



Province of
British Columbia

OFFICE OF THE
MINISTER

Ministry of
Forests



MEMORANDUM

File: 195-30/CAPP

July 15, 1999

To: Regional Managers

From: David Zirnelt
Minister of Forests

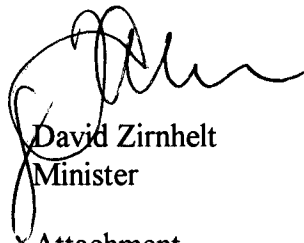
Re: Amendment No. 2 to the *Coast Appraisal Manual*

I hereby approve Amendment No. 2 to the *Coast Appraisal Manual*, and attach a copy of it for your use. The following sections are amended:

Section 4.6.2 Clarification of crew transportation.

Section 4.6.3 Clarification of camp overhead costs.

This amendment will come into force on August 1, 1999. Further amendments or revisions to this manual require my approval.



David Zirnelt
Minister

Attachment

pc: Bill Howard, Director, Revenue Branch

All Subscribers, *Coast Appraisal Manual*



FOR FURTHER INFORMATION CONTACT:

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MANUAL TITLE

Coast Appraisal Manual

REVISION No.

Amendment No. 2

ISSUE DATE

August 1, 1999

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 TABLE OF CONTENTS	PAGE(S)	COMMENTS
REMOVE	Chapter 4	33 - 36	
INSERT	Chapter 4	33 - 36	
INSERT	Minister's Letter and Manual Transmittal		After Amendments Tab

4.6 Administration and Other Costs

4.6.1 Corporate and Forestry Overhead

Corporate General and Administrative Overhead cost estimates are compiled from surveyed expenses at the corporate licensee level and include all aspects of executive and administrative support functions at the Head Office attributable to logging operations, operating and support costs of the logging and log supply departments, all right-of-way easements, foreshore and other land leases necessary for the logging function.

Corporate Forestry and Engineering is compiled from the surveyed harvesting operations and includes supervisory, administrative and vehicle support functions; it also includes cruising, environmental protection measures (including hydro and other seeding) and the cost of performing residue and waste surveys. Silviculture overheads are also included in this phase. Any costs that will be reimbursed through the *Forest Act*, Section 110, or by funding from any Crown agency are excluded except as noted in Section 6.5.

The cost estimates are:

Corporate, General and Administrative Overhead	(\$/m ³) =	6.88
Corporate Forestry and Engineering	(\$/m ³) =	5.06
Total Corporate and Forestry Overhead	(\$/m ³) =	11.94

4.6.2 Crew Transportation (Labour)

Crew transportation refers to the labour cost associated with moving logging crews by vehicle(s) to the centre of the work area in the cutting authority being appraised, and return.

Included in the crew transportation cost estimate are both crew travel time and crew vehicle operator time costs.

The cost of vehicle ownership, lease, rental, maintenance and operation are included in Section 4.6.3 "Camp Overhead."

The formula for crew transportation is:

$$$/m^3 = 1.5976 + 0.0395 (D)$$

Where: D is the weighted average one way distance in kilometres (rounded to the nearest 0.1 km) from the nearest of (a) the camp, (b) the vehicle storage area, or (c) the centre of the community (as determined in Section 4.6.3) to the

centre of the cutting authority being appraised. The calculation of D is similar to Section 4.5.1 except that the words “camp location” or “vehicle storage area” or “centre of the nearest community”, as applicable, replace “appraisal log dump where trucks are off-loaded.”

Where: D=0, the Crew Transportation estimate is equal to zero.

Where: For the purposes of this section, a “vehicle” may be a motor vehicle or a boat. When “vehicle” is taken to mean boat, the “vehicle storage area” is the boat dock or wharf where the crew embarks.

4.6.3 Camp Overhead

The camp overhead phase cost estimate recognizes two types of logging operations according to the mode of access to the highway system:

1. Accessible Cutting Authority

An accessible cutting authority is one where the appraisal marshalling area is connected, by a road suitable for crew buses, to the centre of the nearest community. The nearest community must be a city, district municipality, town or village and must have retail food and gasoline services located nearby. The centre of the nearest community, used for measurement purposes only, is deemed to be the post office.

The cost estimate covers the depreciation, maintenance and operating costs of camp and crew marshalling area facilities, shop and office and other pertinent buildings; and vehicle ownership, lease, rental, maintenance and operations.

The cost estimate for accessible cutting authorities is: \$12.31/m³

2. Isolated Cutting Authority

An isolated cutting authority is one which is not "accessible". This includes all cutting authorities where a portion of the access is by water or air only and is not serviced by public ferries. The cost estimate covers the depreciation, maintenance and operating cost of camp and marshalling area facilities; the non-recoverable costs incurred for shop and office and other pertinent buildings, camp and equipment moves of less than 10 km by water; vehicle ownership, lease, rental, maintenance and operations.

The cost estimate for isolated cutting authorities is: $\$11.62/\text{m}^3$

3. Accommodation

a. Crew Airfare in/out of Camp

Where logging crews must be flown in/out of camp on rotating basis for crew changes.

The cost estimate is: $\$1.95/\text{m}^3$

b. Freight by Air or Water Only

Where all freight in/out of the camp must be shipped via air or water only.

The cost estimate is $\$0.89/\text{m}^3$

c. Cookhouse and Bunkhouse

The cookhouse estimate includes the non-recoverable costs incurred for providing the logging crews with cookhouses, family quarters and bunkhouses. These facilities must either exist, or are being constructed, and over 80 percent of the logging crew must reside in camp.

The cost estimate for camp, cookhouse and bunkhouse is: $\$3.32/\text{m}^3$

4.6.4 Low Volume Cost Estimate Additive

All fully appraised cutting authorities are eligible for a low volume cost estimate additive.

The cost estimate additive is: $\$/\text{m}^3 = 7.38 - [0.00246 (V - 2\,000)]$

Where:

- V must be less than or equal to 5 000 m³,
- V is the lesser of the cutting authority net cruise volume or the licence's allowable annual cut of Crown timber (if applicable),
- The maximum cost estimate is \$7.38/m³.