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MEMORANDUM

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To: Madeline Maley, A/Regional Executive Director, Southern Interior Forest Region
Bill Warner, Regional Executive Director, Northern Interior Forest Region

From: The Honourable Pat Bell
Minister of Forests and Range

Re: Amendment No. 13 to the *Interior Appraisal Manual*

I hereby approve Amendment No. 13 to the *Interior Appraisal Manual* and attach a copy for your use. The following sections have been amended:

Section 1.1 Definitions added for Anniversary Date, and Controlled Recreation Area.

Definition for skidder swing reorganized in alphabetical order

Section 6.8 New section added for pricing of Controlled Recreation Areas.

This amendment will come into force on May 15, 2010. Further amendments or revisions to this manual require my approval.

Pat Bell
Minister
Attachment

pc: Murray Stech, Director, Pricing 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>Bob Bull Senior Timber Pricing Forester (Interior) Pricing Branch Ministry of Forests 1st Floor, 1520 Blanshard Street Victoria, BC V8W 3K1 Phone: 250-356-7709 Email: Bob.Bull@gov.bc.ca FAX: 250-387-5670</p>	MANUAL TITLE	
	Interior Appraisal Manual	
	AMENDMENT	ISSUE DATE
	Amendment No. 13	May 15, 2010
MANUAL CO-ORDINATOR		
Judy Laton Manuals Co-ordinator		
AUTHORIZATION (Name, Title)		
Murray Stech Director, Pricing Branch		

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

ACTION (Remove/Insert)	(VOL.) CHAPTER-SECTION-SUBJECT TABLE OF CONTENTS	PAGE(S)	COMMENTS
Remove	Table of Contents	iii - iv	After Table of Contents Tab
Insert		iii - iv	
Remove	Chapter 1	1 - 6	After Chapter 1 Tab
Insert		1 - 6	
Remove	Chapter 6	19 - 20	After Chapter 6 Tab
Insert		19 - 20	
Remove	Index	1 - 4	After Index Tab
Insert		1 - 4	
INSERT	Letter from Minister and Transmittal Sheet		After Amendments Tab

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Introduction

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1.1 Definitions

In this manual:

“**Act**” means *Forest Act*,

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

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

“**Applicable Volume**” means:

- a. Except as provided in section 2.2.1(d) and 4.3.1(4)(d), and subject to paragraph (b) of this definition, where the harvesting is authorized on a cutting authority area under an agreement other than a BCTS licence, applicable volume means the total net coniferous volume,
- b. Where the cutting authority or the agreement under which the cutting authority is issued requires harvesting in deciduous stands and the deciduous timber has not been reserved, applicable volume means the sum of the total net coniferous volume and the total net deciduous volume.
- c. Where the harvesting is authorized on a cutting authority area under a BCTS licence, applicable volume means the sum of the total net coniferous volume and the total net deciduous volume.

“**Appraisal Data Submission (ADS)**” means the information required by the person who determines the stumpage rate to determine that rate including the appraisal map, cruise information (including the required reports and the ASCII cruise data files unless otherwise specified by the director of Revenue Branch) and any other information required by the regional manager or district manager, in the form required by the director, or the Interior Stumpage Rate Request Form, signed by a registered professional forester (RPF) or registered forest technologist (RFT), registered with the Association of British Columbia Forest Professionals,

“**BCTS**” means British Columbia Timber Sales.

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

“**BCTS licence**” means:

- a. a timber sale licence entered into under Section 20 of the *Act* or Section 21 of the former *Act*, or

b. a forestry licence to cut entered into under Section 47.6(3) of the *Act*,

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

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

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

“Coniferous cruise volume” means that part of the total net cruise volume which is coniferous timber,

“Controlled Recreation Area” means controlled recreation area as defined in the *Resort Timber Administration Act*,

“Cutting Authority” means:

1. A cutting permit issued under:
 - a. a forest licence,
 - b. a timber sale licence that provides for the issuance of cutting permits,
 - c. a tree farm licence,
 - d. a community forest agreement,
 - e. a woodlot licence,
 - f. a timber licence,
 - g. a community salvage licence,
 - h. a master licence to cut, or
 - i. a forestry licence to cut.
2. A timber sale licence under which cutting permits have not or will not be issued.
3. All other licences to cut.
4. A road permit.

“Cutting Authority Area” means the area where timber may be harvested under a cutting authority, which has a unique timber mark,

“Deciduous timber” means timber that is not of a coniferous species,

“Decked timber” means timber that has been 100% decked at roadside,

“Director” means director of Revenue Branch 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, Culture and the Arts to whom the minister of that ministry has delegated the minister’s powers and duties under section 2 of the RTAA.

“Effective Date” means, unless otherwise specified in the manual,

- i. the date the stumpage rate is determined when required for advertising for competitive award, or
- ii. the effective date of the cutting authority when the stumpage rate is determined for a cutting permit or a direct award licence.

“Executive Director, Field Operations” means the Executive Director, Field Operations or Executive Director, Field Operations’ designate.

“Fully Appraised” means stand data (site specific or borrowed) has been used by the general appraisal system to calculate an indicated stumpage rate or has been included in an appraisal for a BCTS cutting authority including appraisals where the upset rate was set at the variable cost to prepare the timber for sale,

“Hogged” means tree residues or by-products that have been shredded into smaller fragments by mechanical action.

“Licensee” means the holder of a cutting authority,

“Manual” means *Interior Appraisal Manual*,

“Minister” means Minister of Forests and Range,

“Ministry” means Ministry of Forests and Range,

“New Construction” means the following construction phases: subgrade construction, placement of additional stabilizing material and the construction and installation of drainage and other pertinent structures,

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

“Prescribed Minimum Stumpage Rate” means the minimum stumpage rate prescribed by the minimum stumpage rate regulation (BC Regulation 354/87).

“Reconstruction and Replacement” means replacement or structural repair of a major drainage structure (e.g., replacing stringers, cross ties, or cribbing), or major resurfacing, which means resurfacing sections of more than 0.3 km in length that were initially surfaced but have deteriorated due to long term wear and tear, where stabilizing material was not previously used, or major reconstruction, which means restoring at least 0.1 km of road (per occurrence) that requires complete rebuilding of the subgrade,

“Regional Manager” means regional executive director or regional executive director’s designate,

“Regulations” means regulations under the *Act*,

“Remedial Fences and Wing Fences” means fencing that is required to remedy, reduce or manage the impact of timber harvesting activities on range management,

“Revenue Branch” means the Pricing Branch of the Ministry,

“Road Permit” means road permit or road timber mark,

“Salvage” except as provided in section 6.4, means a cutting authority area where greater than one-third of the net coniferous cruise volume is attacked by mountain pine beetle or other pests,

“Skidder Swing” means situations where two of the different harvest methods as listed in section 4.4.1 are required to move timber to an existing road or landing where it can be loaded onto a haul truck. Where skidder swing is included in an appraisal the harvest method that moves the felled timber first is the method that is indicated in the appraisal data submission,

“Species Net Volume” is the species net volume reported in the appraisal summary report from the cruise compilation for the cutting authority area,

“Stud Log Percent” means the net volume of 5 m logs with top diameters under 20 cm expressed as a percentage of the total net cruise volume. The stud log percent is rounded to the nearest whole percentage point,

“Stumpage Appraisal Parameter” means:

- | | |
|-----------------------------------|--------------------------------------------------|
| a. Interior average market price, | e. US Dollar Exchange rate, |
| b. Interior base rate, | f. Lumber and Chip Average Market Values, |
| c. Interior mean value index, | g. Interior Basic Silviculture Costs by Species. |
| d. BC Consumer Price Index, | |

“Suitable Secondary Structure” means suitable secondary structure as defined in Section 1(4) of the *Forest Planning and Practices Regulation*.

“Timber Sales Manager” means the Timber Sales Manager or the Timber Sales Manager’s designate,

“Total Net Coniferous Volume” is the total of the species net volumes for all coniferous species on the cutting authority area,

“Total Net Cruise Volume” means the sum of the species net cruise volumes reported in the appraisal summary report from the cruise compilation for the cutting authority area,

“Total Net Deciduous Volume” is the total of the species net volumes for all deciduous species on the cutting authority area,

“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,

6.7 Linear Tenures

1. For this section:

“Linear tenures” means a licence to cut issued for:

- A right-of-way to a mine site, or
- A mining exploration trail in a district other than Fort Nelson, Peace, Mackenzie, Rocky Mountain, or
- A pipeline right-of-way where the volume of timber on the cutting authority area is greater than 2 000 cubic metres, or
- A pipeline right-of-way where the volume is 2 000 m³ or less in a district other than Fort Nelson, Peace, Mackenzie, or Rocky Mountain, or
- A hydro transmission line, or
- A highway right-of-way for a road administered by the *Ministry of Transportation*, or
- A forestry licence to cut issued under section 47.6(3) of the *Act* in conjunction with a BCTS road development contract, or
- A fence line or protection of a fence line administered by the ministry under the *Range Act*.

“Licensee” means the licensee who has been issued a linear tenure.

“Weighted average sawlog stumpage rate” means the weighted average sawlog stumpage rate determined in accordance with section 6.3(4).

2. The stumpage rate for a linear tenure shall be:

- a. The weighted average sawlog stumpage rate for all cutting authorities in the smaller of the same forest district, timber supply area or region in which the entire cutting authority area for the linear tenure is located, or
- b. If a weighted average sawlog stumpage rate is not available for the area in paragraph (a) above, then the weighted average sawlog stumpage rate for the next largest area.

3. The costs of roads constructed on the cutting authority area for a linear tenure are only eligible for inclusion as part of the development cost estimate in the licensee’s first fully appraised tributary cutting authority area if those cost were not used in a full appraisal under paragraph (4) of this section.

4. Notwithstanding any other paragraph in this section the stumpage rate for a linear tenure may be determined through a full appraisal using the best information available to the person who determines the stumpage rate.

5. A stumpage rate determined under this section shall be fixed for the term of the linear tenure and all extensions.

6.8 Controlled Recreation Areas (CRAs)

1. The sawlog stumpage rate for coniferous timber harvested under any cutting authority issued for a cutting authority area within a CRA is the stumpage rate approved by the Director for each quarter.
2. The stumpage rate determined under this section is redetermined on the anniversary date of the cutting authority in accordance with this section.
3. Notwithstanding any other paragraph in this section, the stumpage rate may be determined through a full appraisal.

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