



Ministry of Forests and
Range and Minister
Responsible for Housing Office of the Minister

MEMORANDUM

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DEC 14 2005

BY EMAIL

To: Interior Regional Managers

From: The Honourable Rich Coleman
Minister of Forests and Range
and Minister Responsible for Housing

Re: Amendment No. 10 to the *Interior Appraisal Manual*

I hereby approve Amendment No. 10 to the *Interior Appraisal Manual* and attach a copy for your use. The following section has been amended.



Section 4.10.1: Revised text enables the implementation of updated adjustment factors with the routine stumpage adjustment on January 1, 2006.

This amendment will come into force on December 31, 2005. Further amendments or revisions to this manual requires my approval.

A handwritten signature in black ink, appearing to be "Rich Coleman".

Rich Coleman
Minister

Attachment

pc: Bill Howard, Director, Revenue Branch

Interior Appraisal Advisory Committee



FOR FURTHER INFORMATION CONTACT:

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MANUAL TITLE Interior Appraisal Manual	
REVISION No. Amendment No. 10	ISSUE DATE December 31, 2005
MANUAL CO-ORDINATOR Judy Laton Revenue Branch	
AUTHORIZATION (Name, Title) W. Howard Director, Revenue Branch	

Please make the following changes to your copy of the above Ministry manual. Please insert the following specified pages and **file this notice** immediately after the Amendments Tab.

ACTION (Remove/Insert)	(VOL.) CHAPTER-SECTION-SUBJECT	PAGE(S)	COMMENTS
	TABLE OF CONTENTS		
REMOVE	Chapter 4	53 - 56	After Chapter 4 Tab
INSERT		53 - 56	
INSERT	Minister's Letter and Manual Revision Transmittal		After Amendments Tab

Untrended Manufacturing Cost Estimates (\$/m³) 2001 Cost Survey Base		
	Species	Manufacturing cost (\$/m³) 0% Decay
Southern Cariboo (Zone 8)	LO	36.96
	SP	33.69
	BA	38.58
	FI, LA, WH, YE	52.22
	CE	45.71
	HE	45.62

Fort Nelson/Peace (Zone 9)	LO	34.85
	SP	31.65
	BA	35.89

To derive the manufacturing cost estimate for decay % from 1 to 50, use the above table values in the following equation:

The cost estimate is calculated to four decimal places, then rounded to the nearest cent. Where decay exceeds 50 percent, the manufacturing cost estimate for 50 percent decay is used.

Manufacturing cost (\$/m³) = decay % * 0.1952 + base value from table.

For a list of points of appraisal by zone, refer to section 2.6.

4.10.1 Grade 3 Pine Interim Adjustment

The manufacturing cost estimate is adjusted for grade 3 pine on **January 1, 2006** in the following manner:

Adjusted LO manufacturing cost estimate = LO manufacturing cost estimate - adjustment from Table 4-11, for the applicable point of appraisal.

The stumpage rates for the following licences or cutting authorities issued under these licences will not be affected by this interim adjustment:

All licences issued under BC Timber Sales, A57963, A59071, A59959, A61106, A61108, A61109, A61546, A64418, A65442, A66815, A66005, A71884, A72766, A73080, A73557, A73558, A73761, A73927, A74107, A74718, A75166, A75167, A76490, A76491, A76492, A76553, A76729, A68213, A73935, A73936, A73937, A74729, A74730, A75472, A75473, A75474, A75475, A75670, A75671, A75947, A75948, A76217, A76218, A76219, A76400, A76469, A76470.

Table 4-11 Grade 3 Pine Interim Adjustments

Point of Appraisal *	Grade 3 Pine Adjustment	Point of Appraisal *	Grade 3 Pine Adjustment
100 Mile House	4.57	Lavington	1.00
Adams Lake	1.68	Lillooet	0.00
Armstrong	1.63	Louis Creek	3.00
Bear Lake	3.70	Lumby	1.75
Boston Bar	4.28	Lytton	6.00
Burns Lake	1.47	Mackenzie	0.37
Canal Flats	0.59	McBride	1.02
Canoe	1.91	Merritt	1.02
Carnaby	0.00	Midway	0.70
Castlegar	1.73	Okanagan Falls	1.05
Chasm	2.42	Park Siding	1.07
Chetwynd	0.07	Prince George	6.36
Clear Lake	14.97	Princeton	0.56
Craigellachie	0.87	Quesnel	9.35
Cranbrook	0.00	Radium	1.26
Creston	0.69	Revelstoke	4.34
Elko	0.65	Slocan	1.60
Engen	12.97	Smithers	3.01
Fort Nelson	0.23	Squamish	0.00
Fort St. James	2.31	Strathnaver	12.62
Fort St. John	0.09	Taylor	0.07
Fraser Lake	11.84	Terrace	0.00
Galloway	0.94	Thrusms	1.54
Grand Forks	1.26	Upper Fraser	4.59
Hazleton	0.00	Valemount	1.26
Houston	1.02	Vanderhoof	3.27
Isle Pierre	14.85	Vavenby	1.77
Kamloops	1.75	Westbank	0.41
Kelowna	0.82	Williams Lake	3.46
Kitwanga	0.65	Ymir	1.80

* The list includes two former Points of Appraisal Cranbrook and Lillooet.

4.11 Cost Trend

Cost trend factors are separately applied to the total logging, silviculture and manufacturing cost estimates. The factors cover the period from the effective date of the cost base to the effective date of the rate calculation. Cost trend factors are applied at the appraisal effective date and at the date of each stumpage adjustment.

For trend factors applicable prior to November 1, 2004, refer to earlier *Interior Appraisal Manuals*.

Appraisal Effective Dates From August 1, 1996 to November 30, 1997

<u>Appraisal Effective Date or Stumpage Adjustment Date</u>	<u>Trend Factor</u>	
	<u>Logging and Silviculture</u>	<u>Manufacturing</u>
January 1 to March 31, 2005	0.954	1.0
April 1 to June 30, 2005	0.954	1.0
July 1 to September 30, 2005	0.954	1.0
October 1 to December 31, 2005	0.954	1.0

Appraisal Effective Dates From December 1, 1997 to August 31, 1998

<u>Appraisal Effective Date or Stumpage Adjustment Date</u>	<u>Trend Factor</u>	
	<u>Logging and Silviculture</u>	<u>Manufacturing</u>
January 1 to March 31, 2005	0.886	1.0
April 1 to June 30, 2005	0.886	1.0
July 1 to September 30, 2005	0.886	1.0
October 1 to December 31, 2005	0.886	1.0