



Cliff: 240636

To: Interior Executive Directors

From: Honourable Doug Donaldson, Minister 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:

**Forest Enhancement Society of British Columbia (FESBC)**

This amendment clarifies the appraisal process for stand restoration and/or rehabilitation, and also specifies that FESBC funding is not eligible for amortization agreements. This amendment comes into force on August 15, 2018. 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  
Vera Sit, Executive Director, Timber Pricing and Softwood Lumber  
Allan Bennett, Director, Timber Pricing Branch  
Patrick Asante, Timber Pricing Manager, Timber Pricing Branch  
Bruce Sullivan, Revenue Officer, Regional Operations Division - South Area  
Darius Low, Revenue Team Lead, Regional Operations Division - North Area

# TIMBER PRICING BRANCH

## Interior Appraisal Manual

Effective July 1, 2018

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Cost Base of: 2016

**Includes Amendments**

Amendment No. 1

**Effective Date**

August 15, 2018



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## 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 **for the purpose of stand restoration and/or rehabilitation** must have the stumpage rate determined by a full appraisal (“fully appraised”) in accordance with chapters 1, 2, 3, 4 and 5. **Stand restoration and/or rehabilitation means the harvesting and reforestation of uneconomic stands of timber.**
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. The licensee representative must submit a detailed list of the projects and cost estimates approved for funding.
4. Development project costs used in the FESBC economic test (to assess FESBC funding eligibility) for a cutting authority **are not eligible for amortization agreements and** cannot be used by the licensee in an appraisal for another cutting authority.

