and the appraisal data submission which was used in the most recent appraisal or reappraisal. The log selling prices and CPI effective for the month of the adjustment will be used in the calculation of the adjustment. All other data, including the estimated number of bidders, will remain unchanged.
 - b. The procedure referred to in this subsection is conducted each quarter until the cutting authority area is reappraised or the cutting authority expires.

3.5 Fixed Rates and Extensions of Term

Timber Sale Licences

1. A fixed stumpage rate for a timber sale licence means that the upset stumpage rate and bonus bid will not change during the term of the timber sale licence and all extensions, except where:
 - a. a reappraisal is done under section 3.3.1(d) due to sudden and severe damage, or
 - b. a reappraisal is done under section 3.3.4 due to the Minister's direction.
2. Every timber sale licence entered into under section 20 of the *Act* that was advertised on or after November 1, 2003 must have a fixed stumpage rate.
3. Notwithstanding anything to the contrary in this manual, a fixed stumpage rate for a timber sale licence may not be corrected where there has been an error in the appraisal.

Woodlots

4. a. The stumpage rate for a cutting authority issued under a woodlot licence shall be an adjusting stumpage rate unless:
 - i) the stumpage rate for the cutting authority is changed to a non-adjusting stumpage rate under this section,
 - ii) the cutting authority is a road permit, **or**
 - iii) **the cutting authority stumpage rates were calculated under section 7.4.**
- b. A licensee may choose to have an adjusting stumpage rate changed to a non-adjusting stumpage rate under this subsection by giving written notice of that choice to the regional appraisal coordinator.
- c. Where the licensee gives notice to the regional appraisal coordinator of that choice, the adjusting stumpage rate shall become a non-adjusting stumpage rate based on the following criteria:
 - i) **if the licensee gives written notice to the regional appraisal coordinator within 21 days of receipt of the stumpage advisory notice, the non-adjusting stumpage rate will be the stumpage rate in effect on the effective date of the cutting authority, or**

- ii) if the licensee gives written notice to the regional appraisal coordinator later than 21 days following receipt of the stumpage advisory notice, the non-adjusting stumpage rate will be the stumpage rate in effect three weeks after the regional appraisal coordinator receives the notice.
- d. On the date that the stumpage rate becomes a non-adjusting stumpage rate, the stumpage rate for the cutting authority continues to be the stumpage rate of the cutting authority that was in effect on that date.
- e. Where a stumpage rate is changed from an adjusting stumpage rate to a non-adjusting stumpage rate, the stumpage rate for the cutting authority shall not change for the term of the cutting authority and all extensions from the date that the stumpage rate is changed to a non-adjusting stumpage rate, except where the cutting authority area is reappraised under section 3.3.1(d) or under section 3.3.3.

Average Stumpage Rates by District and Species

- 5. Where the stumpage rate for a cutting authority has been determined under section 7.1, 7.5 or section 7.6 and the term of the cutting authority is extended, the stumpage rate shall not change during the term of the cutting authority and all extensions.

Miscellaneous Stumpage Rates

- 6. Except where miscellaneous stumpage rates are otherwise specified in a cutting authority the miscellaneous stumpage rates applicable to timber under section 7.7 are the rates that are in effect on the date that the timber is scaled.

3.7 Redetermination of Stumpage Rate by Agreement

1. Where, within twenty-one days of the date of a Stumpage Advisory Notice, the person to whom the Notice has been sent and an employee of the Ministry of Forest authorized to redetermine a stumpage rate under section 2.1.1 of this manual agree, the stumpage rate set out in the Notice, hereinafter referred to as the original stumpage rate, may be redetermined by the employee, and the redetermined stumpage rate shall be effective on the effective date of the original stumpage rate.
2. The twenty-one day period referred to in subsection (1) of this section may be extended by agreement between the person to whom the Notice has been sent and the employee.

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GAMBDIST	POA distance is the average straight line distance, weighted by net cruise volume, between the geographic centre of each cutblock in the cutting authority area and Gambier Island. GAMBDIST is measured and rounded to the nearest kilometre. The Gambier Island co-ordinate is 49° 29' 09" N and 123° 26' 44" W.
DISTAVGNBID	The average number of bidders for the forest district within which the cutting authority area is located is listed in Table 4-2.
AUC2006	2006 Auctions dummy variable. AUC2006 = 1.

Table 4-2 Average Number of Bidders by Forest District

Forest District	Average Number of Bidders
Queen Charlotte Island Forest District	4.21
Chilliwack Forest District	3.94
Squamish Forest District	5.81
Sunshine Coast Forest District	5.88
South Island Forest District	6.26
Campbell River Forest District	7.35
North Island- Central Coast Forest District	5.12
North Coast Forest District	3.62

4.2.1 Log Selling Prices

1. The Revenue Branch shall:
 - a. Compile invoiced free on board log market values using prime, domestic, arm's-length sales reported to the Revenue Branch prior to sixty days before the stumpage rate adjustment date that have occurred in areas adjacent to:
 - i. the Strait of Georgia;
 - ii. the Strait of Juan de Fuca;
 - iii. Alberni Inlet east of a line drawn south from Amphitrite Point;

- iv. Johnstone Strait;
 - v. the Queen Charlotte Strait south of a line drawn west from Cape Caution; and
 - vi. Fraser River west of the bridge at the confluence of the Pitt River.
- b. Subject to subsection 2 of this section compile schedules of average log market values by species and log grade using sales data for each one-month reporting period. The data shall be summarized into a three-month schedule of average log market values by species and log grade for mature timber stumpage rate determinations. A three-month schedule of average log market values by species and log grade for second growth stumpage determinations shall also be produced. These schedules can be found at:

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

2. The volumes and prices of alder, birch, cottonwood and maple shall not be included in the schedules of average log market values.
3. The director shall approve schedules of average log market values for use in stumpage appraisals, reappraisals and quarterly adjustments.

4.2.1.1 Coniferous Timber

1. The volume of old growth coniferous timber and the volume of second growth coniferous timber in a cutting authority area will each be compiled from the timber cruise of the cutting authority area on a tree by tree basis.
2. Where the volume of second growth coniferous timber in a cutting authority area is at least eighty percent of the volume of all of the coniferous timber in that cutting authority area, the cutting authority area will be appraised and reappraised as if all of the coniferous timber in that cutting authority area were second growth coniferous timber.

4.2.2 Log Grade Percentages

Log grade percentages are obtained for each species of timber in each cutting authority area being appraised or reappraised as described in section 4.2.2.1, 4.2.2.2, 4.2.2.3, 4.2.2.3.1, 4.2.2.3.2 and 4.2.2.4.

4.2.2.1 Billing History Record

1. Except as provided in sections 4.2.2.2, and 4.2.2.4, the billing history record that will be used in an appraisal or reappraisal of a cutting authority area will be determined using either Table 4-3 or Table 4-4 as may be required by this manual.

whichever is greater.

- (b) Where the cutting authority area being appraised or reappraised is outside of a tree farm licence area and has been authorized for harvest under a cutting authority issued under a timber licence, then before a two-year billing history record for a species of timber can be used in an appraisal or reappraisal the volume of that species of timber in the two-year billing history record must be at least 25 percent or 2 000 m³ for each species of timber that comprises at least 20 percent of the cutting authority area's total net cruise volume.
5. The log grade percentages for each species of timber will be derived from the cruise compilation algorithm predictions when:
 - (a) the cutting authority area being appraised or reappraised is authorized for harvesting under a cutting authority that has been issued under a woodlot licence, or
 - (b) The entire net cruise volume of the cutting authority area being appraised or reappraised will be harvested using helicopter single standing stem selection.
 6. Where:
 - (a) at least eighty percent of the timber in a cutting authority area being appraised or reappraised is second growth coniferous timber, or
 - (b) the cutting authority area is not a cutting authority area referred to in subsection (5) of this section and the timber in the cutting authority area has been authorized for harvest under:
 - i. a cutting permit entered into with a timber sales manager,
 - ii. a licence that is entered into with a timber sales manager,
 - iii. a cutting permit issued under a replaceable timber sale licence, or
 - iv. a cutting authority issued under a licence awarded under section 47.3 of the *Forest Act*.

the log grade percentages for each species of timber will be derived from,

- (c) the two year billing history record, if the two-year billing history record for that cutting authority includes at least 25 percent of the cutting authorities' net cruise volume of that species or 2 000 m³, whichever is greater, or
- (d) the cruise compilation algorithm predictions, where the two year billing history record for that cutting authority does not include at least 25 percent of the cutting authorities' net cruise volume of that species or 2 000 m³, whichever is greater.

7. Where a forest licence is subdivided or forest licences are consolidated into one or more forest licences under section 19 of the *Act*, then for a period of two years after the date of the subdivision or consolidation the log grade percentages for a cutting authority area being appraised or reappraised that are determined under section 4.2.2.3.2 will be the combined billing history record of the licence or licences that existed before the subdivision or consolidation and that exist after the subdivision or consolidation.
8. Where a tree farm licence is subdivided or tree farm licences are consolidated into one or more tree farm licences under section 39 of the *Act*, then for a period of two years after the date of the subdivision or consolidation the log grade percentages for a cutting authority area being appraised or reappraised that are determined under section 4.2.2.3.1 will be the combined billing history record of the licence or licences that existed before the subdivision or consolidation and that exist after the subdivision or consolidation.

4.2.2.3 Source of Log Grade Percentages for Each Cutting Authority Area

1. Except for those harvest methods, cutting authorities or cutting authority areas referred to in subsection 4.2.2.2(5), 4.2.2.2(6), and 4.2.2.2(7) the log grade percentages for each species of timber for the cutting authority area being appraised or reappraised will be determined in accordance with:
 - a. Section 4.2.2.3.1, where the cutting authority area is entirely within the geographic boundaries of one tree farm licence, or
 - b. section 4.2.2.3.2, where the cutting authority area is entirely within the geographic boundaries of one timber supply area.

4.2.2.3.1 Log Grade Percentages for a Cutting Authority Area Within the Geographic Boundaries of a Tree Farm Licence

Where the cutting authority area being appraised or reappraised is entirely within the geographic boundaries of a single tree farm licence 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 comprised of 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 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 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 5 of this section.
5. 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 6 of this section.
6. 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.

4.4 Specified Operations

1. The specified operations in sections 4.4.1 to 4.4.7 may be considered in an appraisal or a reappraisal.

4.4.1 Skyline

1. A skyline adjustment expressed in $\$/\text{m}^3$ may be calculated for those areas within a cutblock that:
 - a. are 600 metres or greater measured in a straight line horizontal distance from the centre of the closest possible landing or place where a landing may be located, and
 - b. are yarded by skyline.
2. The skyline adjustment may be calculated by adding the volume of timber to which the skyline may apply to the volume of timber to be helicopter yarded as prescribed in section 4.2.

4.4.2 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 in order for the timber to be transported to the point of appraisal.
2. The adjustment shall be \$4.41 per cubic metre.

4.4.3 Clayoquot Sound Operating Costs

1. For the purposes of this section the Clayoquot Sound area is:

That part of the Hesquiat Peninsula, Esowista Peninsula, and the islands, sea and all lands and waters draining into the Pacific Ocean from the height of land between Escalante Point and Quisitis Point.

2. An adjustment of $\$6.11/\text{m}^3$ will be included in an appraisal or a reappraisal of a cutting authority area that is located entirely within the Clayoquot Sound area.

4.4.4 Helicopter Single Standing Stem Selection

1. In this manual helicopter single standing stem selection means the harvesting of standing single trees that have been marked, limbed, undercut and wedged and then broken from the stump and removed using a helicopter.
2. This adjustment may only be included in the appraisal or reappraisal of a cutting authority area if:
 - a. helicopter single standing stem selection is the only harvest method that has been permitted by the district manager to harvest timber in the cutting authority area, and
 - b. helicopter single standing stem selection is also, the only harvest method used to harvest all of the timber in the cutting authority area.
3. The adjustment for helicopter single standing stem selection includes the cost of marking, climbing, limbing, undercutting, wedging, breaking and removal of the tree by helicopter.
4. The adjustment for helicopter single standing stem selection is \$37.78/m³.

4.4.5 Destumping for Root Disease Control

1. **Destumping is the activity of:**
 - a. **lifting and rolling of stumps out of the ground to lessen soil disturbance and root breakage,**
 - b. **destumping may also include the shaking of stumps to remove soil, and**
 - c. **raking the area immediately around the hole to remove any large root pieces.**
2. A destumping adjustment will be determined for that part of the cutting authority area where destumping for root disease control is required. The treatment area must be accurately delineated and shown on the appraisal map and be included in the site plan.
3. The adjustment shall be \$1,114.00 per hectare of area that will be destumped.

4.4.6 Tree Crown Modification

1. Where the protection of trees is deemed necessary by a forest professional to achieve forest management objectives, a tree crown modification adjustment may be considered in the appraisal or reappraisal.
2. The adjustment is the sum of the costs for all of the trees that are modified divided by the total net cruise volume of the cutting authority area.

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 or reappraisal of a cutting authority area effective 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, or
 - b. a community forest agreement, the tree farm licence, or a non-replaceable forest licence that is referred to in section 1(4) of the orders.
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 4.4.6 and expressed in $\$/\text{m}^3$.

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

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

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

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.

- annual cut of Crown timber equal to or greater than 5 000 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 5 000 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 5 000 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 5 000 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.

7.4 Salvage Logging Stumpage Rates

1. The source of salvaged timber is:
 - a. Post-Harvest Material:
 - i. wooden culverts and bridges, and
 - ii. post-logging residue, and
 - b. Damaged Timber:
 - i. blowdown green and aged timber, and
 - ii. fire, disease, insect or physically damaged timber.
2. The qualifying criteria and methodology for calculating salvage logging stumpage rates for round logs is specified below:
 - a. post-harvest material must not be combined in the same cutting authority area with timber damaged through natural events.
 - 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 adjacent or contiguous to an existing cutting authority area.
 - c. the total cutting authority area for damaged salvage harvesting may vary in size but individual clearcut openings within the cutting authority area shall not exceed two hectares.
 - d. only damaged trees and hazard trees as approved by the Ministry may be removed on a damaged timber salvage cutting permit.
 - e. 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.
 - f. salvage cannot occur on a road right-of-way which has an active timber mark associated with it.
 - g. the stumpage rate will be fixed for a period not exceeding one year.
3. Where the source of the salvaged timber is damaged timber, the stumpage rate for each species of the salvaged timber in a forest district will be determined using

schedule of average sawlog stumpage rates for damaged timber approved by the Director.

4. Where the source of the salvaged timber is post-harvest material, the stumpage rate for each species of timber in a forest district will be determined using the schedule of average sawlog stumpage rates for post-harvest material approved by the Director.

7.4.1 Levies for Salvage Forestry Licences to Cut Cutting Authorities

1. An administration levy may be added to the reserve stumpage rate. The administration levy is equal to the district manager's cost estimate of administration provided by the Crown for preparing a Forestry Licence to Cut for salvage timber. An administration cost estimate is made for every cutting authority where the district office has to prepare all details of a Forestry Licence to Cut for salvage. No levy is applicable to professional applications.
2. A basic silviculture levy may be added to the reserve stumpage rate. The levy is equal to the district manager's cost estimate of silviculture liability to be incurred by the Crown.

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 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.

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