



File: 280-20

Ref: 223425

July 26, 2016

To: Interior Executive Directors

From: Honourable Steve Thomson, Minister of Ministry of Forests, Lands and Natural Resource Operations

Re: **Amendment No. 1 to the Interior Appraisal Manual (IAM)**

The following sections have been amended:

Section 2.2.1 – Changed Circumstance Harvest Method

The wording has been amended as advised by counsel to ensure a changed circumstance is triggered based on the actual harvest method used.

Section 3.6.7 – High Development Cost

A value in the high development cost specified operation, which was misstated by \$0.01 has been corrected.

Section 4.3.5 – Debris Fencing

The wording has been changed to include protection of riparian areas adjacent to a cut block.

Section 4.3.6 – Detailed Engineering Cost Estimates – Housekeeping

This subsection is an exact duplication of 4.3.6(10)(f) and is being removed to correct the redundancy.

Section 4.4 – Road Management Cost Estimates

Table 4-5 contained a typographical error under TFL 5, which is now corrected. Also in Table 4-5, the entry for the Pacific TSA has been corrected to include all supply blocks.

Interior Executive Directors

Section 6.6 – Pre-Harvest Waste Assessment

Table 6-7 now includes provision for stumpage rates under the new Pre-Harvest Waste Assessment procedure in the *Provincial Logging Residue and Waste Measurement Procedure Manual*.

This amendment will come into force on August 1, 2016. Copies of the amendment and the amended IAM are available at the following link:

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

Further amendments or revisions to this manual require my approval.



Steve Thomson
Minister

pc: Paul Knowles, Executive Director, Timber Operations, Pricing and First Nations Division
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TIMBER PRICING BRANCH

Interior Appraisal Manual

Effective July 1, 2016

Cost Base of: 2014

Includes Amendments

Amendment No. 1

Effective Date

August 1, 2016



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2. This subsection applies to cutting authorities issued on or after July 2, 2014. For those cutting authorities issued prior to July 2, 2014 use section 2.2.1(1) as it was prior to July 1, 2014.

In this manual a changed circumstance means a circumstance where:

- a. **The harvest method used on the cutting authority has changed from that in the most recent appraisal data submission (by the greater of 1,000 m³ or 10% of the Total Net Cruise Volume).** If the changed circumstance is to a higher cost harvest method, the appraisal data submission must include a rationale **to explain** why the change is required.
- b. The licensee or a contractor working on the licensee's behalf carries out or will carry out development on the cutting authority area such that there will be a difference of at least 10% between
 - i. the total appraised development cost estimate if it is recalculated under chapter 4 on the basis of the development actually carried out, to the extent this development is in accordance with chapter 4, and
 - ii. the total appraised development cost estimate used in the most recent appraisal or reappraisal, where this difference results from circumstances other than a change in the manual or a change as a result of a stumpage adjustment.
- c. Except as provided in subsections 4 or 5 of this section, the cutting authority is scale based and there has been a change¹ in the harvest area for the cutting authority when compared to the appraisal map submitted that exceeds the lesser of:
 - i. Five hectares, or
 - ii. Five percent of the harvest area for the cutting authority indicated on the appraisal map prior to the change.
- d.
 - i. The cutting authority is cruise based and there has been a change¹ in the harvest area for the cutting authority when compared to the most recent appraisal map submitted that exceeds three hectares.
 - ii. The area used for cruise based billing must only be changed to reflect the new area when:
 - aa. the harvest area has decreased and the cutting authority has been amended,
 - bb. the harvest area has increased, or
 - cc. the change in harvest area described in this subsection triggers a changed circumstance under this section.

¹ Measured as the absolute change, e.g. an addition of 5 hectares and the subtraction of 5 different hectares is a 10-hectare change for the purposes of this section.

- e. Timber is authorized for harvest under a cutting authority that has either a fixed stumpage rate or a stumpage rate that is adjusted quarterly and at least 15% of the Total Net Cruise Volume of the timber that was considered in the appraisal of the cutting authority area authorized for harvest under that cutting authority has been suddenly and severely damaged except where timber on a cutting authority area has been damaged by a fire for which the licensee was responsible and the licensee failed to comply with the *Wildfire Act* or Wildfire Regulations. The only timber that can be considered in the reappraisal is the standing timber remaining on the cutting authority area after the sudden and severe damage.
- f. A cutting permit authorizing the harvesting of timber was issued before July 1, 2010 and surrendered on or after July 1, 2010, because of the planned Interior pricing policy changes July 1, 2010, and
 - i. the volume of all of the timber in all of the cutblocks where harvesting has not started, hereinafter referred to as the remaining timber, is greater than 25% of the volume of timber that was on the cutting authority area when the cutting permit was issued, and
 - ii. the district manager is satisfied that the remaining timber or harvest method is significantly different from the timber that has been harvested under the cutting permit.
- g. A cutting permit authorizing the harvesting of timber on the cutting authority area was issued before July 1, 2010, timber harvesting has started on the cutting authority area, and
 - i. the right to harvest timber remaining on the cutting authority area hereinafter referred to as the remaining timber has been transferred by the timber sales manager after July 1, 2010 on behalf of the licensee to whom the cutting permit had been issued, and
 - ii. the district manager is satisfied that the remaining timber or harvest method is significantly different from the timber that was harvested on the cutting authority area prior to the transfer of the right to harvest the remaining timber.
- h. The most recent appraisal or reappraisal:
 - i. included a Camp specified operation and a camp was never used ; or did not include a Camp specified operation but a camp was used that met the requirements of this manual.
- i. The most recent appraisal or reappraisal:
 - i. included a skyline specified operation, or root disease control as part of the tenure obligation adjustment, and a skyline was never used, or root disease control was never carried out on the cutting authority area in an amount that exceeds the greater of three hectares or three percent of the area indicated on the appraisal map; or
 - ii. did not include a skyline specified operation, or root disease control as part of the tenure obligation adjustment but was subsequently carried out by the

- licensee beyond the threshold in paragraph i. of this subsection that met the requirements of this manual.
- j. The most recent appraisal or reappraisal included an appraised transportation route with a log dump that:
 - i. is different than the log dump planned or used on the cutting authority area because a change in the water level rendered the appraised transportation route unfeasible; and
 - ii. the volume transported to the log dump is an amount that exceeds 20% of the Total Net Cruise Volume.
 3. Except as provided in subsections 4 or 5 of this section, where a changed circumstance has occurred with respect to a cutting authority area, other than a cutting authority area that is subject of a road permit or a cutting authority area with a non-adjusting stumpage rate, the cutting authority area must be reappraised in accordance with section 2.2.1.1.
 4. Except for paragraph (d) of subsection 2 of this section where a licensee has notified the ministry in writing that a changed circumstance has occurred and the indicated stumpage rate for the cutting authority area has been less than $\$0.25/\text{m}^3$ since the cutting authority area was first appraised, and the indicated stumpage rate that would be calculated in a changed circumstance reappraisal would remain less than $\$0.25/\text{m}^3$, a changed circumstance reappraisal is not required.
 5. Where a licensee has notified the ministry in writing that a changed circumstance has occurred, log transportation activities have been completed on the cutting authority area and the amount of stumpage payable as a result of a changed circumstance reappraisal under section 2.2.1(2) would be reduced, the changed circumstance reappraisal must be done only at the licensee's request.
 6. Where a cutting authority is reappraised because of a changed circumstance, any bonus bid or bonus offer in existence does not change and remains in effect.

2.2.1.1 Changed Circumstance Reappraisal Procedure

1. Where the cutting authority was issued prior to August 1, 2005, the licensee must submit an appraisal data submission to the district manager immediately if a changed circumstance has occurred.
2. a. Except for a changed circumstance under section 2.2.1(2)(e), the licensee must submit an appraisal data submission to the district manager within:
 - i. 60 days of completion of log transportation activities or no later than 30 days prior to the expiry of the cutting permit whichever comes first; or
 - ii. 60 days after the licensee completes root disease control activities where the appraisal data submission includes a cost estimate for root disease control, provided the activities occur after the cutting authority expiry date; or
 - iii. 60 days after the submission date agreed to in subsection 2.2.1(1)(c),

if the cutting authority must be reappraised because of a changed circumstance under section 2.2.1.

- b. If the change in harvest area referred to under sections 2.2.1(2)(c) and (d) includes a portion of the cutting authority area for which cruise information is not available, the person who determines the stumpage rate may use the best information that person deems available in the reappraisal.
 - c. For a changed circumstance under section 2.2.1(2)(e), the licensee must submit an appraisal data submission to the district manager within thirty days of the date when the event that caused the sudden and severe damage stopped on the cutting authority area.
 - d. Thereafter the changed circumstance procedure for paragraph (a) or (b) of this section is the same as required by sections 2.1(3) to 2.1(11).
3. Where the district manager believes that a changed circumstance has occurred under subsections (2) or (3) of section 2.2.1, and the licensee fails to provide the district manager with an appraisal data submission as described in subsection (2) of this section, the district manager may initiate a changed circumstance reappraisal using information that is available to the district manager and may notify the licensee of that action. Thereafter the changed circumstance reappraisal procedure is the same procedure as that required by section 2.1(6) through 2.1(11).

2.2.1.2 Effective Date of a Changed Circumstance Reappraisal

1. Except as otherwise provided in this section, a reappraisal because of a changed circumstance is effective on the day after the effective date of the most recent appraisal or reappraisal of the cutting authority area prior to the changed circumstance reappraisal.
2. Where the cutting authority to which the reappraisal pertains was issued prior to August 1, 2005, and the date of the changed circumstance is on or after July 1, 2010, the changed circumstance reappraisal is effective on the day after the date the changed circumstance reappraisal stumpage rate is calculated.
3. Where the changed circumstance is a result of sudden and severe damage referred to in subsection 2.2.1(2)(e), 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.
4. Except as provided in subsection 2 of this section, where the most recent reappraisal is a minister's directed reappraisal under section 2.2.2 or an insect damage reappraisal under section 2.2.3, the effective date of a changed circumstance reappraisal:
 - a. Under section 2.2.1(2)(f) or 2.2.1(2)(g) is the day after the date of the most recent appraisal or reappraisal that is not a reappraisal under sections 2.2.1(5), 2.2.2 or 2.2.3.

3.6.5 Helicopter Logging

The specified operation cost estimate is \$95.64/m³ for the harvest method volume appraised as Heli.

3.6.6 Horse Logging

The specified operation cost estimate is \$8.67/m³ for the harvest method volume appraised as horse.

3.6.7 High Development Cost

For BCTS timber sale licences only, where the development cost estimate (DC) determined under chapter 4 is greater than \$2.65/m³, the high development cost specified operations estimate (HDC) is calculated as follows:

$$\text{HDC } \$/\text{m}^3 = \text{DC} - 1.30$$

$$\text{If } \text{DC} \leq 2.65, \text{ HDC} = 0$$

3.7 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 that are applicable to the appraisal or reappraisal of the cutting authority area.

2. Expressed as an equation:

$$\text{FEWB} = \text{EWB} - (\text{SO} \times (\text{CPI} \div \text{ACPI}))$$

Where:

EWB = The Estimated Winning Bid determined under section 3.4.

SO = The sum of the applicable specified operations in the appraisal or a reappraisal of a cutting authority area as may be calculated under section 3.6 expressed in $\$/\text{m}^3$.

CPI = Monthly BC Consumer Price Index (refer to section 3.3).

ACPI = 139.5 (the average CPI for the cost base (2013/14))

3. Where the FEWB calculated under subsection 2 of this section is less than $\$0.25/\text{m}^3$, then the FEWB must be $\$0.25/\text{m}^3$.

4.3.5 Tabular Cattle Guards, Fencing and Pipeline Crossings

1. Where the installation of cattle guards or fencing are required to mitigate the impacts resulting from harvesting on the cutting authority area, the following cost estimates apply:
 - a. Cattle Guards \$4,754 each
 - b. Remedial Fences and Wing Fences \$1,280 per 100 m
(post and wire, post and rail and/or log snake fence construction only), used to mitigate the removal of natural range barriers
 - c. Logging Debris Fences \$250 per 100 m
(logging debris used to protect sensitive riparian areas within **or adjacent to** a cut block)
2. For pipeline crossings, the following cost estimates apply:
 - a. Single pipe crossing \$3,265 each
 - b. Multiple pipe crossing \$3,438 per pipe
(where 2 or more pipes are crossed within the same right-of-way)
3. The cost estimates for subsections (1) and (2) include materials, transportation and installation.

4.3.6 Detailed Engineering Cost Estimates (ECE)

1. Where the tabular cost estimating procedures of this manual cannot be used due to their physical limitations, the cost of a project must be estimated by preparing a detailed engineering cost estimate. The Director, Timber Pricing Branch may approve standardized procedures for preparing cost estimates for those activities listed in subsection (7) of this section for use in projects as listed below.
2. Where specific development projects involve detailed engineering cost estimates, the district manager must be advised of project details no later than 60 days before the start of work on the project, unless otherwise agreed to between the district manager and the licensee.
3. For appraisal purposes, development project costs for ECEs are made on the basis of
 - a. site-specific data using the definitions found in section 4.3.2.2 for common subgrade construction variables, and
 - b. i. for costs incurred prior to the appraisal data submission, the cost estimate information (such as for tabular culvert or bridge costs or additional stabilization material equations), and equipment and labour rates specified in Appendix I at the time the costs were incurred. Otherwise, use the cost estimate information, and equipment and labour rates specified in Appendix I at the time of the appraisal data submission.

- ii. In the case of a reappraisal use the cost estimate information, and equipment and labour rates specified in Appendix I used in the previous appraisal data submission.

Due consideration is given to arm's length competitive bids for any specific project. The Crown is not liable for any difference between the appraisal estimate and the licensee's actual costs.

4. If the ECE is re-estimated once after construction as provided in section 2.2(4) (using more accurate on site information) the new detailed engineering cost estimate replaces the original (used in the initial appraisal).
 - a. Detailed engineering cost estimates originally estimated using ministry approved competitive bids may be re-estimated once after construction provided the original call to tender included a methodology for adjusting the bid price based on more accurate site information and re-estimation of those costs is performed in accordance with that methodology.
 - b. ECE's are not re-estimated due to labour and/or equipment rates being updated periodically in Appendix I.
5. Where the actual on-site information is known prior to the appraisal data submission that information must be used in the ECE as determined by the person who determines the stumpage rate.
6. The following specific situations are considered for detailed engineering cost estimates:
 - a. New construction of long term, primary access road sections, with a finished running surface greater than 6 metres wide, and agreed to by district engineering staff.
 - b. Road construction on uphill side slopes greater than 50%.
 - c. When rock percent as calculated in section 4.3.2.2(4) is greater than 50%.
 - d. Road construction within terrain class 4 and 5.
 - e. End haul construction (of roads and landings) requiring removal by truck of excavated material to a separate area to avoid side casting on steep and/or sensitive sites.
 - f. Overland construction to provide a roadbed by trucking in material for extensive filling; see page 81 of Forest Road Engineering Guidebook for a more detailed description.
 - g. Bridges (including ice bridges) not included in the subgrade construction cost estimate, or represented in section 4.3.3.2 or 4.3.3.3 (tabular bridges). Eligible costs are described in section 4.3.6(10).

- h. Structural maintenance of bridges, substructure and cribwork.
- i. Road Reactivation activities necessary to re-open a road where there were no prior road management obligations.
- j. Reconstruction of roads and pertinent structures required to return the subgrade or structure to the standard that existed at the time of original construction. Cost estimates for reconstruction are not to exceed the tabular cost for new construction under similar conditions.
- k. Upgrade of roads and pertinent structures resulting in changes to the standard of the existing road and/or structure, including changes to the width of the running surface, horizontal and vertical realignment, additional culverts, lengthening of existing pullouts or adding additional pullouts where not required by the road standard or use of the road at the time of original construction. Blasting, or major switch back realignment is not restricted by the minimum 0.100 km section length requirement.
- l. Placement of stabilizing material to an existing road with uninterrupted road section lengths of 0.3 km or more; regardless if the road was previously stabilized.
- m. Culverts greater than 1.8 m in diameter, or culverts greater than 20 m in length regardless of diameter. The cost estimate includes all costs of transporting the culvert to the jobsite and all costs of installation of the culvert to the final subgrade stage.
- n. Placement of stabilizing material to a new or existing road where geo fabric, corduroy, crushed and/or screened rock/gravel is used.
- o. Placement of portable platform(s) to be used as a structural roadway.
- p. Retaining walls, railway crossings and other structures (such as multiple culverts, baffled culverts, arched culverts and other structures determined by the timber pricing co-ordinator).
- q. New road subgrade construction and ballast cost estimates in Road Group 1 are determined using the methodology outlined in the Interior Detailed Engineering Cost Estimate Procedures.
- r. The costs of designing and constructing a forwarding road, where the timber pricing co-ordinator is satisfied that when included in an appraisal it will result in an appraisal with the highest stumpage rate. A forwarding road is not a trail but a road built to a designed standard which includes stripping, grubbing, stumping and primary excavation to establish subgrade that is used for transporting crews and equipment and forwarding timber but not for hauling logs.

7. The data which may be required for excavation and fill estimates are:
 - a. Plans, profiles, cross-sections showing the ground and design grade lines.
 - b. Volume summary sheets showing excavation quantities by various soil types, for subgrade and stabilization.
 - c. Type of construction equipment and quantity of material to be used, or Ministry approved competitive bid costing.
 - d. Location of borrow and waste areas to calculate material haul distances.
8. The data required for bridges, culverts and for other structures are:
 - a. Where the bridge span is 15.4 m or less and the crib height is 5.4 m or less and a permanent structure is proposed, an economic life cycle comparison between a log structure and the permanent proposal is required.
 - b. Where the bridge span is greater than 15.4 m, and/or the crib height is greater than 5.4 m and for pipe culverts greater than 1.8 m in diameter or 20 m in length regardless of diameter: plans, specifications and design for the proposed structure; detailed estimate of costs of materials; equipment and labour or ministry approved competitive bid pricing; amount of timber accessed by the structure and the number of years of use for harvesting all timber are required.
9. Costs that may be included in the detailed engineered cost estimate are:
 - a. Freight (for materials).
 - b. Provincial sales tax if applicable (for materials purchased prior to July 1, 2010 and on or after April 1, 2013).
 - c. Supervision of construction of complex structures by a professional engineer.
 - d. Bridge Costs
 - i. In addition to other costs described in this section, bridge costs may include:
 - Crib back fills to a maximum distance of 15 m on either end.
 - Site preparation.
 - Protection features such as rip rap.
 - Material and equipment supply and delivery (subject to paragraphs (ii) and (iii) in this subsection).
 - Bridge crossing assurance statement by a professional engineer either employed by the licensee or contracted. A maximum of three field visits are permitted unless otherwise approved by the regional timber pricing co-ordinator.
 - ii. Where bridge materials are re-used by the original purchaser at a different site, the bridge cost estimate may include the cost of dismantling the materials at the site where they were previously used, and transportation to and installation at the different site, but may not include the initial materials and delivery costs.

- iii. Where used bridge materials are purchased by the licensee from a legally non-associated party, only the cost of purchasing and transporting those materials approved by the person determining the stumpage rate may be included in the bridge cost estimate in addition to the costs listed above.
 - e. Site plans, designs and layouts.
 - f. The costs of mobilization and demobilization may be included in the ECE if the equipment is not required for adjacent tabular or other ECE development projects.
10. GST/HST and supervision costs other than as stated above, are not to be included in the engineered estimate.
11. Where different timber volumes are used for separate cost estimates, the unit costs are rounded to the nearest cent before totalling.

4.4 Road Management

1. Where the licensee is obliged to carry out road management activities, the road management cost estimate includes but is not limited to, costs for the following:
 - a. all access management
 - b. all deactivation
 - c. bridge re-decking/wearing surface replacement
 - d. brushing
 - e. cattle guard cleanout
 - f. cross ditch construction
 - g. culvert removal
 - h. culvert repairs and thawing
 - i. culvert replacement
 - j. ditching
 - k. dust control
 - l. grading
 - m. grass seeding
 - n. minor flood and storm damage repair
 - o. non-structural maintenance of bridges
 - p. road ripping
 - q. road use charges paid to other licensees
 - r. roadside treatments
 - s. sanding
 - t. seasonal erosion control
 - u. sign maintenance
 - v. slough removal
 - w. snowplowing and refreezing
 - x. spot gravelling (< 0.3 km distance)
 - y. water bar construction (seasonal)
2. The cost estimate for all road management carried out on logging operations depends on the geographic location of the cutting authority area (refer to Table 4-5).
3. Cutting authorities issued under forms of tenure not located administratively within a tree farm licence area or timber supply area will be assigned the road management cost estimate for the TFL or TSA/supply block in which the cutting authority is geographically located.

Table 4-5: Road Management Cost Estimates

Area	TFL #	TSA	TSA #	Supply Block	\$/m ³	
Northern Interior		Bulkley	3	All	4.16	
		Cascadia	45	9, 10 & 11	4.16	
		Cassiar	4	All	4.16	
		Dawson Creek	41	All	1.14	
		Fort Nelson	8	All	1.14	
		Fort St. John	40	All	1.14	
		Kalum	10	All	4.16	
		Kispiox	12	All	4.16	
		Lakes	14	All	1.96	
		Mackenzie	16	All	2.24	
		Morice	20	All	1.96	
		Nass	43	All	4.16	
		Pacific	44	All	4.16	
		Prince George	24	A, B	0.59	
		Prince George	24	C	0.95	
		Prince George	24	D	1.49	
		Prince George	24	E, F, I	2.11	
		Prince George	24	G, H	2.36	
		1				4.16
		30				2.36
	41				4.16	
	48				1.14	
	53				2.36	
Southern Interior		100 Mile House	23	A, B, C, D	1.63	
		100 Mile House	23	E, F, G, H	2.04	
		Arrow	1	All	3.11	
		Boundary	2	C, D, G	3.11	
		Boundary	2	E, F	2.22	
		Cascadia	45	1, 2, 3 & 4	2.36	
		Cascadia	45	5, 6, 7 & 8	3.11	
		Cranbrook	5	All	1.94	
		Golden	7	All	3.54	
		Invermere	9	All	1.94	
		Kamloops	11	1	2.09	
		Kamloops	11	2, 3, 4	2.43	
		Kootenay Lake	13	All	2.18	

Area	TFL #	TSA	TSA #	Supply Block	\$/m ³	
Southern Interior		Lillooet	15	All	4.16	
		Merritt	18	All	1.92	
		Okanagan	22	1, 2, 3	2.22	
		Okanagan	22	4, 5, 6, 7	3.56	
		Okanagan	22	8, 9	3.54	
		Quesnel	26	A, B, C, D	1.49	
		Quesnel	26	E, F, G, H, I	2.36	
		Revelstoke	27	All	3.54	
		Robson Valley	17	All	2.09	
		Williams Lake	29	A, B, C, D, E, I	1.63	
		Williams Lake	29	F, G, H, J	1.63	
		Williams Lake	29	K, L, M, N	2.04	
		3				3.11
		5 ¹				1.80
		8				2.22
		14				1.94
		18				2.09
		23				3.11
		33				3.54
		35				2.43
	49				3.56	
	52				2.36	
	55				3.54	
	56				3.54	
	59				2.22	

¹ The portion of TFL 52 that was within the former TFL 5

All Species		Logs salvaged below the high water levels of Reservoir Lakes and the Shuswap, Slokan, Kootenay, Mineral, and Babine Lakes	\$0.25/m ³
All Species		Marine Beachcomb	\$0.70/m ³
All Coniferous		For logs harvested from the following Research Forests: Alex Fraser (UBC), Aleza Lake (UBC and UNBC), College of New Caledonia (CNC), and Fort St. James (UNBC)	\$0.25/m ³
All Species		Firmwood Reject	NIL
All Coniferous		For sawlogs in excess of the allowable cap subject to the Pre-harvest Waste Assessment standards as defined in the <i>Provincial Logging Residue and Waste Measurement Procedures Manual</i> .	The cutting authority stumpage rate ¹ (\$/m ³)
All Coniferous		Commercial thinning refers to an intermediate harvest with regard to even-aged stand management with: <ul style="list-style-type: none"> • Commercial thin stocking standards incorporated in a Forest Stewardship plan, • Stand age less than 45 years old; and • Residual stand left in a healthy, productive condition. 	\$0.25/m ³

District/TSA Specific

Description of Activity	Forest District	Reserve Stumpage Rate
New Crown land area disturbed for mining exploration trails, seismic lines ² , gas or oil well sites and right-of-way to well sites ³ , or, authorizations for investigative purposes issued under the <i>Land Act</i> .	Ft. Nelson	\$ 836 /ha
	Mackenzie	\$ 931 /ha
	Peace	\$ 1024 /ha
	Rocky Mountain	\$ 1429 /ha

¹ In addition to the applicable special forest product rate from this table.

² The corresponding district reserve stumpage rate from the above table is adjusted according to the category of line clearing as follows:
Category 1 - no adjustment
Category 2 - 1/2 of the reserve stumpage rate Category 3 - 1/3 of the reserve stumpage rate

The gross area for each category reported as new line on either; the Oil and Gas Commission's Geophysical Final Plan cover sheet or an As Cleared Plan is multiplied by the reserve stumpage rate as adjusted above (refer to Appendix V for category definitions).

³ For pipe line rights-of-way a stumpage rate must be determined by using the above rates for cutting authorities containing 2000 m³ or less, of merchantable coniferous volume. For pipe line rights-of-way cutting authorities greater than 2000 m³ use section 6.7.

6.7 Specific Licences to Cut

1. This section applies to:
 - a. Master licences to cut,
 - b. Occupant licences to cut, and
 - c. Forestry licences to cut :
 - i. Issued under section 47.6(3) of the *Act* in conjunction with an activity funded out of the BCTS account,
 - ii. Issued in conjunction with a works contract other than BCTS, or Issued for a fence line or protection of a fence line administered under the *Range Act*.
2. This section does not apply to:
 - a. Cutting authorities issued for any of the activities listed in Table 6-7 that have an area reserve stumpage rate in the following districts: Fort Nelson, Peace, Mackenzie, or Rocky Mountain, or
 - b. The proposed Site C reservoir and dam site, or
 - c. Projects where cruising of the timber to be harvested on any tenure listed in subsection (1) has been initiated for use in a full appraisal prior to November 1, 2013, or
 - d. Cutting authorities issued within a Controlled Recreational Area.
3. Unless otherwise directed under section 2.2.2, the stumpage rate for any tenure listed in subsection (1) issued on or after November 1, 2013, must be the stumpage rate prescribed in Table 6-3 for the smaller of the area of the forest district, timber supply area, region, or Area in which the entire cutting authority area for the tenure is located, plus the average basic silviculture cost¹ for all species for the applicable Interior Area in which the cutting authority area is located at the time the stumpage rate is determined.
4. Where the licensee will have a silvicultural obligation imposed by the Ministry then the basic silviculture cost is not added under subsection (3) of this section.
5. Where the timber felled on the cutting authority area of any tenure listed in subsection (1) will not be removed from the site the volume used for billing may be estimated using an alternate method of scale approved by the Minister.
6. Except as provided under paragraph (7) of this section, the stumpage rate determined under this section will be re-determined annually on June 1st.
7. The stumpage rate determined under this section for a forestry licence to cut issued under section 47.6(3) of the *Act* is fixed for the term and all extensions.

¹ From the Interior Basic Silviculture Costs published quarterly and available on the Timber Pricing Branch website.