



File: 233307

To: Interior Executive Directors

From: Honourable Doug Donaldson, Minister, Ministry of Forests, Lands, Natural Resource Operations and Rural Development

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

The following sections have been amended:

The regular semi-annual updates of tabular rates (tables 6-1, 6-2, 6-4 and 6-5). These updates only apply to new woodlot, community forest, blanket salvage or licence-to-cut cutting authorities issued on or after the update date.

A new table for fire damaged timber is added. Cutting authorities issued under small scale salvage, blanket salvage or BCTS salvage pricing policy are eligible where 80% or more of the timber in the cutblock(s) have been affected.

A new reappraisal option is added. Licensees may now submit a reappraisal with updated cruise summary data using the latest version of the approved cruise compilation program.

A number of housekeeping amendments have been made to update references.

This amendment will come into force on November 1, 2017. 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.

Doug Donaldson
Minister

pc Chris Stagg, Assistant Deputy Minister, Timber Operations, Pricing and First Nations
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TIMBER PRICING BRANCH

Interior Appraisal Manual

Effective October 1, 2017

Cost Base of: 2015

Includes Amendments

Amendment No. 1

Effective Date

November 1, 2017



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2.2 Reappraisals

1. This section applies to fully appraised cutting authorities effective on or after April 1, 2017 (for fully appraised cutting authorities effective prior to this date use section 2.2 as it was prior to April 1, 2017).
2. Where the policies and procedures in this manual require a reappraisal, the stumpage rate must be determined in accordance with the policies and procedures that are or were in effect as the case may be on the effective date of the reappraisal.
3. A reappraisal is a complete reassessment of the cutting authority on the effective date of the reappraisal, with the exception of a reappraisal directed by the Minister (section 2.2.4), an insect damage reappraisal (section 2.2.5), or a **compilation version reappraisal (section 2.2.6)**.
4. A reappraisal may not be used to change the appraisal from a full appraisal to a tabular stumpage rate (chapter 6) or vice versa.
5. If a cutting authority is reappraised, any bonus bid or bonus offer in existence does not change and remains in effect.

2.2.1 Reappraisal Data Submissions

1. If a reappraisal is required, a licensee representative must submit an ADS to the district manager, and the appraisal data submission process (section 2.1.1 (b) to (g)) must be followed.
2. A **changed circumstances** reappraisal must only be submitted after the completion of primary harvesting activities.

2.2.2 Changed Circumstances

1. This section applies to all fully appraised adjustable rate cutting authorities.
2. A changed circumstance means a circumstance where:
 - a. the operations used or carried out on a cutting authority area are different from what was identified in the original appraisal. These changes in operations include:
 - i. a change in **Point of Appraisal** due to a shorter transportation route (or in the case of section 1.4.4 (2) a lower cost transportation route) becoming available with development projects submitted in another appraisal data submission by the same licensee, prior to the completion of primary harvesting activities; or

- ii. a change in **harvest method(s)** that exceeds the greater of 1000 m³ or 10% of the total net cruise volume. If the change is to a higher cost harvest method, the licensee submitter must include a rationale to explain why the change is required; or
 - iii. a change in **development** that exceeds the greater of \$5,000 or 3% of the total development cost estimate in the original appraisal recalculated under chapter 4, on the basis of the development work actually carried out, to the extent this development is in accordance with chapter 4; or
 - aa. a licensee representative may choose to submit a changed circumstance reappraisal in paragraph (iii) to re-estimate only the development costs in the original appraisal if it does not meet the minimum change requirement; or
 - iv. a change in the **camp or special transportation** specified operation; or
 - v. a change in the **root disease** control treatment area that exceeds the greater of 3 hectares or 3% of the total treatment area, or
 - vi. a change in the **skyline harvest area** that exceeds the greater of 3 hectares or 3% of the total skyline harvest area; or
 - vii. a change in the appraised **water transportation route** because a change in the water level rendered a log dump unfeasible; or
- b. the cutting authority harvest area is different from what was used in the original appraisal. These changes include:
- i. an absolute¹ change in **harvest area** that exceeds the greater of 5 hectares or 5% from an original appraisal for a **scale based** cutting authority; or
 - ii. an absolute¹ change in **harvest area** that exceeds 3 hectares from an original appraisal for a **cruise based** cutting authority.

Note: for cruise based billing purposes in subsection (2)(b)(ii) the harvest area must only be changed to reflect the new harvest area when the harvest area has decreased and the cutting authority has been amended, or the harvest area has increased.

- iii. Notwithstanding subsection 2.2 (1) and (2), any cutting authority amended for a Timber Damaging Event may include non-tributary development project costs in a reappraisal if construction of the projects started prior to the event, and they were projects included in the original appraisal.

A Timber Damaging Event is defined as an event where trees are damaged as a result of a major wind or ice (>20 ha), wildfire or landslide.

¹Measured 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.

- c. Subject to subsection (1)(d) of this section, the licensee may update the insect attack and the down tree code information for all the original trees in each plot in the field for codes 1, 2, 3, 5, 6, 7, 8, E and G as defined in the Cruising Manual and recompile the cruise for the cutting authority area by using the cruise data from the cruise in the original ADS for the plots in that part of the cutting authority area where timber has been harvested and combining that with the cruise data with updated insect attack and down tree codes for the plots in that part of the cutting authority area where timber has not been harvested.
- d. If a cutting authority area is reappraised due to a changed circumstance or suddenly and severely damage timber (in accordance with section 2.2.2 or 2.2.3) and the effective date of the reappraisal is prior to an insect damage reappraisal for that cutting authority area under this section, then the cutting authority area must be reappraised subsequent to the reappraisal using only the same information and effective date as the original insect damage reappraisal under this section (except for information that has changed as a result of the reappraisal under section 2.2.2 or 2.2.3).
- e. Notwithstanding any other paragraph of this section, other data must be changed if it is required by the manual in effect at the time of the reappraisal and was not submitted in the original ADS.

2.2.5.1 Insect Damage Reappraisal Procedure

1. The insect damage reappraisal procedure is the procedure required by section 2.2.1.

2.2.5.2 Effective Date of an Insect Damage Reappraisal

1. The effective date of an insect damage reappraisal is the first day of the month following the month in which the reappraisal is submitted in ECAS.

2.2.6 Compilation Version

1. Notwithstanding section 2.2 (1) and (2), a licensee representative may submit a reappraisal data submission for a cutting authority with the cruise data recompiled using a newer compilation version approved in the cruise compilation manual.
2. The reappraisal data submission must be the ADS that was used in the most recent appraisal or reappraisal of the cutting authority area prior to the new compilation revision, with changes only permitted to the reappraisal data submission as a result of the recompilation of the cruise data.
3. The reappraisal data submission must be submitted in ECAS no later than 6 months after the effective date of the amended cruise compilation manual.
4. The effective date of the reappraisal is the day after the date of the most recent appraisal or reappraisal for the cutting authority.

2.3 Stumpage Adjustments

1. Unless otherwise specified by this manual or by the Minister, and subject to section 6.6, a stumpage rate must be adjusted quarterly on each of January 1, April 1, July 1 and October 1, of each year.
2. The adjustment will be the recalculation of the stumpage rate that was determined in the most recent appraisal or reappraisal by using:
 - a. the appraisal data used in the most recent appraisal or reappraisal,
 - b. the manual in effect on the effective date of the most recent appraisal or reappraisal, and
 - c. the stumpage appraisal parameters that the director approves for use in the recalculation of stumpage rates for that quarter.
3. Woodlot Adjustable Stumpage Rates:

The stumpage rate for a cutting authority issued for a woodlot that meets the criteria in section 6.1.2(2) must be adjusted quarterly.

6 Miscellaneous Policies

6.1 Coniferous Average Sawlog Stumpage Rates by Forest Zone and Species

1. Each of the following forest zones referred to in Tables 6-1, 6-2, 6-4, 6-4a, 6-5 and 6-6 is made up of the following forest districts and or geographic units:
 - a. North Central Zone - Fort St. James, Mackenzie, Nadina, Prince George (less Robson Valley TSA), Quesnel and Vanderhoof.
 - b. North East Zone - Fort Nelson and Peace.
 - c. North West Zone - Coast Mountain (excluding that portion that lies geographically within the North Coast Timber Supply Area), Skeena Stikine.
 - d. South Central Zone – Williams Lake TSA Blocks A, B, C, D, E & I.
 - e. South East Zone - Okanagan Shuswap, Rocky Mountain, Selkirk, and Thompson Rivers (plus Robson Valley TSA).
 - f. South West Zone - 100 Mile House, Cascades, and Williams Lake TSA Blocks F, G, H, and J to N.
2. Where a species of coniferous timber is not listed in Table 6-1, 6-2, 6-4, 6-4a and 6-5, the rate that must be used for that species of timber is the rate listed in the column headed as OTHER.

Table 6-1: Coniferous Average Sawlog Stumpage Rates in \$/m³

FOREST ZONE	BALSAM	CEDAR	FIR	HEMLOCK	LARCH	L. PINE	SPRUCE	W. PINE	Y. PINE	OTHER ¹
North Central	21.79	-	32.23	23.69	-	19.95	24.70	-	-	23.57
North East	7.17	-	-	-	-	8.69	6.46	-	-	7.05
North West	3.34	2.97	-	1.60	-	14.84	8.75	-	-	5.82
South Central	12.75	-	9.62	-	-	9.57	12.37	-	-	11.57
South East	17.58	20.81	21.88	13.51	21.55	21.03	18.38	17.53	20.92	19.75
South West	22.08	20.67	27.65	19.84	21.88	25.37	23.64	25.85	-	25.31

¹ Average for the Forest Zone

6.1.1 Community Forest Agreements

1. The sawlog stumpage rate for each species of coniferous timber harvested under any cutting authority issued under a Community Forest Agreement is the rate prescribed in Table 6-2 for the forest zone in which the cutting authority area is located.
2. Section 1.4.2, sections 6.1.2 through 6.5, commercial thinning in section 6.6, and sections 6.7 through 6.9 do not apply to Community Forest Agreement cutting authorities.
3. The stumpage rate determined under this section is redetermined on August 1 of each year in accordance with this section.

6.1.2 Woodlot Licences

1. Except as provided in subsection (2) of this section, the sawlog stumpage rate for each species of coniferous timber harvested under a cutting permit issued for a woodlot licence with an effective date after November 30, 2008 is the rate prescribed in Table 6-2 for the forest zone in which the cutting authority area is located.
2. Where a woodlot licence cutting permit has been issued with an effective date after November 30, 2008 for the purpose of using amounts from an eligible extended road amortization agreement in an appraisal, then the stumpage rate will be determined using the procedures in this manual excluding this section.
3. Except as provided in subsection (4) of this section, the sawlog stumpage rate for coniferous timber harvested under a road permit issued for a woodlot licence is the rate prescribed in Table 6-2 for the forest zone in which the timber mark applies.
4. Where a woodlot has an eligible extended road amortization agreement before December 1, 2008 the sawlog stumpage rate for a road permit with an effective date on or after December 1, 2008 is calculated using the procedures in section 6.3.
5. The sawlog stumpage rate for each species of coniferous timber harvested under a blanket salvage cutting authority issued for a woodlot licence is the rate prescribed in Table 6-2 for the forest zone in which the blanket salvage cutting authority applies.
6. The stumpage rate determined under subsections (1), (3) and (5) of this section is redetermined on August 1, each year in accordance with this section.
7. Except as provided in subsections (2) and (4) of this section, sections 1.4.2, 6.1.1, 6.1.3 through 6.5, commercial thinning and Pre-harvest Waste Assessment in section 6.6, and sections 6.7 through 6.9 do not apply to Woodlot Licence cutting authorities.

**Table 6-2: Community Forest Agreements and Woodlot Licences:
Coniferous Average Sawlog Stumpage Rates in \$/m³**

FOREST ZONE	BALSAM	CEDAR	FIR	HEMLOCK	LARCH	L. PINE	SPRUCE	W. PINE	Y. PINE	OTHER ¹
North Central	3.27	-	4.83	3.55	-	2.99	3.70	-	-	3.54
North East	1.08	-	-	-	-	1.30	0.97	-	-	1.06
North West	0.50	0.44	-	0.25	-	2.23	1.31	-	-	0.87
South Central	1.91	-	1.44	-	-	1.44	1.85	-	-	1.74
South East	2.64	3.12	3.28	2.03	3.23	3.15	2.76	2.63	3.14	2.96
South West	3.31	3.10	4.15	2.98	3.28	3.81	3.55	3.88	-	3.80

¹ Average for the Forest Zone

6.1.3 Incidental Conifer in Deciduous Leading Stands

1. Except as provided in section 5.1.1(6), this section applies to coniferous timber in a cutting authority area where the total estimated volume of all deciduous species to be harvested is greater than 70% of the total estimated volume of all species to be harvested.
2.
 - a. The stumpage rate for coniferous timber is the rate prescribed in Table 6-3 for the smaller of the area of the forest district/district portion, timber supply area, region, or Area in which the entire cutting authority area for the tenure is located.
 - b. Where the Crown is responsible for basic silviculture on the cutting authority area, the stumpage rate for each species of coniferous timber must be the sum of the rate determined under paragraph (a) of this subsection and the silviculture levy determined under section 5.3.
3. A stumpage rate determined under subsection 2 must be redetermined on June 1, of each year in accordance with this section.
4. Notwithstanding subsection (2) in this section, the stumpage rate may be determined through a full appraisal in accordance with chapters 1, 2, 3, 4, and 5.
5.
 - a. In this section the area of a forest district or the area of a timber supply area does not include the area of a park located within that district or timber supply area.
 - b. In this section the area of a Tree Farm Licence will be included in the area of the district or timber supply area in which it is geographically located.

- f. Salvage cannot occur on a road right-of-way which has an active timber mark associated with it.
- g. Except for a minister directed reappraisal (as provided in section 2.2.4), a stumpage rate determined under this section is fixed for the term of the cutting authority and all extensions.
5. a. The Damaged Timber sawlog stumpage rate for each species of coniferous timber is the rate in Table 6-4 or 6-4a for the Forest Zone in which the cutting authority area is located. **The stumpage rates in Table 6-4a may be used when the:**
- i. **estimated total net coniferous volume of timber on each cutblock is comprised of 80% or more Burnt Timber¹ (Burnt timber means any trees that meet the definition of Fire Codes A, B or C as per the Cruising Manual), and**
 - ii. **the burnt timber is evenly distributed throughout the cutblock(s).**
- b. Where the Crown is responsible for basic silviculture on the cutting authority area, the stumpage rate for each species of coniferous timber must be the sum of the rate determined under paragraph (a) of this subsection and the silviculture levy determined under section 5.3.
- c. Notwithstanding paragraph (a), the stumpage rate for Damaged Timber may be determined through a full appraisal in accordance with chapters 1, 2, 3, 4 and 5.
6. The Post-Harvest Material sawlog stumpage rate for each species of coniferous timber is the rate in Table 6-5 for the forest zone in which the cutting authority area is located.

Table 6-4: Coniferous Average Sawlog Stumpage Rates for Salvage of Damaged Timber in \$/m³

FOREST ZONE	BALSAM	CEDAR	FIR	HEMLOCK	LARCH	L. PINE	SPRUCE	W. PINE	Y. PINE	OTHER ¹
North Central	13.08	-	29.00	14.21	-	14.96	22.23	-	-	14.14
North East	4.30	-	-	-	-	6.52	5.81	-	-	4.23
North West	2.01	2.67	-	0.96	-	11.13	7.88	-	-	3.49
South Central	7.65	-	8.66	-	-	7.18	11.13	-	-	6.94
South East	10.55	18.72	19.69	8.11	19.39	15.77	16.55	13.15	15.69	11.85
South West	13.25	18.60	24.89	11.90	19.69	19.03	21.28	19.39	-	15.18

¹ Average for the Forest Zone

¹ Eighty (80) percent or more of the estimated total net coniferous volume defined as burnt timber in each cutblock, based on a professional estimate by a forest professional registered with the Association of BC Forest Professionals. The professional estimate must include a description and supporting information of how the estimate was generated.

Table 6-4a: Coniferous Average Sawlog Stumpage Rates for Salvage of Fire Damaged Timber in \$/m³

FOREST ZONE	BALSAM	CEDAR	FIR	HEMLOCK	LARCH	L. PINE	SPRUCE	W. PINE	Y. PINE	OTHER ¹
North Central	13.08	-	25.84	14.21	-	13.43	18.31	-	-	14.14
North East	2.66	-	-	-	-	3.58	2.86	-	-	3.03
North West	1.88	2.05	-	0.95	-	10.13	5.72	-	-	3.49
South Central	6.19	-	3.11	-	-	3.05	5.82	-	-	5.04
South East	10.55	15.27	15.62	8.11	15.17	14.51	12.57	12.02	14.80	11.85
South West	13.25	14.16	21.53	11.90	15.27	19.03	17.51	19.39	-	15.18

¹ Average for the Forest Zone**Table 6-5: Coniferous Average Sawlog Stumpage Rates for Salvage of Post-Harvest Material in \$/m³**

FOREST ZONE	BALSAM	CEDAR	FIR	HEMLOCK	LARCH	L. PINE	SPRUCE	W. PINE	Y. PINE	OTHER ¹
North Central	5.45	-	16.11	5.92	-	9.97	12.35	-	-	5.89
North East	1.79	-	-	-	-	4.34	3.23	-	-	1.76
North West	0.84	2.37	-	0.40	-	7.42	4.38	-	-	1.46
South Central	3.19	-	4.81	-	-	4.78	6.18	-	-	2.89
South East	4.39	16.64	10.94	3.38	10.77	10.51	9.19	8.76	10.46	4.94
South West	5.52	16.54	13.83	4.96	10.94	12.69	11.82	12.93	-	6.33

¹ Average for the Forest Zone

6.4.2 Blanket Salvage Cutting Authorities

1. This section may apply to cutting authorities issued under licences with an allowable annual cut or maximum harvest volume; excluding Community Forest Agreements in section 6.1.1, Woodlots Licences in section 6.1.2, BCTS or any timber in the Research Forests noted in Table 6-7.
2. Cutblocks amended into blanket salvage cutting authorities prior to February 15, 2016, must use section 6.4.2 of this manual as it was prior to February 15, 2016.
3. Cutblocks amended into blanket salvage cutting authorities on or after February 15, 2016 must be consistent with the Deputy Minister Memo: *Harvesting under a Blanket Salvage Permit (For Interior Regions)* signed January 29, 2016, where the cutblocks must be:
 - a. less than or equal to 15 hectares in size and 5000 m³ in volume; (unless the silviculture system used on the cut block is other than clear cutting, and at the completion of harvest the trees retained on the harvested area conform to the stocking standards specified in an approved Forest Stewardship Plan); and
 - b. issued for purposes of harvesting damaged timber as defined in section 6.4.1 (3); and
 - c. consistent with *District Guidelines for Blanket Salvage Cutting Authorities*.

4. The stumpage rate for each species of coniferous timber on the cutting authority area is the stumpage rate for that species indicated in Table 6-4 or 6-4a for the forest zone in which the cutting authority area is located. **The stumpage rates in Table 6-4a may be used when the:**
 - a. estimated total net coniferous volume of timber on each cutblock is comprised of 80% or more Burnt Timber¹ (Burnt Timber means any trees that meet the definition of Fire Codes A, B or C as per the Cruising Manual), and
 - b. the burnt timber is evenly distributed throughout the cutblock(s).
5. All blanket salvage cutting authorities are scale based for billing.
6. A stumpage rate determined under this section must be re-determined annually on June 1st in accordance with this section.

6.4.3 Cruise Based Salvage Cutting Authorities

1. This section may apply to cutting authorities entered into under a Timber Sale Licence, or issued under licences with an allowable annual cut or maximum harvest volume; excluding Community Forest Agreements in section 6.1.1, Woodlots Licences in section 6.1.2, or any timber in the Research Forests noted in Table 6-7.
2. The primary purpose for the cutting authority must be the removal of Mountain Pine Beetle (MPB) attacked Lodgepole pine where:
 - a. The estimated total net coniferous volume of timber on each cutblock for the cutting authority area is comprised of 75% or more grey MPB attacked Lodgepole pine²; and
 - b. The conifer species other than Lodgepole pine must be evenly distributed throughout each cutblock.
3. The stand-as-a-whole stumpage rate on the cutting authority area is the greater of:
 - a. Stumpage rate
$$= \text{BASE RATE} - [1.834 * (\text{CYCLE} + (0.5 * \text{CYCLE_INC6})) + 8.44 * \text{ZONE 9}] * \text{CPIF} - [\text{SO's} * (\text{CPI/ACPI})];$$

Where:

BASE RATE = Rate indicated in Table 6-6 for the Forest Zone in which the cutting authority is located.

CYCLE = as defined and measured in accordance with section 3.2.13.

CYCLE_INC6, = as defined in section 3.2.13.

¹ Eighty (80) percent or more of the estimated total net coniferous volume defined as burnt timber in each cutblock, based on a professional estimate by a forest professional registered with the Association of BC Forest Professionals. The professional estimate must include a description and supporting information of how the estimate was generated.

² Seventy-five (75) percent or more of the estimated total net coniferous volume defined as grey attack in each cutblock, based on a professional estimate by a forest professional registered with the Association of BC Forest Professionals. The professional estimate must include a description and supporting information of how the estimate was generated.

ZONE 9,
CPI, and CPIF

SO's = the sum of the transportation specified operations that apply to the transportation route from section 3.3.

ACPI = 140.9 (the average CPI for the cost base (2014/15))

- b. The prescribed minimum stumpage rate.

Table 6-6: Base Rate* for Cruise Based Salvage Cutting Authorities by Forest Zone

FOREST ZONE	BASE RATE**(\$/m ³)	TSL BASE RATE***(\$/m ³)
North Central	13.93	26.67
North East	13.93	26.67
North West	13.93	26.67
South Central	6.40	22.60
South East	10.46	27.82
South West	6.40	22.60

* Rate prior to adjustments for transportation and zone 9

**The Base Rate for cutting authorities issued under licences with an allowable annual cut or maximum harvest volume

***The Base Rate for cutting authorities entered into under a Timber Sale Licence

4. All cruise based salvage cutting authorities under this section are cruise based for billing.
5. The net merchantable volume per hectare for the cutting authority area must be determined using the method described in section 2.9.1 of the *Cruising Manual*.
6. The total net merchantable volume is equal to the net merchantable area multiplied by the net merchantable volume per hectare.
7. A stumpage rate determined under this section must be re-determined on the 1st day of the month following the month in which this section is updated with a new cruise based salvage equation. As per section 5.1 (3), this does not apply to cutting authorities entered into under a Timber Sale Licence.

6.4.4 BCTS Salvage Timber Sale Licence

1. This section may apply to cutting authorities entered into under a Timber Sale Licence.
2. Cutblocks must be consistent with the requirements in subsection 6.4.2 (3) for blanket salvage cutting authorities.

3. The BCTS salvage upset rate (section 5.1.2) is the average stumpage rate, weighted by the estimated volume of each species in the cutting authority, indicated in Table 6-4 for the forest zone in which the cutting authority area is located. **The stumpage rates in Table 6-4a may be used when the:**
 - a. **estimated total net coniferous volume of timber on each cutblock is comprised of 80% or more Burnt Timber¹ (Burnt timber means any trees that meet the definition of Fire Codes A, B or C as per the Cruising Manual), and**
 - b. **the burnt timber is evenly distributed throughout the cutblock(s).**
4. All BCTS salvage timber sale licences are scale based for billing.
5. A stumpage rate determined under this section is fixed for the term and all extensions.

¹ Eighty (80) percent or more of the estimated total net coniferous volume defined as burnt timber in each cutblock, based on a professional estimate by a forest professional registered with the Association of BC Forest Professionals. The professional estimate must include a description and supporting information of how the estimate was generated.

6.5 Decked and Partially Harvested Timber for a non-BCTS Cutting Authority

1. When decked timber only is advertised for sale to the highest bidder, the upset stumpage rate for the timber must be the total of the silviculture levy determined under section 5.3 and:
 - a. The prescribed minimum stumpage rate if the timber has been decked for over three years, or
 - b. 70% of the stumpage rate from Table 6-4 for the applicable species and forest zone if the timber has been decked for three years or less.
2. When decked timber only is sold directly without the use of the competitive bidding process, the stumpage rate for the timber must be the total of the silviculture levy determined under section 5.3 and:
 - a. The variable cost to prepare the timber for sale if the timber has been decked for over three years, or
 - b. The stumpage rate from Table 6-4 for the applicable species and forest zone if the timber has been decked for three years or less.
3. When partially harvested timber only is advertised for sale to the highest bidder the upset stumpage rate for the timber must be the total of the silviculture levy determined under section 5.3 and:
 - a. The prescribed minimum stumpage rate, if three years or more have passed since the timber was felled, or
 - b. 70% of the stumpage rate for the applicable species and forest zone from Table 6-5 if less than three years have passed since the timber was felled.
4. When partially harvested timber only is sold directly without the use of the competitive bidding process, the stumpage rate for the timber must be the total of the silviculture levy determined under section 5.3 and:
 - a. The variable cost to prepare the timber for sale if three years or more have passed since the timber was felled, or
 - b. The stumpage rate from Table 6-5 for the applicable species and forest zone if less than three years have passed since the timber was felled.
5.
 - a. Where applications for decked timber or partially harvested timber being sold to the highest bidder have been invited with an upset stumpage rate determined under subsections 1(b), 3(b) or 6(a) of this section and no applications have been received, the upset stumpage rate must be the rate approved by the Regional Manager.
 - b. Where the regional manager does not anticipate that applications will be received for decked timber or partially harvested timber being sold to the highest bidder due to market conditions or timber profile, the upset stumpage rate determined under subsections 1(b), 3(b) and 6(a) of this section must be the rate approved by the regional manager.

- c. An upset stumpage rate determined under paragraphs (a) or (b) of this subsection must not be less than the district's variable cost to prepare the timber for sale.
6.
 - a. Where applications for a forestry licence to cut that applies to both decked timber and partially harvested timber have been invited, the upset stumpage rate must be the total of the rate determined using the procedures in subsection (1) of this section, as if the timber was all decked timber and the silviculture levy determined under section 5.3.
 - b. Where a forestry licence to cut that applies to both decked timber and partially harvested timber is entered into directly without the use of the competitive bidding process the stumpage rate must be the total of the rate determined using the procedure in subsection 2 of this section as if the timber was all decked timber and the silviculture levy determined under section 5.3.
 7. Where the upset stumpage rate or the stumpage rate has been determined using this section the total stumpage rate must be fixed for the term of the cutting authority and all extensions.
 8. An upset stumpage rate calculated under this section must be calculated using the *Interior Appraisal Manual* in effect on the date that the rate is determined (appraisal effective date).

6.6 Miscellaneous Stumpage Rates

Unless otherwise specified in this manual, the stumpage rates, at the time of scale for timber harvested for the purposes described, in the districts listed, in the forest district specific section of Table 6-7 are as prescribed in that table. This table does not apply to cruise based cutting authorities.

Table 6-7: Miscellaneous Stumpage Rates

All Interior Forest Regions

Species	Code ¹	Product	Reserve Stumpage Rate
All Species	SB	Shake & Shingle Bolts, Blocks and Blanks.	\$5.30/m ³
All Species	SK	Shakes	\$6.00/m ³
Cedar	PR	Posts & Rails (Split and Round)	\$3.00/m ³
All other Species	PR	Posts & Rails (Split and Round)	\$1.20/m ³
All Species	MT	Mining Timbers	\$3.00/m ³
All Species	FW	Firewood	\$0.50/m ³
Yew		All	\$0.25/m ³
All Species	CH	Wood chips from post-harvest material where a waste assessment has been made ²	\$0.25/m ³
All Species	HF	Hogged tree material from post-harvest material where a waste assessment has been made ²	\$0.25/m ³
All Species		Grades 4 and 6, except where the upset stumpage rate is determined under section 6.2.1(1)(a) and (b) and 5.1.1(5)	\$0.25/m ³
Deciduous Species		All, except grades 4 and 6 and except where the upset stumpage rate is calculated under section 6.2.1(1)(a) and (b) and 5.1.1(5)	\$0.50/m ³
All Species	SS	Stakes & Sticks.	\$1.20/m ³
All Species	XM	Christmas Tree Length: under 3m 3-5 m over 5 m	\$0.20/each \$1.00/each \$1.50/each

¹ Special Forest Products as described in the Special Forest Products Regulation under the Act.

² Where the post-harvest material is removed under a different tenure from the original cruise based cutting authority, a waste assessment is not required.

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 Mackenzie Peace Rocky Mountain	\$ 836 /ha \$ 955 /ha \$ 1080 /ha \$ 1683 /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 by the Minister under section 2.2.4, 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.

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 subsection (1) is redetermined on the anniversary date of the cutting authority in accordance with this section.
3. Notwithstanding any other subsection in this section, the stumpage rate may be determined through a full appraisal in accordance with chapters 1, 2, 3, 4 and 5.

6.9 Cruise Based Stumpage Calculations

1. Pursuant to section 106 of the *Forest Act*, and subject to subsection 2 of this section, the amount of stumpage payable on Crown timber will be calculated using information provided by a cruise of the timber before it is cut where the timber is authorized for harvest:
 - a. Under a cutting authority issued or entered into prior to June 1, 2010 where:
 - i. the stumpage rate is adjustable,
 - ii. the Total Net Coniferous Volume of timber on the cutting authority area is comprised of 35% or more red and grey Mountain Pine Beetle (MPB) attacked Lodgepole pine¹, and
 - iii. timber harvesting has not started on the cutting authority, or,
 - b. Under a cutting authority issued or entered into on or after June 1, 2010 where:
 - i. the stumpage rate is adjustable,
 - ii. the licensee applied for a cutting permit and submitted an ADS to the district manager before June 1, 2010, and,
 - iii. the Total Net Coniferous Volume of timber on the cutting authority area is comprised of 35% or more red and grey MPB attacked Lodgepole pine¹, or,
 - c. Under a cutting authority issued or entered into on or after June 1, 2010 where:
 - i. the stumpage rate is adjustable,
 - ii. the licensee submitted an ADS to the district manager on or after June 1, 2010, and
 - iii. the Total Net Coniferous Volume in each cutblock within the cutting authority area is comprised of 35% or more red and grey MPB attacked Lodgepole pine¹, or,
 - d. Under a timber sale licence with a fixed stumpage rate, which meets the criteria in paragraph (1)(c) (ii) and (iii) of this section, or a timber sale licence with a fixed stumpage rate where the executive director, BCTS has approved cruise based under section 106 of the *Act*, or
 - e. Under a cutting authority that meets the criteria of section 6.4.3.
2. Except as provided in subsections (3) of this section, and section 5.1.3(4), the stumpage rate effective July 1, 2010 for a cutting authority where the stumpage payable is cruise based must be calculated as stand as a whole in accordance with the following:
 - a. the stumpage rate is determined using chapters 1, 2, 3, 4, 5, or section 6.4.3 of this manual,

¹ The absolute fraction to the nearest 0.1% derived from dividing the sum of the Red and Grey attack volumes in each cutblock by the total net coniferous cruise volume in each cut block (both from the appraisal summary report from the cruise compilation).

- b. the stumpage rate determined under paragraph (a) of this subsection must apply to the net merchantable volume on the cutting authority area.
3. Except as provided in subsections (4) and (5) of this section, if, after an insect damage reappraisal under section 2.2.3 of this manual:
 - a. the Total Net Coniferous Volume in each cutblock within the cutting authority area is comprised of 35% or more red and grey MPB attacked Lodgepole pine, and
 - b. timber harvesting has not yet started on the cutting authority area, the stumpage payable may be cruise based.
4. Where an occupant licence to cut has been issued for the purposes of removing timber for agriculture, the stumpage payable must be scale based.
5. Where a non-replaceable forest licence (NRFL) or a forestry licence-to-cut (FLTC) was advertised on the basis of competition, and the successful bidder's bonus bid only applied to the sawlog portion of the volume advertised, the stumpage payable for cutting permits issued under these licences must remain scale based.
6. Where the sawlog volume of a cutting authority was advertised on the basis of competition and
 - a. The cutting authority was issued prior to June 1, 2010, and
 - b. The stumpage payable is cruise based,

The bonus bid must be prorated by the person who determines the stumpage rate using Tables 4-8 or 4-9 of this manual as per section 4.6.

6.10 Section 103(3) of the Act

Stumpage for the purposes of section 103(3) of the *Act* must be calculated in accordance with the procedure approved by the Director.

6.11 Forest Enhancement Society of BC (FESBC)

1. Notwithstanding any other section of this chapter, a cutting authority issued with projects funded by the FESBC must have the stumpage rate determined by a full appraisal (“fully appraised”) in accordance with chapters 1, 2, 3, 4 and 5.
2. The person determining the stumpage rate must ensure all project costs incurred for development, harvesting, transportation or other tenure obligations costs funded by FESBC are excluded (or “backed out”) from the appraisal.
3. Development project costs used in the FESBC economic test (to assess FESBC funding eligibility) for a cutting authority cannot be used in an appraisal for another cutting authority.
4. The stumpage rate is fixed for the term and all extensions.

