



File: 195-30/IAPP

SEP 15 1994

All Regional Managers and
All Holders of the Interior Appraisal Manual, British Columbia

I hereby approve the new *Interior Appraisal Manual*, and attach a copy of it for your use.

This manual is effective as of October 1, 1994. It applies to all interior stumpage appraisals.

Amendments or revisions to this manual require my further approval.

Yours truly,

A handwritten signature in black ink, appearing to read "Andrew Petter", is written over the typed name and title.

Andrew Petter
Minister

Attachment (1)

MINISTRY OF FORESTS

INTERIOR APPRAISAL MANUAL



EFFECTIVE FROM

October 1, 1994

Cost Base

Woods: July 1, 1992

Manufacturing: July 1, 1992

New Interior Manual - Highlights

The format has been revised to meet Valuation Branch document standards. Cost base has been revised to July 1, 1992.

- | | |
|-----------------|---|
| Section 1.2 | The third paragraph has been deleted. |
| Section 1.5 | Reference to stumpage rate reduction has been deleted, rate reductions were completely phased out January 1, 1994. |
| Section 2.2 | The lead time for submission of reappraisal data has been revised from 70 to 60 days. The second paragraph of subsection 1 has been modified to read "...information available and steps 2 through 7 need not apply". |
| Section 2.3 | Subsection 2 word order has been changed. |
| Section 2.4 | Subsection 3 wording has been changed to refer to Section 2.1.4. Subsection 4 phrase "for special forest products" has been replaced by "(Section 6.7)". |
| Section 3.3 | New Zonal LRF Add-Ons and Combined Product Recovery Factors. |
| Section 4.1.1 | Cable logging blowdown has been deleted and De-stumping added to the list, the definition of skyline logging has been changed to 300 m from 400 m. |
| Section 4.3.1 | Subsection 1, c, ii the sentence "The stumpage bearing portion is included within the appraisal" has been added.
Subsection 2, a, i the sentence "The stumpage bearing portion is included within the appraisal" has been added. |
| Section 4.3.2.2 | Subsection 5 Soil moisture types have been deleted and replaced by Soil Material, FINE% has been defined. |
| Section 4.3.2.3 | New subgrade cost estimates, presentation of formulae changed.
Revised Winter Road cost estimates. |

- Section 4.3.2.4 New Culvert cost estimate table with 2 variables, diameter and length, culvert diameters greater than 1.8 m require detailed engineered estimates.
New Bridge cost estimate table.
- Section 4.3.2.5 Revised Additional Stabilizing Material definition cost estimates and presentation of formulae.
- Section 4.3.2.6 New Cattle Guard and Remedial Fences cost estimates.
- Section 4.3.2.7 Winter Road Reconstruction cost estimate now included in road maintenance.
- Section 4.3.3 Subsection 11, maximum metal culvert diameter has been changed from 2.0 m to 1.8 m.
- Section 4.4 Skid trail rehabilitation, fuel and equipment moving costs and slashing have been specified as included.
- Section 4.4.1 Subsections 3 and 4 Soft Track Skidding (ST%) and Crawler Tractor Skidding (CT%) have been replaced by Sensitive Site Skidding (Low Ground Pressure Percent - LGP%).
- Section 4.4.2 Subsection 3 Percent Defect (DEFECT%) is now an included variable.
- Section 4.4.3 New Tree to Truck Cost Estimates, presentation of formulae changed.
- Section 4.4.4 The phase "for cable logging blowdown, see specified operations (Section 4.1)" has been deleted.
- Section 4.5.1 Definition (a) has been revised. Unavoidable delays due to intersections and traffic are to be included in the cycle time estimate.
- Section 4.5.2.1 New Highway and Off-Highway hauling cost estimates.
- Section 4.5.2.2 New Secondary or Rehaul cost estimates.
- Section 4.5.3 A new definition of lake types as 'Arrow, Kinbasket, Ootsa, Revelstoke 1880 and Williston' have been separated from other; Quesnel Lake stands alone for dewater and reload.
New Water Transportation cost estimates.
- Section 4.5.4 New Special Transportation cost estimates.
- Section 4.6 New Road Maintenance cost estimates.

Section 4.7	The description for 'other roads' has been reworded, there are revised conditions for approval of Other Land Use Charges.
Section 4.8.1	New Overhead cost estimate.
Section 4.8.2	New Isolated Cutting Authority cost estimate.
Section 4.10	New Basic Silviculture cost estimate.
Section 4.11	New Manufacturing cost estimate.
Section 4.12	New Cost Trends.
Section 5.6.4	Section 5.6.4 referring to Stumpage Rate Reduction in the old manual has been deleted and subsequent section renumbered.
Section 6.2	New Low Volume Additive cost estimates.
Section 6.3	Assigned Marks have been deleted.
Section 6.5	The last paragraph starting "a licensee who decides" has been deleted.
Appendix 1	New Equipment and Labour Rates.

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Introduction

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1.1 Terms of Reference

The *British Columbia Forest Act*, Sections 81 to 86, and attendant regulations set out the conditions that apply to the determination and payment of stumpage for the purchase of Crown timber.

The *Forest Act*, Section 84, requires adherence to the policies and procedures approved for the forest regions by the Minister of Forests. This Interior Appraisal Manual, approved by the Minister as required by the *Forest Act*, contains the policies and procedures for determining stumpage rates charged for Crown timber harvested in the area described in Section 1.2.

Data used in the manual are based on a broad sampling of timber harvesting, silviculture, manufacturing costs and lumber and chip selling prices experienced by licensees in the Interior.

1.2 Area of Application

This manual applies to the "Interior", which is defined as the entire province of British Columbia, with the exception of the Vancouver Forest Region, as established by the *Forest Act* and Regulations, and that part of the Prince Rupert Forest Region west of the Cascade Mountains Administrative Line from Tweedsmuir Park to the state of Alaska.

There is one exception to the above delineation, where timber in that portion of the Kalum Forest District, lying west of the Cascade Mountains Administrative Line is appraised using the **Interior Appraisal Manual**.

1.3 Cutting Authority

The term "cutting authority" means one of the following documents authorizing the harvest of a cutting authority area:

1. A cutting permit issued under:
 - a. a forest licence,
 - b. a timber sale licence that provides for the issuance of cutting permits,
 - c. a tree farm licence,
 - d. a woodlot licence;
2. A timber sale licence that does not provide for the issuance of cutting permits, not including any proposal deemed to be a part of the licence;
3. A licence to cut; or
4. A road permit.

1.3.1 Cutting Authority Area

The term "cutting authority area" means the area of stumpage-bearing timber that:

1. is authorized for harvest under a cutting authority, and
2. has a unique timber mark.

1.4 Responsibility for Stumpage Determination

The *Forest Act, Section 84* (1), states in part that the rates of stumpage shall be determined by the Regional Manager or a Forest Officer authorized by him in accordance with the policies and procedures approved for the Forest Region by the Minister of Forests.

The Regional Appraisal Coordinator is the Forest Officer authorized by the Regional Manager to be directly responsible for determining stumpage rates, for both appraisals and reappraisals and providing interpretation of this manual in a manner that is consistent with the policies and procedures approved by the Minister.

Valuation Branch employees are Forest Officers for the purpose of carrying out stumpage rate adjustments under Section 1.6.

1.5 Comparative Value Timber Pricing

Comparative Value Pricing, subject to a minimum stumpage rate, is the basis for determining stumpage rates with the exceptions noted in subsection 2.1 (2, 3 and 4).

An average stumpage rate for the Interior has been set by the provincial government. The stumpage rate for a given stand of timber is more or less than the pre-set average rate depending upon whether the stand is more or less valuable than the average stand. To make that assessment and hence to determine a stumpage rate, the Forest Officer will typically:

1. estimate the selling price of the products that can be recovered from the timber stand (see Chapter 3).
2. estimate the costs necessary to harvest the timber and realize the estimated selling price (see Chapter 4).
3. determine the Value Index of the timber stand by subtracting the estimated operating cost from the estimated selling price (see Chapter 5).
4. determine the Indicated Stumpage Rate by comparing the Value Index for the timber stand with the Interior Mean Value Index and adding the Interior Base Rate (see Chapter 5).
5. determine the reserve stumpage rate by selecting the greater of the indicated stumpage rate or the prescribed minimum stumpage rate (as defined in the Minimum Stumpage Rate Regulation, B.C. Reg. 354/87). The current minimum stumpage rate is \$0.25/m³ (see Chapter 5).
6. determine the upset stumpage rate by adding development and silviculture levies (if any) to the reserve stumpage rate (see section 6.6).
7. determine the total stumpage rate by adding the bonus bid (if any) to the upset stumpage rate.

One stumpage rate is determined for all appraised timber in each cutting authority subject to the exceptions listed in section 6.7 which specify miscellaneous stumpage rates for special forest products and for timber in specified areas.

The average stumpage rate itself is indexed to lumber market values as explained in Chapter 5.

1.6 Stumpage Adjustments

Unless a cutting authority or the application and tender for a timber sale licence, specifies that stumpage rates are fixed for a specified period or for the full term of the cutting authority, the stumpage rates are adjusted on January 1, April 1, July 1, and October 1 of each year. The new stumpage rates reflect any changes in estimated selling prices (as authorized in this manual since the previous adjustment) and the operating cost trended to the quarterly adjustment date. In addition, the adjustment reflects changes to the Statistics Canada Softwood Lumber Index for the Interior, the Interior Base Rate and the Interior Mean Value Index.

Appraisal Principles and Procedures

2

2.1 Types of Determination

Stumpage rates are determined by one of the following methods:

1. a full appraisal as described under Chapter 3 and 4 of this manual;
2. an Order-in-Council directive setting rates under the *Forest Act, Section 84*;
3. pricing under Chapter 6 of this manual;
4. the use of stumpage rates in a region developed by Regional Valuation staff, and approved by the Regional Manager.

2.2 Time Schedule - New Appraisals and Reappraisals

Timeliness is an important factor in the stumpage appraisal process. The following schedule applies:

1. For each cutting authority, the licensee must submit to the District Manager, an appraisal data submission (**Interior Appraisal Data Sheet**), at least 90 calendar days prior to the appraisal effective date for new appraisals, or at least 60 calendar days prior to the anniversary date for reappraisals.

If the licensee fails to provide an appraisal data submission as stated above, then the District Manager may use the best appraisal information available and steps 2 through 7 need not apply;

2. The District Manager reviews the submitted data and all other available information, and completes the appraisal data sheet to reflect what best represents the cutting authority;
3. The District Manager or the licensee may request a meeting to discuss the appraisal data submission;
4. At the meeting, the licensee may clarify data previously submitted. The District Manager may revise the appraisal data sheet as a result of the meeting;
5. The licensee is notified by the District Manager of changes, if any, made to the appraisal data;
6. The appraisal data sheet is then sent to the Regional Office by the District Manager as part of the valuation package;
7. The licensee and District Manager are notified by the Regional Appraisal staff of any further changes made to the appraisal data sheet;
8. The licensee is notified, by letter or facsimile transmission, of the stumpage rate and summary of the appraisal information used in determining the stumpage rate.
9. The licensee must advise the issuing Regional Office immediately, in writing, of any disagreement with the information contained in the letter and provide adequate factual data to permit a review. At this point the disagreement is not considered an appeal under Section 154 of the Forest Act.
10. After such a review, the Regional Valuation staff sends a letter notifying the licensee by mail or facsimile transmission of the results of the review and summary appraisal information.

2.3 Reappraisal

A reappraisal is a re-estimation of Operating Cost and Selling Price according to the Appraisal Manual in effect on the effective date of the re-estimation. Except in the case of "sudden and severe damage" as explained below, a reappraisal is based upon a complete reassessment of a cutting authority carried out by "standing up the trees, unbuilding the roads and drainage structures and returning the stand to its original condition" before making a re-estimation of the operating costs. *The operating cost data may be revised to reflect changes to the cutting authority or left unchanged at the time of the reappraisal.* At the time of a reappraisal, initial detailed engineering cost estimates may be re-estimated once after construction to reflect more accurate on-site information. However, development costs originally estimated using Ministry approved competitive bids, or costs that have been apportioned to more than one cutting authority are not re-estimated in a reappraisal.

A reappraisal is made only if one of five situations arises:

1. Sudden and Severe Damage

If the Regional Manager is satisfied that sudden and severe damage has occurred to the appraised timber, the cutting authority is reappraised upon the licensee's request. *The effective date of the redetermined rate is the first of the month following the occurrence of the damage*, unless otherwise specified by the Regional Manager. A reappraisal is not made in the case of fire damage caused by the licensee if they have failed to comply with the *Forest Act, Part 10*, and relevant regulations.

In the case of "sudden and severe damage" the redetermined rate is based upon the remaining timber only. The Regional Manager may approve the use of appraisal data obtained from comparable cutting authorities. The reappraisal cost estimate for development and silviculture takes into account volume already removed.

This policy on "sudden and severe damage" applies to fixed rate cutting authorities as well as to adjustable rate cutting authorities. Any existing bonus bid and/or levy is payable in addition to the redetermined upset stumpage rate.

2. Amendments

A reappraisal may be triggered if a cutting authority area or cutting authority (see section 1.3) is amended:

- i) If accumulated amendments (either addition or deletion of merchantable timbered stumpage-bearing area), exceed 10 hectares or 10% of the merchantable area, whichever is less, then the entire cruise must be recompiled and the stumpage rate redetermined,

- ii) an amendment requiring a different logging system (see Section 4.4.1), that affects at least 10% of the cutting authority volume, or
- iii) an amendment requiring major subgrade reconstruction on a Forest Service Road, or replacement or reconstruction of a major drainage structure on a Forest Service Road. In these instances only, the cost estimate is based solely upon remaining timber volume (i.e. applicable volume).

The redetermined stumpage rate becomes effective on the first day of the month following the notice to the licensee which approves the amendment.

3. Reappraisal at Anniversary Date

"Anniversary date" means the annual recurrence of the month and day when the term of the cutting permit or where there is no cutting permit, the term of the licence began.

Reappraisals must be carried out on all adjustable stumpage rate cutting authorities with subsequent anniversary dates when the following conditions are satisfied:

- a. timber is expected to be scaled on the cutting authority during the next year, and
- b. there is at least 2 000 m³ of all merchantable timber remaining on the cutting authority.

Where the above conditions have not been met, reappraisals may be made at either the District or Regional Manager's or licensee's option. See Section 2.2 (Time Schedule - New Appraisals and Reappraisals).

These reappraisals are made in accordance with the appraisal manual in effect on the anniversary date. In this case the effective date of the redetermined stumpage rate is the anniversary date.

If a reappraisal is not made, the untrended logging and silviculture cost estimates from the current appraisal will continue to be trended quarterly to determine stumpage rates.

4. Error in Appraisal

If a mathematical error is discovered in the most recent appraisal, the cutting authority is reappraised with the exception of all competitive Small Business Forest Enterprise Program Sales. The effective date of the redetermined rate is the first of the month following the date upon which notification of the error was given. There is no retroactive change to the stumpage rate.

A mathematical error is defined as consisting only of:

- a. an error in transcribing or compiling approved cruise field data, or in the application of approved loss factors and taper equations;
- b. an error in a calculation made as part of the Appraisal Data Sheet;
- c. an error in transcribing the data from an approved Appraisal Data Sheet or in performing the calculations specified in this manual; or
- d. an error in the application of published appraisal parameters.

A difference between cruise estimates and actual timber quality or quantity does not constitute an error in the appraisal.

A difference between appraisal estimates of selling price or operating cost and the licensee's experience does not constitute an error in the appraisal.

5. Minister's Direction

The Minister of Forests may direct that a reappraisal be made at any time and that the redetermined stumpage rate be effective *on any future date*. The reappraisal is made according to the appraisal manual in effect on the effective date of the reappraisal.

2.4 Extension of Term

1. When a licensee has elected the fixed stumpage rate option for a Timber Sale Licence in the Small Business Forest Enterprise Program, that stumpage rate remains fixed for the term and all extensions.
2. When a woodlot licensee has a cutting authority where the term is for two years or less, the licensee may elect the fixed stumpage rate option. That fixed stumpage rate shall remain in effect for the term and all extensions.
3. When the stumpage rate was determined under Section 2.1 (4) and the term is extended, the Regional Manager may either extend that stumpage rate or reappraise the cutting authority. When the term of a cutting authority is extended and that cutting authority is reappraised, the notification requirements of Section 2.2 do not apply.
4. Miscellaneous stumpage rates (Section 6.7) will be based on the appraisal manual in effect on the date of scale, except for those cutting authorities that contain miscellaneous stumpage rates specified in their cutting authority document.

Definition: Under the Small Business Forest Enterprise Program a fixed stumpage rate means that the reserve stumpage rate, levies and bonus bids are fixed and will not change during the term of the cutting authority and all extensions. The only exceptions are if a reappraisal is done under Section 2.3.1 - Sudden and Severe Damage or Section 2.3.5 - Minister's Direction.

2.5 Point of Appraisal

The appraiser must select the point of appraisal from those listed below which will produce the least total operating cost estimate for the cutting authority area. All species, qualities and sizes of timber must be appraised to a single point of appraisal. The appraiser must estimate the cost of transporting timber to the sawmill which is near the point of appraisal and produces the least total operating cost estimate and must assume manufacturing costs and average market values applicable for that point of appraisal.

A sawmill is defined as a conversion facility capable of producing lumber and chips and includes the log sorting/storage areas and satellite mill yards if applicable.

The logs are deemed to have reached the point of appraisal once they have entered the site upon which the sawmill is located. All further log handling costs are deemed to be part of the manufacturing cost estimate.

POINTS OF APPRAISAL

Northern Interior (Zone 5)

Bear Lake	Burns Lake	Carnaby	Clear Lake
Engen	Fort St. James	Fraser Lake	Hazelton
Houston	Isle Pierre	Kitwanga	Mackenzie
Prince George	Quesnel	Smithers	Strathnaver
Upper Fraser	Vanderhoof		

Skeena (Zone 6)

Terrace

Southern Interior (Zone 7)

Adams Lake	Armstrong	Boston Bar	Canal Flats
Canoe	Castlegar	Craigellachie	Cranbrook
Creston	Donald	Elko	Galloway
Grand Forks	Kamloops	Kelowna	Lavington
Louis Creek	Lumby	Lytton	McBride
Merritt	Midway	Okanagan Falls	Park Siding
Princeton	Radium	Revelstoke	Slocan
Squamish	Thrus	Valemount	Vavenby
Westbank	Ymir		

Southern Cariboo (Zone 8)

100 Mile House

Chasm

Lillooet

Williams Lake

Fort Nelson - Peace (Zone 9)

Chetwynd

Fort Nelson

Fort St. John

Taylor

2.5.1 Method of Transportation to be Used in Determining Point of Appraisal

The appraiser must base his estimate of transportation costs on the method of transportation which will produce the least total operating cost estimate for the cutting authority area, unless that particular method of transportation is not possible under the cutting authority. In considering whether or not a particular method of transportation is possible under the cutting authority, the appraiser must not have regard for:

1. any destination referred to in the cutting authority, or
2. any document other than the cutting authority.

2.6 Calculation Conventions

All operating cost calculations are performed to the full capacity of the calculating machine with the results truncated at four places of decimals and rounded to two places.

Results from 5 to 9 are rounded upward and from 1 to 4 rounded downward.

After each phase cost estimate (\$/m³) has been rounded to the nearest cent it is summed with other estimates to obtain the total cost estimate.

Where values are specified as limits (constraints or requirements for equations), they are treated as absolute values and actual measurements or records are not rounded before use unless otherwise specified.

Stumpage rate calculations are performed according to the methods specified in the document entitled, "**SPECIFICATIONS: CALCULATING STUMPAGE RATES FOR INTERIOR APPRAISALS**", approved by the Director, Valuation Branch.

Interior Selling Prices

3

Selling price estimates are based upon schedules of lumber and chip values collected and published by Valuation Branch. The values when compiled and distributed become an integral part of this manual.

3.1 Lumber Average Market Values (AMVS)

Monthly market value information from the Interior is obtained by Valuation Branch from lumber producers located in each of the recognized Average Market Value Zones. A zonal Average Market Value (AMV) for each species is compiled by dividing total sales value by total sales volume. Separate AMVs are derived for stud and for random lumber.

The total volume for each species includes all sizes and grades of rough or dressed lumber in the green or dried state, manufactured to Canadian Lumber Standard/American Lumber Standard (CLS/ALS) sizes and reported in foot-board measure (fbm). Also included are railroad ties, fingerjointed CLS/ALS lumber and machine stress rated (MSR) lumber.

Lumber manufactured in non-CLS/ALS sizes is adjusted to equivalent CLS/ALS volumes and included with the above.

The total net sales value for each species is reported in Canadian dollars, f.o.b. mill, after adjusting the selling price for all applicable freight charges, exchange adjustments, commissions, cash discounts, duty and entry charges and net railcar lease costs.

1. Stud Lumber AMVs

Studs are defined as all lumber which is 8 feet (approx. 2.5 metres) or shorter in length, and which has a nominal thickness and width of 2 inches x 6 inches (approx. 5 cm x 15 cm) or smaller, as produced by any lumber manufacturer. Stud AMVs are compiled for two species groups; Lodgepole Pine/Douglas-fir/Larch and Spruce/Balsam. No other species are recognized as "stud species".

2. Random Lumber AMVs

Random AMVs are compiled for all species.

3. Wherever the data are inadequate to provide a reasonable average for a species within a zone, the data are combined with other species or zones (with appropriate adjustments) before use.

3.1.1 Application of Lumber Average Market Values

Application of the Stud and Random lumber AMVs in appraisals for all cutting authorities are made according to the formula in Section 3.3.

3.1.2 Lumber Average Market Value (AMV) Zones

Refer to Section 2.5 for a list of Points of Appraisal by Lumber Average Market Value (AMV) Zones.

3.2 Chip Average Market Values

Monthly market value information is obtained and compiled by Valuation Branch.

3.3 Calculation of Species Selling Price

The total selling price in \$/m³ is determined for each species using lumber recovery factors (LRF) from the cruise-compilation summary, LRF update add-ons, current applicable average market values for the species, zone, and species chip yield factors. Lumber and chip prices are each calculated to the nearest cent before being totalled.

In the case of burned timber, the appraisal chip price will be determined as the prorate of normal value for the volume undamaged or lightly burned, and zero value for the volume moderately and/or heavily damaged. The factors are determined from the following applicable formulas or tables:

1. Zonal LRF Update Add-Ons and Combined Product Recovery Factors

<u>Zone</u>	<u>Species</u>	<u>LRF Update Add-Ons</u>	<u>Combined Product Recovery Factors</u>
Northern Interior (Zone 5) & Skeena (Zone 6)	Lodgepole Pine	60	424
	Spruce	63	424
	Balsam	59	424
	Douglas Fir	24	424
	Larch	23	424
	Cedar	19	424
	Hemlock	22	424
	White pine	22	424
<u>Southern Interior</u> (Zone 7)	Lodgepole Pine	60	402
	Spruce	66	402
	Balsam	59	402
	Douglas Fir	26	402
	Larch	25	402
	Cedar	21	402
	Hemlock	23	402
	White Pine	24	402
	Yellow Pine	26	402

<u>Southern Cariboo</u> (Zone 8)	Lodgepole Pine	49	412
	Spruce	54	412
	Balsam	50	412
	Douglas Fir	16	412
	Larch	15	412
	Cedar	12	412
	Hemlock	13	412
	White pine	12	412
	Yellow pine	15	412

<u>Fort Nelson-Peace</u> (Zone 9)	Lodgepole Pine	44	412
	Spruce	45	412
	Balsam	39	412

Example: Zone 5

<u>Lodgepole Pine</u>	<u>Cruise LRF</u>		<u>Update Add-on</u>		<u>Appraisal LRF</u>
All Logs	180	+	60	=	240

2. Chip Yield Derivation

Chip Yield (BDU/m³) = (Combined Product Recovery Factor - Appraisal LRF)
* Species Chip Yield Factor

3. Chip Yield Factors

<u>Species</u>	<u>Factor (BDU/fbm)</u>
Balsam	.00072
Cedar	.00067
Fir	.00098
Hemlock	.00089
Larch	.00119
Lodgepole Pine	.00087
Spruce	.00076
White Pine	.00078
Yellow Pine	.00095

4. Determination of Stud Log Percent

The percent (%) stud log is determined as follows:

The percent stud log for each stud species (spruce, balsam, lodgepole pine, Douglas fir and larch) is determined from the cruise compilation summary. The percent stud log is defined as the net volume of 5-metre logs with top diameters under 20.0 cm expressed as a percentage of the total net cruise volume. The percent stud log is calculated and rounded to the nearest whole percentage point.

The percent (%) stud AMV is determined as follows:

$$\% \text{ stud AMV} = (5 * \% \text{ stud log}) - 225$$

If the percent stud log is less than 45, the percent stud AMV = 0;

If the percent stud log is more than 65, the percent stud AMV = 100.

5. Shipping Differential

The Shipping Differentials for the following points of appraisal are:

<u>\$0.40/m³</u>	<u>\$0.70/m³</u>	<u>\$4.03/m³</u>
Bear Lake	Adams Lake	Fort Nelson
Fort St. James	Clear Lake	
Mackenzie	Merritt	
Strathnaver	Midway	
Quesnel	Okanagan Falls	
	Princeton	
	Thrums	
	Westbank	
	Ymir	

6. Manufacturing Cost Differential

\$2.95/m³

Fort Nelson

7. Calculation of Total Species Selling Price

a. $\text{Lumber AMV} = (\% \text{ Stud AMV}/100) * (\text{Stud AMV}/1000) + (1.0 - (\% \text{ Stud AMV}/100)) * (\text{Random AMV}/1000)$

b. $\text{Lumber SP} = \text{Lumber AMV} * \text{Appraisal LRF}$

c. $\text{Chip SP} = \text{Chip Value} * \text{Chip Yield}$

d. $\text{Total Species SP} = (\text{b}) + (\text{c}) - \text{D}$

Where	SP	=	Selling Price in \$/m ³
	AMV	=	The Average Market Value for lumber of the appropriate species in the appropriate zone
	Appraisal LRF	=	The LRF for all logs from Section 3.3.1
	Chip Value	=	The Chip Average Market Value of the appropriate species for the appropriate point of appraisal
	Chip Yield	=	The Chip Yield for all logs from Section 3.3.2
	D	=	The Differentials for the appropriate points of appraisal from Section 3.3.5 and 3.3.6.

Operating Cost Estimation

4

The Operating Cost is the sum of the trended Total Logging Cost Estimate, the trended Basic Silviculture Cost Estimate and the trended Manufacturing Cost Estimate as detailed in this chapter. The cost estimates in this chapter are applicable to all cutting authorities unless superseded by the procedures outlined in Section 2.1

4.1 Cost Estimates

The appraiser must estimate operating costs for a cutting authority area in a manner which will produce the least total operating cost estimate for the cutting authority area. To this end, the appraiser must base his estimate of transportation costs on the operating cost estimates set out in this manual for the method of transportation which will produce the least total cost estimate to the point of appraisal, unless that particular method of transportation is not possible under the cutting authority.

In considering whether or not a particular method of transportation is possible under the cutting authority, the appraiser must not have regard for:

1. any destination referred to in the cutting authority, or
2. any document other than the cutting authority.

Operating cost estimates have been determined from a survey of logging and sawmilling operations in the Interior. The survey includes both employee and contractor operations.

The survey collects experienced costs to the licensee, including wages, benefits, overtime, depreciation, fuel, supplies, repair and maintenance, moving assistance, applicable licences, insurance, etc., from a representative sample of Interior operations.

The phase cost estimating formulas and tables in this manual were derived from this cost survey. Contract costs, including contractor profit and risk margins, overhead, crew transportation, etc., are included.

The phase cost estimates in this manual are complete and reflect average conditions, operating practices, and phase accounting allocations experienced in the survey data. Because of this averaging, no additions to or subtractions from these estimates to reflect operation-specific conditions are permitted. The estimates have an effective cost base date of July 1, 1992.

4.1.1 Specified Operations

In addition to the logging phases and systems that are covered by this manual, there are specified operations which require special cost estimating. The following is a complete list of specified operations for which certain phase cost estimates are based on the information on hand rather than on the tables and formulas in this manual. Other manual phase cost estimates are combined with the specified operation cost estimate to determine the total operating cost.

SPECIFIED OPERATIONS**AFFECTED PHASE**

Salvage Logging*	Tree-to-Truck (Sec. 4.4)
Skyline Logging (over 300m or requiring intermediate supports)	Tree-to-Truck (Sec. 4.4)
Stump removal for Root Disease Control	Silviculture (Sec. 4.10)
Skidder Swinging	Log Transportation (Sec. 4.4)
Ocean Tow	Log Transportation (Sec. 4.4)
Timber Harvested in Licenced Domestic Watershed (less than or equal to 90 km ² in size)	Development (Sec. 4.3), Road Maintenance (S.4.6), Administration and Other Costs (S.4.8)

- * The salvage logging specified operation is for cutting authorities issued for the harvest of small, widely dispersed, patches of timber (e.g. blanket salvage permits).

Where appropriate, specified operations are weighted according to the applicable net cruise volume. Appraisal cost estimates exclude the cost of performing work that is carried out under the *Forest Act, Section 88*, or work for which funding is provided by any Crown agency, except as noted in Section 6.5.

4.2 Appraisal Data Requirements

The cruise and all other pertinent information required for the appraisal must be submitted with the appropriate **Interior Appraisal Data Sheet**.

Unless otherwise specified by the Director, Valuation Branch, cruise data must be gathered and compiled according to the approved utilization specifications and in accordance with the following Ministry of Forests Publications:

- *Forest Service Cruising Procedures & Cruise Compilation (Cruising Manual)*
- *Cruise Compilation Program - Documentation Manual*
- *Cruise Compilation System - Change Specification Detailed Requirements & Design*
- *Regional Publications - (e.g. Operational Cruising Requirements in a Forest Region)*
- *Forest Service Policies - (e.g. Timber Utilization Policy & Procedures for the Interior of the Province).*

In order to verify the accuracy of the cruise compilation program, the licensee must provide, on request, photocopies of the tally sheets and a magnetic copy of the compilation in a format prescribed by the Regional Manager.

The net cruise volume (m^3) is the gross volume (m^3) less decay, waste and breakage by species. The cutting authority total net cruise volume is determined by multiplying the net cruise volume per hectare (m^3/ha) by the total merchantable timbered area (ha) to be harvested in the cutting authority.

4.3 Development

Development costs are estimated for the following construction phases: subgrade construction, placement of additional stabilizing material, and construction and installation of drainage and other pertinent structures.

The costs for development works may only be allocated to tributary cutting authorities. A cutting authority is considered to be tributary if:

1. timber from the cutting authority is appraised over the development works in question, or;
2. if the development works occur on a Main Service Road. A Main Service Road is defined as a main access road to the operation, necessary to maintain and supply the day-to-day harvesting activities of the cutting authority being appraised. To qualify, bulk fuels, supplies, equipment and the harvesting crew should be transported on this road on a daily basis.

Two methods of estimating development costs are used in the appraisal system:

1. **Tabular cost estimates** are made for construction of roads and drainage structures using the applicable formulas in Section 4.3.2 of this manual. Tabular estimates must be used for an appraisal when physical dimensions and conditions fall within the tabular limitations.
2. **Detailed engineering cost estimates** are made when the physical dimensions and conditions of a road section or a drainage structure exceed the tabular limitations of the manual. If a tabular estimate cannot be made due to table limitations then a detailed engineering estimate is made according to Section 4.3.3. Projects eligible for this costing method are listed in Section 4.3.3.

Total estimated costs are divided by the applicable net cruise volumes and summed to determine the unit cost estimate ($\$/\text{m}^3$) for development. Where utilization of deciduous volume is mandatory, the deciduous volume must be included in the applicable net cruise volume.

Where applicable, these cruised volumes and development cost estimates must be segregated on the basis of legal boundaries.

Throughout this section the term "roads" is meant to include roads, drainage and other pertinent structures.

4.3.1 Development Cost Allocation

Where proration is required:

Crown Share = Total Estimated Cost		*	$\frac{\text{Stumpage Timber Volume}}{\text{Total Timber Volume}}$
Where Crown share (\$)	=		dollar amount to be allocated to stumpage-bearing timber in the cutting authority being appraised.
Total Estimated Cost (\$) Stumpage	=		total estimated dollar amount of project.
Timber Volume (m ³)	=		volume of stumpage-bearing timber tributary to the project and under the control of the licensee or a company associated with the licensee, including volume in all areas contributing to the allowable annual cut determination.
Total Timber Volume (m ³)	=		total volume tributary to the project and under the control of the licensee or a company associated with the licensee.

In all cases, volumes are estimated from the latest approved inventory data and maps of the area within the drainage to the height of land.

The Crown share is a dollar amount which is written off against the first cutting authority, subject to Section 4.3.1 (5).

The development cost estimated is allocated as follows:

1. New development cost estimates in stumpage-bearing timber areas on Crown lands.

- a. Development providing access to stumpage-bearing timber only;

Total estimated costs by tabular or detailed engineering methods are included in the appraisal of the cutting authority;

- b. Development providing access to non-stumpage-bearing timber only;

Cost estimates are not included in the appraisal.

- c. Development in stumpage-bearing timber areas providing access to both stumpage-bearing and non-stumpage-bearing timber;

- i. Costs that can be estimated by the tabular method are fully included in the appraisal.
- ii. Costs that can only be estimated by the detailed engineering method are prorated between stumpage-bearing and non-stumpage-bearing timber held by the licensee or company associated with the licensee. The stumpage-bearing portion is included in the appraisal.

2. New development cost estimates in non-stumpage-bearing timber areas on Crown lands.

- a. Development providing access to stumpage-bearing timber only;

- i. Non-stumpage-bearing timber area held by licensee or a company associated with licence:

- costs that can be estimated by the tabular method are not included in the appraisal.
- costs that can only be estimated by the detailed engineering method are prorated between stumpage-bearing and non-stumpage-bearing timber. The stumpage-bearing portion is included in the appraisal.

- ii. Non-stumpage-bearing timber area held by a non-associated third party:

- costs estimated by the tabular and detailed engineering methods are included in the appraisal.

- b. Development providing access to non-stumpage-bearing timber only;
 - i. Non-stumpage-bearing timber area held by licensee or a company associated with licensee:
 - cost estimates are not included in appraisals.
 - ii. Non-stumpage-bearing timber area held by a non-associated third party:
 - cost estimates are not included in appraisals.
- c. Development providing access to both stumpage-bearing and non-stumpage-bearing timber;
 - i. Non-stumpage-bearing timber area held by licensee or a company associated with licensee:
 - costs that can be estimated by the tabular method are not included in the appraisal.
 - costs that can only be estimated by the detailed engineering method are prorated between stumpage-bearing and non-stumpage-bearing timber.
 - ii. Non-stumpage-bearing timber area held by a non-associated third party:
 - costs estimated by the tabular method and the detailed engineering methods are included in the appraisal.

3. Development Costs on Private Land

A part of a new or reconstructed road may lie on private land and may have a reasonable probability of being required on a major or long term basis for either timber extraction, future management of Crown forest land and/or present or future public use. In order to be considered in stumpage appraisal cost estimates, the right-of-way ownership must first be transferred to the Crown, except as stated below.

When a road on private land is required for only short term timber extraction the estimated cost of the road is included in the appraisal according to the procedures of Sections 4.3.

4. Existing Roads and Structures

The costs of previously constructed roads that have been included in appraisals of stumpage-bearing timber, roads constructed to develop non-stumpage-bearing timber and roads constructed all or in part for purposes unrelated to logging the cutting authority being appraised are considered to be "existing roads" and are not eligible for inclusion in development cost estimates. If the "existing road" requires reconstruction, the cost estimate is made as described in Section 4.3.3. If the "existing road" is on private land, road and land use charges may be applicable as described in Section 4.7.

5. Extended Road Amortization

Development cost estimates are applied against the first cutting authority appraised. However, where the total development cost estimates exceeds \$4.00/m³, a written agreement may be made at the time of the initial appraisal which apportions the main access road cost estimate to two or more tributary cutting authorities. The main access road ends at the far boundary of the first cutting authority.

The agreement is subject to the following conditions:

- a. Only the main access roads serving the tributary cutting authorities (as defined in Section 4.3) may be considered. The roads must be on Crown land.
- b. Each cutting authority must be in the licensee's approved 5 year development plan.
- c. The agreement must be signed by the licensee and the licensor.
- d. The amount apportioned will be a fixed lump sum, which will be trended as provided for in Section 4.12 but not otherwise revisited.
- e. The term of the agreement must not exceed the terms of the cutting authorities.
- f. The agreement will only be valid under Comparative Value Timber Pricing (CVP) and confers no obligation on the Crown to compensate licensees for any unamortized costs.

6. Reconstruction and Replacement

Reconstruction and Replacement are defined as replacement or structural repair of; a major drainage structure (e.g. replacing stringers or cribbing), major resurfacing of a section of road or major reconstruction of a section of road.

Major resurfacing means resurfacing sections each more than 0.3 km in length that were initially surfaced but have deteriorated due to long term wear and tear.

Major reconstruction means restoring at least 0.1 km of road per occurrence that requires complete rebuilding of the subgrade. The occurrence must be due to some cause other than the failure of the licensee to carry out required maintenance procedures.

The costs approved under this section must not qualify under routine maintenance as described in section 4.6.

Reconstruction and replacement cost estimates will be determined as detailed engineering cost estimates (section 4.3.3.) and must be approved in advance by the District Manager. The cost estimates may only be applied to tributary timber.

Where bridge materials are re-used, at the second and subsequent locations, the cost estimate will include dismantling, transport and installation at the new site, but will exclude initial materials purchased and initial delivery costs of same.

Note: Costs may not be recognized if the licensee has been negligent or has not followed approved plans or standards.

7. Access Management

Access management is defined as the temporary removal of a major drainage structure or construction of a barrier, including a gate, excavation, or placement of boulders with the purpose of temporarily eliminating all vehicular traffic.

An access management cost estimate will be determined by an engineered estimate.

The access management must be required in the cutting authority document (based on a formal Access Management Plan).

Costs may be determined for more than one removal/replacement of the structure/barrier if the cutting authority term warrants it.

Costs approved under this section must not qualify under routine maintenance as described in section 4.6.

8. Permanent Deactivation

Permanent Deactivation is defined as bridge or major culvert (i.e. 950 mm and greater) removal, fill sidecast recovery, cut/fill slope stabilization's, re-contouring or deep fill removal, with the objective of returning the site to as near its original state as possible. A permanent deactivation project must eliminate all vehicular access.

Only specific permanent deactivation projects required in a cutting authority document will be considered in appraisals. Seasonal (temporary) deactivation is considered as routine maintenance under section 4.6.

A permanent deactivation cost estimate will be calculated as a detailed engineering cost estimate (section 4.3.3.) and must be approved in advance by the District Manager. The cost estimates may only be applied to the cutting authority being appraised or to tributary timber. Cost recognition will only be given to those deactivation activities that are over and above those covered under the road maintenance cost estimate.

4.3.2 Tabular Cost Estimates

These roads are generally a single lane width with turnouts. These roads may or may not be stabilized (ballasted or surfaced) with additional materials.

4.3.2.1 Subgrade Construction

The subgrade construction cost estimate includes clearing and grubbing, stripping, stump removal, ditch construction, turnout construction, material costs and installation of culverts with diameters up to 950 mm or the equivalent cross-section area or single log abutment culverts up to 3.4 metres span. Right-of-way felling and logging is excluded.

4.3.2.2 Subgrade Construction Variables

For appraisal purposes the following variables are recognized:

1. **Section length:** (L)

Road sections are recorded in multiples of 0.1 km. Each section should be representative of a single moisture class. Each section should be 1.0 km or longer, although some individual section lengths less than 1.0 km but greater than 0.1 km are acceptable for extreme variations of slope or percent rock. The section length includes that portion traversing through landings. Short roads (up to 100 metres long) that access single landings are included in the Tree-to-Truck cost estimates and are not eligible for development cost estimates.

2. **Road Type:**

Operational Roads: (OP)- are generally built under the authority of a Road Permit but portions may be constructed under the authority of a Cutting Permit. These roads do not include any roads built on a Forest Service right-of-way (i.e. addendum roads). Operational roads exist within cut blocks only when the road accesses timber beyond the cutblock, or is intended to access timber beyond the block as shown on a development plan.

Block Roads: (BLOCK) - are generally built under the authority of a cutting permit. Block roads include roads which are located within the cutblock boundaries and terminate within the cutblock.

Winter Roads: (WINTER) - are constructed for winter logging only using compacted and frozen mud, snow and debris. A minimal amount of subgrade excavation is performed and in the following spring the road is not passable and may be barely recognizable as a road. It must be reconstructed if logging is not completed in a single winter logging season. This road type includes operational and block road categories. Stabilizing costs are not applicable to Winter Roads.

3. **Slope:** (SLOPE %)

Uphill side slope percent may show a range of variation ($\pm 15\%$ about the average) within any section length and represents all slopes in the section. To derive a meaningful average for side slope percent, several representative cross-section measurements are taken along the section length and the sum of one-half of the distance on each side of the measurement is applied as a weight against the measurement at that cross-section. The slope percent is measured at right angles to the road centerline and recorded to the nearest integer. Where the road is located on a bench, the slope of the bench is used.

4. **Percent Rock:** (ROCK %)

Rock including large boulders, may be rippable or may require drilling and blasting. The Rock % is determined as follows:

$$\text{ROCK \%} = \frac{h^2}{H^2} * 100$$

Where:

h = the vertical cut height of all rock measured from the bottom of the ditch

H = the total vertical cut height of all materials above the bottom of the ditch

To determine the percent rock for roads not yet constructed, constructed roads on similar land/rock forms are used as a guide.

5. **Soil Texture:**

Subgrade Soil Texture Type:

FINE% = Percentage of silt, clay and loam soils found in the road section. The PHSP soil pit information for the area may be used to provide this information.

4.3.2.3 Subgrade Cost Estimate

For each operational and/or block road the subgrade cost estimate is determined from the formula for the appropriate biogeoclimatic zone as follows:

All Regions

$$\$/\text{km} = \text{CONSTANT} + (92 * \text{ROCK\%}) + (22 * \text{FINE\%}) + (160 * \text{SLOPE\%}) + (4.8 * \text{ROCK\%} * \text{SLOPE\%})$$

Where CONSTANT =

Road Type	Biogeoclimatic Zone						
	CWH	MS	ICH	SBS	IDF	SBPS	All Other
Operational	35930	4141	9107	6142	2548	2923	7323
Block	31342	-447	4519	1554	-2040	-1665	2735

For the above equations the following limits apply:

The subgrade cost estimate may not be less than \$1000/km.

SLOPE % maximum = 80 (i.e. if SLOPE % exceeds 80%, 80 is used in calculation)

ROCK % maximum = 80 (i.e. if ROCK % exceeds 80%, 80 is used in calculation)

BLOCK = 1 if a Block Road, otherwise BLOCK = 0

Also see Detailed Engineered Costs Section 4.3.3 (3).

WINTER ROADS

The subgrade cost estimate is determined from the following table for Winter Roads.

Side Slope %	All Winter Roads (\$/km)
0-4	2600
5-14	3700
15-24	5300
25-34	6900
35 +	8400

4.3.2.4 Drainage Structures

An appraisal may include a cost estimate for large drainage structures only where their requirement is substantiated by field data. Such structures shall be placed so as to maintain the natural drainage pattern of the area crossed by the proposed road. All pipe culverts up to but excluding 1.0 m in diameter and all single log abutment culverts up to 3.4 m span length are included in the subgrade cost estimates (see Section 4.3.2.1).

1. Culverts

The cost estimates for the supply and installation of culverts from 1.0 to 1.8 m diameter inclusive are determined from the following table. Detailed engineered estimates are required for culverts larger than 1.8 m in diameter, or outside this table, no interpolation of values is permitted.

INSTALLED COST ESTIMATE (\$)

Circular or oval pipes

	1.0	1.2	1.4	1.6	1.8	Diameter (m)
	0.78	1.13	1.54	2.00	2.54	X-Section Area (m ²)

Length (m)

10	1315	1895	2475		
11	1605	2243	2881	3519	
12	1895	2591	3287	3983	
13	2185	2939	3693	4447	
14	2475	3287	4099	4911	
15	2765	3635	4505	5375	
16	3055	3983	4911	5839	6767
17	3345	4331	5317	6303	7289
18	3635	4679	5723	6767	7811
19	3925	5027	6129	7231	8333
20	4215	5375	6535	7695	8855
21		5723	6941	8159	9377
22		6071	7347	8623	9899
23		6419	7753	9087	10421
24		6767	8159	9551	10943
25		7115	8565	10015	11465
26			8971	10479	11987
27			9377	10943	12509
28			9783	11407	13031
29			10189	11871	13553
30			10595	12335	14075

2. Log Bridges

Cost estimates are made for bridges where their necessity is substantiated by field data. Cost estimates for non-log bridges, where required, are made as detailed engineering estimates (Section 4.3.3).

Cost estimates for log bridges are based on span lengths (distance between the centres of the top sill logs) and average crib height (measured from the bottom of the bottom sill log to the point where the stringer rests on the top sill log at the centre line of the bridge) from the table that follows. Cost estimates for bridge sizes greater than the table limits require detailed engineering data as described in Section 4.3.3.

Table values are for both timber-decked and gravel-surfaced bridges. Gravel-surfaced bridges have guard logs lashed to the cribs and stringers. Crib back-fills and all site preparation and protection features such as rip rap are included, as well as material and equipment supply and delivery. No adjustment of table values is permitted. Input data within table boundaries is rounded to fit; no interpolation of values is permitted.

LOG BRIDGE COST ESTIMATE
(Thousands of Dollars)

Span Length (m)	Single Log Sill	Multi-Log Crib Average Crib-Height (m)			
		2	3	4	5
4	6.2	8.0	9.4	10.8	12.3
5	6.4	8.7	10.5	12.3	14.0
6	6.7	9.4	11.5	13.7	15.8
7	6.9	10.1	12.6	15.1	17.6
8	7.2	10.8	13.7	16.5	19.3
9	7.4	11.5	14.7	17.9	21.1
10	7.6	12.3	15.8	19.3	22.9
11	7.9	13.0	16.9	20.8	24.7
12	8.1	13.7	17.9	22.2	26.4
13	8.4	14.4	19.0	23.6	28.2
14	8.6	15.1	20.1	25.0	30.0
15	8.9	15.8	21.1	26.4	31.8

4.3.2.5 Additional Stabilizing Material (ballast, gravel)

Road stabilization is the placement of gravel or broken rock on the road subgrade to provide stable support and a running surface for logging equipment using the road. Where stabilizing material developed during the subgrade construction is insufficient, a cost estimate for additional stabilizing material may be included in the appraisal for the material required to be trucked in from selected borrow pits.

Unit Cost Estimate

The unit cost estimate (\$/km) for the additional stabilizing material includes:

- borrow pit preparation
- rock drilling, explosives, loading of explosives and blasting
- loosening and/or pushing materials in borrow pits when required (e.g. compacted or cemented gravel, oversize material, etc.)
- loading gravel trucks
- truck hauling
- spreading and compacting the material

The cost estimates assume borrow pits and quarries are located adjacent to the road side and are not part of the subgrade excavation. If a new road needs to be constructed to access the borrow pit, then the access road cost estimate is required in addition to the in-place unit cost estimates.

For each road, the additional stabilizing material cost estimate is determined from the formula for the appropriate Biogeoclimatic Zone as follows:

All Regions

$$\$/\text{km} = \text{CONSTANT} + (7987 * \text{DEPTH}) + (117 * \text{SOURCE}) + (64 * \text{SLOPE}\%)$$

Where CONSTANT =

Ballast Type	Biogeoclimatic Zone		
	CWH	SBS	All Other
Other Rock	6417	3444	2358
QROCK	12974	10001	8915

For the above equations:

- DEPTH = The average depth of compacted stabilizing material required along the road length (to the nearest 0.1 m). Depths less than 0.1 m are not recorded.
- QROCK = QROCK = 1 if road is stabilized with quarried rock that requires drilling and blasting. Otherwise QROCK = 0.
- SLOPE % = The average side slope percentage for the road section being stabilized. SLOPE % maximum = 80 (i.e. if SLOPE % exceeds 80%, 80 is used in the calculation).
Also see Detailed Engineered Costs Section 4.3.3 (3).
- SOURCE = The distance from the mid-point of the road section being stabilized to the nearest source of stabilizing material, measured to the nearest 0.1 km. Distances less than 0.1 km are not recognized.

4.3.2.6 Cattle Guards, Remedial Fences and Pipeline Crossings

Where the cutting authority specifies the installation of cattle guards, the installed cost of each, using new or recycled materials, is estimated at **\$2 840** each. This cost includes transportation, installation and gates. Wing and remedial fences, when required, are an additional cost at **\$420 per 100 metres** of fence.

When a pipeline crossing is necessary a cost estimate is made by using the Detailed Engineered Cost Method as described in Section 4.3.3.

4.3.2.7 Winter Road Reconstruction

Winter Road Reconstruction is defined as the reconstruction of previously used winter roads and seismic lines; as defined under Winter Roads, Section 4.3.2.2. These costs are included in the road maintenance cost estimate; Section 4.6.

4.3.3 Detailed Engineered Costs

Where the tabular cost estimating procedures of this manual cannot be used due to their physical limitations, the cost of a project shall be estimated by preparing a detailed engineering estimate.

In all cases, the items listed from 1 to 16 require detailed engineering cost estimates for appraisals.

Where specific development projects involve detailed engineering estimates, the District Manager shall be advised of project details no later than 60 days before the start of work on the project, or no later than 60 days before the appraisal meeting, whichever event occurs first.

For appraisal purposes, the estimated project costs are made on the basis of the site-specific data and the equipment and labour rates specified in Appendix 1. Due consideration is given to arm's length competitive bids for any specific project. The appraisal estimate is not constrained in any way by a licensee's actual costs. The following specific situations reported by the licensee's are considered for detailed engineered cost estimates:

1. New construction and upgrading of Forest Service roads that meet the criteria and conditions provided in the Main Access Roads policy.
2. Road traversing private land;
3. Road construction on side slopes greater than 80%, or when rock % exceeds 80%;
4. Road construction on terrain with two or more gullies over 10 m deep at centreline in a 0.3 km section;
5. End haul construction requiring removal of excavated material to a spoil area;
6. Overland construction to provide a roadbed by trucking in material for extensive filling;
7. Multispan bridges, non-log bridges (i.e. Glulam, etc. including portable bridges), log bridges with greater than 5.4 m average crib height, and/or greater than 15.4 m span length, or ice bridges including ice bridge reconstruction for additional logging seasons following the procedures outlined in Section 4.3.2.7;
8. Structural maintenance of bridges;
9. Reconstruction or upgrade of roads, or pertinent structures;
10. Replacement of road running surfaces with uninterrupted lengths over 0.3 km and loose depth of stabilizing material over 5 cm;
11. Metal culverts greater than 1.8 m in diameter when specified in the cutting authority;
12. Placement of additional stabilizing material where geo-tech fabric, corduroy, crushed and/or screened rock/gravel are used;
13. Retaining walls, railway crossings and other special structures;
14. Deactivation of roads (see Section 4.3.1 (8)) which are part of the development phase cost estimate; or are tributary to the cutting authority;

15. Double lane roads;

16. Pipeline crossings.

The data which may be required for excavation and fill estimates are:

1. Plans, profiles, cross-sections showing the ground and design grade lines;
2. Volume summary sheets showing excavation quantities by various soil types, for subgrade and stabilization;
3. Type of construction equipment and quantity of material to be used, or Ministry approved competitive bid costing.

The data required for bridges, culverts and for other unusual structures are:

1. If the span is 15.4 metres or less and a permanent structure is proposed, an economic comparison between a log structure and the permanent proposal is required;
2. For spans greater than 15.4 metres; plans, specifications and design for 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 the timber;
3. For pipe culverts greater than 1.8 m in diameter or 30 m in length, information similar to bridge spans greater than 15.4 metres.

Where different timber volumes are used for separate cost estimates, the unit costs are rounded to the nearest cent before totalling.

In some cases, the above cost estimates may be apportioned to two or more licensee's tributary cutting authorities and the apportioned total dollar amount recognized in the stumpage rate determination of those cutting authorities, as described under Subsection 4.3.1. (5).

Small Business Forest Enterprise Program projects which are constructed or reconstructed at Crown expense are estimated separately to enable the determination of an appropriate development cost levy.

4.4 Tree-to-Truck

Cost estimates recognized in the tree-to-truck phase of the logging operation include, but are not limited to, expenses incurred for:

- felling
- skidding
- yarding
- bucking
- bush sorting
- loading
- landing construction and reconstruction
- back spar trail construction and rehabilitation
- skid trail construction and rehabilitation
- accommodation (for non-isolated cutting authorities)
- fuel and equipment moving costs
- contractor overhead and profit
- tree marking
- three metre knockdown
- lop & scatter
- landing burning (includes fireguards)
- roadside debris piling and disposal
- crew transportation
- mistletoe control
- landing rehabilitation (includes seeding)
- pheromone treatment
- slashing

4.4.1 Required Logging Systems

These are recognized only when constraints on the logging system and required volumes are specified in the cutting authority document.

1. Helicopter Logging

It is the policy of the Ministry of Forests to pre-designate areas where helicopter logging is prescribed in the cutting authority as the method of harvesting. Only partial cut and clear-cut logging variables are recognized. The cost estimates are applied to the volume of timber which the licenser requires to be logged by helicopter.

Two variations of the system are recognized:

a. Water Drop

Water drop refers to situations where logs are carried by helicopter to the water. This phase cost estimate includes felling and bucking, helicopter yarding, chasing, bag booming and towing to a sorting area or local tie-up grounds, total crew transportation and short and long distance mobilization of helicopter logging operation (e.g. camp, shop, equipment, parts, fuel, etc.)

b. **Land Drop**

Land drop refers to situations where logs are carried by helicopters to the land, rehandled on land, and hauled by logging truck. This phase cost estimate includes "Tree-to-Truck" using helicopter, total crew transportation, landing construction, and short and long distance mobilization of helicopter logging operation (e.g. shop, equipment, parts, fuel, etc.).

2. Horse Logging

No variables are recognized for this system. The cost estimates are applied to the volume of timber which the licenser requires to be skidded by horse(s).

3. Ground Skidding

a. **Partial Cut**

In order for this system to be recognized it must be required in the cutting authority document. The cost estimates are applied to the volume of timber which will be harvested by a method that results in 1 to 89% of the merchantable volume to be removed from the site. Volume removal of zero and 90 to 100% is deemed clear cut for appraisal purposes. This logging system includes silviculture systems such as faller selection, shelterwood, and group selection (where the opening size does not exceed 1 hectare).

b. **Sensitive Site Skidding (Low Ground Pressure - LGP%)**

Recognized when the required volume equals or exceeds 1%. Recognized only when the cutting or P. H. S. P. authority prevents the use of a conventional rubber tired skidder.

4. Overhead Cable Logging

This system is recognized when required in the cutting authority document. The cost estimates are applied to the volume of timber which the licenser requires to be yarded by overhead cable logging systems. The system includes both stationary (spar) and mobile (grapple) yarders but variations in machine size, spar/boom height, winch line capacity and yarding technique are not recognized.

4.4.2 Tree-to-Truck Variables

For appraisal purposes the following variables are recognized, based upon all compiled cruise plots segregated by logging system where applicable (see section 4.4.5).

1. *Biogeoclimatic Zone*

A separate biogeoclimatic zone may be recognized for each of overhead cable, ground skidding (clear-cut) and ground skidding (partial cut) logging systems.

2. *Volume per Tree (VOLTREE)*

The average net merchantable volume per tree (m^3), rounded to two decimals. For partial cutting, it is based on the trees to be harvested.

3. *Percent Defect (DEFECT%)*

Percent defect is the estimate of decay, waste and breakage (DWB) percent of gross stand coniferous volume from the cruise summary for the trees to be harvested. DEFECT% is recorded to the nearest whole percentage point for appraisal calculation purposes.

4. *Volume per Hectare (VOLHA)*

The average net merchantable volume per hectare (m^3/ha), rounded to the nearest cubic metre. For partial cutting, it is based on the actual volume per hectare being harvested.

5. *Slope (SLOPE)*

The average side slope percent is derived as an unweighted average of the maximum side slope % on all cruise plots, rounded to the nearest whole percentage point.

6. *Percent Partial Cut (DSEL)*

The percent partial cut is determined as:

$$\frac{\text{Net merch volume required to be removed using the Partial Cut System}}{\text{Total net merch stand volume on the area where Partial Cut System is required}} * 100$$

7. Percent Blowdown (BD%)

The percentage of the net cruise volume classified as blowdown.

8. Distance to Support Center (DS)

Accessible Cutting Authorities: (see Section 4.8.2). The distance to support center is the one-way road distance from the geographic center of the cutting authority to the main post office or other location designated by the Regional Valuation Officer in a community from the following list. Where more than one alternative is possible, the least cost alternative is used. The distance is measured to the nearest kilometre.

List of Communities by Forest Region**Prince Rupert**

Burns Lake	New Hazelton	Smithers	Stewart
Kitwanga	Houston	Kitimat	
Terrace			

Kamloops/Vancouver

Boston Bar	Clearwater	Hope	Kamloops
Kelowna	Lillooet	Merritt	Pemberton
Penticton	Princeton	Salmon Arm	Vernon

Prince George

Chetwynd	Dawson Creek	Fort Nelson	Prince George
Fort St. John	Mackenzie	McBride	Fraser Lake
Valemount	Vanderhoof	Fort St. James	

Nelson

Castlegar	Cranbrook	Creston	Fernie
Golden	Grand Forks	Greenwood	Invermere
Nakusp	Nelson	Revelstoke	Canal Flats

Cariboo

100 Mile House	Quesnel	Williams Lake
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Isolated Cutting Authorities: (see Section 4.8.2)

The distance to support center is the one-way road distance from the geographic center of the cutting authority to the isolated camp or where there is no isolated camp, to a community from the list above. Where more than one alternative is possible the least cost alternative is used. The distance is measured to the nearest kilometre.

4.4.3 Tree-to-Truck Cost Estimate

Tree-to-Truck costs estimates are determined for each logging system as follows:

1. **Helicopter Logging** - All Forest Regions/All Biogeoclimatic Zones for both Clear Cut and Partial Cut logging.

The cost estimates are:

$$\text{Water drop } \$/\text{m}^3 = 50.08$$

$$\text{Land drop } \$/\text{m}^3 = 54.02$$

2. **Horse Logging** - All Forest Regions/All Biogeoclimatic Zones

$$\$/\text{m}^3 = 20.05$$

3. **Ground Skidding**

The tree-to-truck cost estimate is determined from the formula for the appropriate Biogeoclimatic Zone as follows:

When the volume per tree is less than 0.20 m^3 , an additive of $\$0.75/\text{m}^3$ applies to Ground Skidding Tree-to-Truck cost estimates in all Forest Regions.

$$\begin{aligned} \$/\text{m}^3 = & \text{CONSTANT} + (2.89 * \text{LGP}\%/100) + (5.47 * \text{SLOPE}\%/100) \\ & - (2.30 * \text{VOLHA}/1000) + (1.76 * \text{DEFECT}\%/100) + (2.72 * \text{BD}\%/100) \\ & + (0.48 * \text{SUPP2}/100) + (1.13 * \text{SUPP3}/100) + (0.55 * \text{DSEL}) \end{aligned}$$

Where CONSTANT =

Region/District	Biogeoclimatic Zone			
	CWH	SBPS	SBS	All Other
Cariboo	17.21	12.21	12.91	13.36
Fort Nelson, Fort St. John, and Dawson Creek Forest Districts		10.66	11.36	11.81
Nelson		12.65	13.35	13.80
All Other Regions	16.42	11.42	12.12	12.57

For the above equations:

- a. if DS is less than or equal to 50 km, then $\text{SUPP2} = 0$
- b. if DS is greater than 50 km and less than or equal to 150 km, then $\text{SUPP2} = \text{DS} - 50$

- c. if DS is greater than 150 km, then SUPP2 = 100
- d. if DS is less than or equal to 150 Km, then SUPP3 = 0
- e. if DS is greater than 150 Km, then SUPP3 = DS -150
- f. if BD % is less than or equal to 15, then BD % = 0
- g. DSEL = 1 if percent partial cut is greater than zero but less than 90%. Otherwise DSEL = 0.

4. Overhead Cable Logging

The tree-to-truck cost estimate is determined from the formula for the appropriate biogeoclimatic zone as follows:

When the volume per tree is less than 0.20 m³, an additive of \$0.75/m³ applies to the Overhead Cable Logging Tree-to-Truck cost estimates in all forest regions.

$$$/m^3 = \text{CONSTANT} - (0.45 * \text{VOLTREE}/(1 - \text{DEFECT\%/100})) + (1.59 * \text{SUPP2}/100) + (6.21 * \text{DSEL})$$

Where CONSTANT =

Region	Biogeoclimatic Zone			
	ICH	SBS	ESSF	All Other
Cariboo	24.39	23.93	25.22	26.29
Kamloops	21.35	20.89	22.18	23.25
All Other Region	23.01	22.55	23.84	24.91

For the above equations:

- a. if DS is less than or equal to 50 km, then SUPP2 = 0
- b. if DS is greater than 50 km but less than or equal to 150 km, then SUPP2 = DS-50
- c. if DS is greater than 150 km, then SUPP2 = 100
- d. DSEL = 1 if percent partial cut is greater than zero but less than 90%. Otherwise DSEL = 0.

4.4.4 Tree-to-Truck Additive for Damaged Timber

The following cost estimate additives are recognized for heavy fire damage (HFD), and dead useless snags (DUS). The data are collected as specified by the Forest Service Cruising Procedures and Cruise Compilation Manual. The additional costs incurred to harvest blowdown timber are recognized in the Tree-to-Truck ground skidding equations (Section 4.4.2.7).

The following additive is determined for overhead cable, ground skidding (clear-cut) and ground skidding (partial cut) and is added to the TTT cost estimate.

$$$/m^3 = 0.04 * (DT\% - 15)$$

Where: DT% is the Damaged Timber percent (%)

$$DT\% = HFD\% + DUS\%$$

Where: DT% is less than 15%, DT = 15

DT% is more than 100%, DT = 100

Determination of Percent (%):

$$1. \quad HFD\% = \frac{\text{Conifer HFD Volume } m^3 * 100}{\text{Total Net Conifer Volume } m^3}$$

$$2. \quad DUS\% = \frac{\text{Conifer DUS Snags/ha} * 100}{\text{Net Merchantable Conifer Stems / ha} + \text{Conifer DUS Snags / ha}}$$

4.4.5 Prorating Tree-to-Truck Cost Estimates

Where ground skidding (clear-cut) is not feasible on part of the area and ground skidding (partial cut), helicopter logging, horse logging or overhead cable logging is required, a proration of more than one system is necessary.

The variables for each required system must be based on a cruise compilation of only those plots located within the area to be harvested by the system. Plots located in areas requiring helicopter logging or horse logging are excluded from the cruise compilations used in the determination of tree-to-truck variables for other logging systems.

The additive for damaged timber is also determined separately for each applicable system.

The final prorated tree-to-truck cost estimate is determined according to the following equation where each component is rounded to the nearest cent before totalling:

$$\frac{(\text{Cost}_{\text{Heli}})(V_{\text{Heli}})}{(\text{TNCV})} + \frac{(\text{Cost}_{\text{Horse}})(V_{\text{Horse}})}{(\text{TNCV})} + \frac{(\text{Cost}_{\text{OC}})(V_{\text{OC}})}{(\text{TNCV})} + \frac{(\text{Cost}_{\text{GS(C)}})(V_{\text{GS(C)}})}{(\text{TNCV})} + \frac{\text{Cost}_{\text{GS(p)}}(V_{\text{GS(p)}})}{(\text{TNCV})}$$

Where: Cost = cost estimate (\$/m³) including any damaged timber additive

V = volume (m³) required to be logged by each system

Heli = helicopter logging

Horse = horse logging

GS(C) = ground skidding (clear-cut)

GS(P) = ground skidding (partial cut)

OC = overhead cable logging

TNCV = Total Net Cruise Volume (m³)

4.5 Log Transportation

The log transportation phase covers all aspects of log movement from the place of initial loading to the point of appraisal, including truck haul, rail, water and other specialized transportation.

4.5.1 Truck Haul Variables

For appraisal purposes, the following variables are recognized:

1. **Weighted Average Cycle Time (T):** this is estimated in hours (rounded to the nearest one tenth of an hour) from the cutting authority to the point of appraisal or the appraisal place of unloading (water or rail transport).

The weighted average cycle time is determined by:

- a. establishing the geographical center point of each cut block or cutting area and projecting this point to the nearest road for measurement purposes;
- b. from this point, determining the cycle time to the nearest junction serving all cut blocks or cutting areas;
- c. weighting the cycle time for each cut block by the volume (if available) on the cut block and determining the average cycle time to the junction. If the cut block volume is not available, the cut block area is used for weighting the cycle time;
- d. Determining the cycle time from the junction to the point of appraisal or the first place of unloading and adding this to the average weighted cycle time to the junction as outlined previously.

The cycle consists of load, haul, weigh, unload, return time, and unavoidable delays or idle time. The cycle time will normally be determined by taking into consideration all the factors that may affect it: distance, expected rate of speed, necessary delays, expected standard of roads and their maintenance, traffic density, and seasonal weather conditions.

The cycle time from an existing nearby cutting authority may be used as the basis for new cutting authority if the Appraisal Coordinator considers the existing cycle time to be representative of the factors affecting both.

Note: In many cases standard cycle time schedules from specific road junctions to the point of appraisal have been developed and should be used (Sector times).

Definitions

- a. **Unavoidable delays:** those periods when the truck is on the job but not operating due to unpredictable delays such as; tightening binder chains, minor repairs made by driver, checking/adjusting brakes, minor delays prior to loading/unloading, refuelling, etc.

Unavoidable delay time does not include any breakdown which requires shop repair, the services of a skilled mechanic, or a spilled load of logs;

- b. **Load, weigh and unload:** those periods when those activities are observed;
- c. **Haul and return:** those periods when the truck is in motion transporting logs to the destination or returning empty;
- d. **Species Percent** (species code in equation) where:

BA	=	Balsam	SP	=	Spruce
CE	=	Cedar	WH	=	White Pine
HE	=	Hemlock	YE	=	Yellow Pine
LO	=	Lodgepole Pine			

2. Haul Method

Cost estimates do not recognize different types of logging trucks. The estimate is based upon the possible haul method, either highway or off-highway and not specifically upon the licensee's particular method.

Definitions

- a. **Highway** hauling is assumed when loaded logging trucks must travel over roads administered under the Highway Act and its pertinent Regulations, without truck-to-truck transfer to the point of appraisal, or on roads administered under the Highway (Industrial) Act where prolonged known road restrictions prevent the use of oversize loads, or in all instances where the volume per tree (section 4.4.2) is less than 0.20 m³.
- b. **Off-highway** hauling is assumed when loaded logging trucks can travel over roads administered under the Highway (Industrial) Act to the point of appraisal, or to recognized water/special transportation systems where prolonged known restrictions (e.g. bridge load limit, narrow road, through rock cut, etc.) do not prevent the use of oversize loads.

4.5.2 Truck Haul Cost Estimates

4.5.2.1 Primary Haul

The primary or initial truck haul cost estimate is determined from the formula for the appropriate Forest Region and/or District.

For all highway haul equations the minimum is \$2.09/m³

For all off-highway haul equations the minimum is \$1.66/m³

Highway $\$/\text{m}^3 = \text{CONSTANT} + (1.69 \cdot T) - (1.50 \cdot \text{CE}/100) + (2.78 \cdot \text{HE}/100) - (0.25 \cdot \text{LO}/100) - (1.15 \cdot \text{SP}/100) - (1.58 \cdot \text{WH}/100) + (1.82 \cdot \text{YE}/100)$

Where CONSTANT =

P. Rupert	P. George except FNPeace	FNPeace	Cariboo	Nelson	Kamloops
-0.11	0.93	1.18	0.59	0.40	0.29

Off-Highway $\$/\text{m}^3 = \text{CONSTANT} + (1.31 \cdot T) - (0.25 \cdot \text{BA}/100) - (0.76 \cdot \text{CE}/100) + (0.37 \cdot \text{HE}/100) - (0.44 \cdot \text{SP}/100)$

Where CONSTANT =

P. Rupert	P. George except FNPeace	FNPeace	Cariboo	Nelson	Kamloops
0.35	0.50	-0.24	0.97	0.67	0.07

4.5.2.2 Secondary or Re-Haul

This cost estimate is made when logs must be truck hauled between the dewater and reload site to the next appraised point of unloading.

$$$/m^3 = 2.1822 * T$$

Where: T is the cycle time for the secondary haul using the method described in Subsection 4.5.1.1.

4.5.3 Water Transportation

A cost estimate is made when logs must be transported by water between the cutting authority and the point of appraisal. The estimate includes the costs of strapping logs on the truck, dumping, booming, developing and operating dumping and booming grounds, and towing.

1. Dump and Boom:

Arrow, Kinbasket, Ootsa, Revelstoke 1880 and Williston Lakes: \$1.92/m³

All Other Lakes: \$1.39/m³

2. Tow:

Arrow, Kinbasket, Ootsa, Revelstoke 1880 and Williston Lakes:

$$$/m^3 = 0.4951 + 0.0065 * d$$

All other Lakes:

$$$/m^3 = 0.4457 + 0.0080 * d$$

Where d = one-way tow distance in kilometres

3. Dewater and Reload:

Quesnel Lake \$3.85/m³

All Other Lakes \$1.25/m³

Only considered if the mill infeed is not located on the same lake.

4. Dewater only: \$1.17/m³

Recognized only for Williston Lake. For other dewatering, the costs are included in the manufacturing cost estimate.

4.5.4 Special Transportation Systems

A special transportation system is recognized in the appraisal where geographic conditions dictate its use.

The cost estimates include all costs associated with servicing the appropriate cutting authorities, excluding all on-site costs of owning and operating a camp facility.

The recognized special transportation systems are as follows:

1. *Railway*

a. Truck to Rail Transfer

When logs are appraised by railway for part of the way between the cutting authority and the point of appraisal, the cost estimate for the truck-to-rail transfer part of the phase is

B.C. Rail - Dease Lake Extension: \$4.57/m³

All Other Railways: \$1.89/m³

b. Railway Transportation

The railway transportation cost estimate is based on the following table for the points of origin shown. Otherwise, the best information on hand is used.

B.C. Rail Log Transportation

<u>Origin</u>	<u>Cost Estimate (\$/m³)</u>	<u>Point of Appraisal</u>
Leo Creek	10.91	Fort St. James
Lovell	12.30	Fort St. James
Bear Lake	13.91	Fort St. James
Minaret Creek	14.42	Fort St. James
Niteal	12.26	Fort St. John

2. *Barge/Ferry Used for Truck Haul (Private)*

When a truck haul road is interrupted by a body of water and the operation of a barge system is feasible to provide the road link for logging trucks, the cost estimate for this phase, regardless of ownership is:

- | | |
|--------------------------|-----------------------|
| a. Babine Lake (South): | \$1.52/m ³ |
| b. Kinbasket Lake: | \$2.44/m ³ |
| c. Revelstoke 1880 Lake: | \$2.58/m ³ |
| d. Williston Lake: | \$3.05/m ³ |

For any other location, the cost estimate is determined by the Director, Valuation Branch.

3. *Barge/Ferry Not Used for Truck Haul (Private)*

The cost estimate includes all costs associated with the operation of the systems and includes bubble systems where applicable.

- a. When a cutting authority can be served only by water, and daily (operating days only) ferry/barge services are feasible for crew transportation, the cost estimate for this phase, regardless of ownership is:

- | | |
|-----------------|-----------------------|
| Babine Lake: | \$0.44/m ³ |
| Ootsa Lake: | \$0.39/m ³ |
| Kinbasket Lake: | \$2.46/m ³ |

For any other location the cost estimate is determined by the Director, Valuation Branch.

4. *Other Systems*

The cost estimate for other systems are:

- a. Arrow Dam Log Transfer: \$1.88/m³

This includes raft dismantle and rebuild, and all related on-site costs.

- b. Hansard Low Water Bridge *: \$0.38/m³
- c. Williston Lake Dry Dump *: \$2.36/m³

* Applicable to winter logged volume estimate only.

4.6 Road Maintenance

Routine road maintenance includes, but is not limited to, the following:

- grading
- snowplowing and freezing in
- sanding
- spot gravelling (< 0.3 Km distance)
- culvert repairs and thawing
- culvert removal (< 950 mm)
- culvert replacement (< 950 mm)
- non-structural maintenance of bridges
- bridge re-decking
- ditching
- seasonal erosion control
- roadside treatments
- sign maintenance
- dust control
- brushing
- minor flood and storm damage repair
- slough removal
- water bar construction
- road ripping
- final erosion control
- cross ditch construction
- grass seeding

Routine road maintenance also includes minor repairs to roads due to slides, erosion and flood damage, and all road use charges paid to other licensees.

The cost estimate for all routine maintenance carried out on logging operations depend on the geographic location of the cutting authority. Cost estimates do not apply where there is less than one kilometre of road to be maintained.

For a management unit other than a Timber Supply Area or Tree Farm Licence (primarily Woodlot Licences), the routine road maintenance cost estimate is **\$1.07/m³**.

The geographic location is recognized by Forest Region, Timber Supply Area and Block, and Tree Farm Licence as follows.

Routine Road Maintenance Cost Estimates

<u>Region</u>	<u>TSA #</u>	<u>Name</u>	<u>Timber Supply Block etc.</u>	<u>\$/m³</u>
<u>Prince Rupert</u>	3	Bulkley	All	1.04
	4	Cassiar	All	1.36
	42	Cranberry	All	1.36
	10	Kalum	All	1.36
	12	Kispiox	All	0.86
	14	Lakes	All	0.62
	20	Morice	All	1.02
		TFLs 1,41		1.36

<u>Region</u>	<u>TSA #</u>	<u>Name</u>	<u>Timber Supply Block etc.</u>	<u>\$/m3</u>
<u>Kamloops</u>	11	Kamloops	1	1.42
	11	Kamloops	2, 3, 4	0.81
	15	Lillooet	All	2.17
	18	Merritt	All	1.04
	22	Okanagan	1, 2, 3	1.10
	22	Okanagan	4, 5	0.86
	22	Okanagan	6, 7, 8, 9	1.33
		TFL 15		1.10
		TFL 18		1.42
		TFL 33		1.33
		TFL 35		0.81
		TFL 49		0.86
<u>Prince George</u>	41	Dawson Creek	All	1.04
	8	Fort Nelson	All	2.02
	40	Fort St. John	All	1.15
	16	Mackenzie	All	1.71
	24	Prince George	G, H	1.24
	24	Prince George	E, F, I	0.87
	24	Prince George	D	0.84
	24	Prince George	A, B, C	0.94
	17	Robson Valley	All	1.72
	41	TFL 48		1.04
	24	TFLs 30,53		1.24
	24	TFL 42		0.94
<u>Nelson</u>	1	Arrow	All	1.90
	2	Boundary	All	1.24
	5	Cranbrook	All	1.41
	7	Golden	All	2.05
	9	Invermere	All	1.06
	13	Kootenay Lake	All	1.25
	27	Revelstoke	All	1.87
		TFL 3,23		1.90
		TFL 8		1.24
		TFL 13		1.41
		TFL 14		1.06
		TFLs 55,56		1.87

<u>Region</u>	<u>TSA #</u>	<u>Name</u>	<u>Timber Supply</u> <u>Block etc.</u>	<u>\$/m3</u>
<u>Cariboo</u>	26	Quesnel	A, B, C, D	0.40
	26	Quesnel	E, F, G, H, I	0.79
	29	Williams Lake	A, B, C, D, E, I	0.50
	29	Williams Lake	F, G, H, J, P	0.56
	29	Williams Lake	K, L	0.76
	29	Williams Lake	M, N	1.23
	23	100 Mile House	All	0.74
		TFL 5		0.40
		TFL 52		0.79

4.7 Road and Land Use Charges

1. Charges as a Share of Road Maintenance

No recognition is made of such charges. The routine road maintenance cost estimate, Section 4.6, has been developed inclusive of inter-licensee charges. The road maintenance cost estimate includes all relevant costs whether incurred directly by the licensee or by payment to another party for services performed.

2. Charges Other Than for Road Maintenance

There are three categories of road status under the Forest Act.

a. Forest Service Roads

A road that is declared, determined, built, maintained or modified by the Ministry, as defined in the Forest Act. No road use charges will be considered in appraisals;

b. Operations Roads

Roads built on Crown land, authorized by road permit or letter of consent under the former Act, and deemed to be owned by the holder of the permit or letter until it expires, or until the holder declares non-ownership, as detailed in the Forest Act, Section 95. No road use charges will be considered in appraisals;

c. Other Roads

Road use charges for roads built on private land owned by an arm's length third party and not subject to a lease held by the licensee, his affiliate or an agent of either, may be considered in appraisals provided there is no lower cost route capable of development through Crown land, when:

- i. the Crown is legally incapable of acquiring a right-of-way or road; or
- ii. an existing road on non-Crown land is required only for short term timber extraction.

The charges recognized must be reasonable, must not exceed compensation that might be determined under the *Forest Act*, Section 94, and must be proven through the presentation of auditable documents.

3. Other Land Use Charges

Foreshore leases, camp areas and dryland sorts are treated in the same manner as operations roads. Only non-governmental short term land use charges will be considered in appraisals.

Prior to a stumpage appraisal cost estimate (referred to in Section 4.7) being used in any appraisal, the licensee must:

- a. submit a "Request for Approval of a Road Use Charge" form with the Appraisal Data Sheet; and
- b. receive written approval of the road or land use charge from the Director, Valuation Branch.

4.8 Administration and Other Costs

4.8.1 Overhead

Overhead cost estimates are for the related administration and supervisory activities attributed to logging and basic silviculture that occur at the head office, branch office and camp or operation.

Overhead costs include:

- Office Operations;
- Scaling;
- Engineering;
- Cruising;
- Environmental Protection,
- Waste and Residue surveys;
- Right-of-way easements;
- Foreshore and other land leases;
- Consultants fees where they are not specific to a project eligible for engineered costs.

Overhead also includes right-of-way easements and foreshore and other land leases. Any costs that will be reimbursed through Section 88 of the *Forest Act* are excluded.

Cost estimates for each point of appraisal are shown in the following table:

Group A \$3.43/m³	Group B \$3.52/m³	Group C \$3.36/m³	Group D \$2.99/m³
Carnaby	Chetwynd	Chasm	Bear Lake
Hazelton	Fort Nelson	100 Mile House	Burns Lake
Kitwanga	Fort St. John	Williams Lake	Clear Lake
Smithers	Taylor		Engen
Terrace			Fort St. James
			Fraser Lake
			Houston
			Isle Pierre
			Mackenzie
			Prince George
			Quesnel
			Strathnaver
			Upper Fraser
			Vanderhoof
Group E \$3.79/m³	Group F \$5.06/m³	Group G \$4.77/m³	
Armstrong	Adams Lake	Boston Bar	
Kamloops	Canoe	Canal Flats	
Kelowna	Castlegar	Cranbrook	
Lavington	Craigellachie	Creston	
Louis Creek	Donald	Elko	
Merritt	Lumby	Galloway	
Okanagan Falls	McBride	Grand Forks	
Princeton	Park Siding	Lillooet	
Squamish	Revelstoke	Lytton	
Westbank	Slocan	Midway	
	Thrums	Radium	
	Valemount		
	Vavenby		
	Ymir		

4.8.2 Isolated Cutting Authorities

An isolated cutting authority is defined as one that has no continuous road access from the nearest support center (listed in Section 4.4.2.8) to the centre of the cutting authority.

The exception is where there is continuous road access, but the route is not routinely used to transport people, equipment or supplies to the cutting authority. Continuous road access includes public ferry service or private daily ferry or daily barge service.

The isolation cost estimate covers the costs of moving people, equipment and supplies to and across the non-road portions of the route to the camp (or cutting authority where there is no camp) whether by crew boat, periodic barge service, air, or rail. Also covered are the depreciation, maintenance and operating costs of any camp facilities and the non-recoverable costs incurred for cookhouse, family quarters, bunk houses, shop, office and other pertinent buildings.

For isolated cutting authorities serviced by camps, the costs of moving people, equipment or supplies by road from the isolated camp location to the cutting authority are covered by the distance variable in the tree-to-truck equation.

The cost estimates for isolated cutting authorities at the following locations are:

1. Williston Lake: \$6.07/m³
2. Niteal Rail: \$4.18/m³
3. Quesnel Lake: \$4.38/m³

For any other locations, the cost estimate is determined by the Director, Valuation Branch.

4.9 Post-Logging Treatment Costs

Post-logging costs are those which are incurred after logging because of treatments specified in the cutting authority. All post-logging requirements are included in the tree-to-truck phase.

4.10 Basic Silviculture Cost Estimate

Basic silviculture cost estimates are made for all cutting authorities where basic silviculture is required.

Basic silviculture treatment regime(s) cost estimates include all treatment costs that are required to achieve the free-growing stocking standards, as referred to in the Silviculture Regulation (B.C. Reg. 147/88).

The following table lists the treatment regimes and associated cost estimates (\$/ha) for each Group of Forest Districts.

Forest District Groupings

<u>Group 1</u>	<u>Group 2</u>	<u>Group 3</u>	<u>Group 4</u>
Kispiox	Dawson Creek	100 Mile House	Vanderhoof
Kalum	Fort Nelson	Horsefly	Morice
Cassiar	Fort St. John	Chilcotin	Fort St. James
Bulkley		Williams Lake	Lakes
			Mackenzie
			Quesnel
			Prince George
<u>Group 5</u>	<u>Group 6</u>	<u>Group 7</u>	
Vernon	Golden	Invermere	
Penticton	Arrow	Cranbrook	
Merritt	Salmon Arm	Boundary	
Kamloops	Robson Valley	Lillooet	
Chilliwack	Revelstoke		
	Kootenay Lake		
	Clearwater		

Treatment Regimes Cost Estimates Table

Regime	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7
	\$/ha	\$/ha	\$/ha	\$/ha	\$/ha	\$/ha	\$/ha
A	2441	1507	2115	1819	2310	2891	1646
B	2130	1337	1853	1635	2014	2539	1515
C	1501	842	1153	1084		1844	
D		651	885	920	1137	1875	1050
E		1135	1429	1400	1528	1949	1411
F	1683	1110		1354		1966	
G			639	659	794	1313	780
H	1708	1202	1543	1433	1579	1869	1419
I			1161	1142	1138	1326	1198
J			197	209			
K					40	55	54
L					859	1012	909

Note: All Regimes assume a combination of manual and chemical brushing and weeding (i.e. a blended cost estimate)

Where stump removal for root disease control is required, a cost estimate may be determined as a specified operation as described in Section 4.1.1.

The area requiring basic silviculture treatment includes only that portion of the land on which the licensee is required to establish a free-growing crop of trees, as specified in the Forest Act. Basic silviculture treatment may not be required on some cutting authorities (e.g. right-of-way, licence-to-cut (gravel pit)).

Basic silviculture cost estimates will not be included in the appraisal where this intent has been specified in the licence document, cutting authority or by applicants agreement.

If available, the net area to be reforested is to be taken from the "Pre-Harvest Silviculture Prescription" (PHSP); otherwise the best information at hand (i.e. cruise area with appropriate net down factors) will be used.

Individual areas of non-commercial cover (NCBR) less than four hectares, growing on productive forest land are included in the applicable treatment regime(s) used to calculate the basic silviculture cost estimate. Subject to approval by the District Manager, these areas are eligible for a cost estimate of 1.2 times the applicable treatment regime(s) cost. Individual areas of NCBR greater than 4 hectares in size must not be included in the appraisal.

In the case of mixed stands where utilization of deciduous timber is mandatory, the deciduous area is also eligible for a silviculture cost estimate and the deciduous volume is included in the total net merchantable volume.

The cost estimate for each treatment regime is determined as follows:

Treatment Regime cost estimate (\$) =

treatment regime cost (\$/ha) * [net area to be reforested - (NCBR) + (NCBR * 1.2)] * R

Each area portion of a cutting authority that requires less than 90% volume removal must have one or more separate treatment regime cost estimates. (i.e. partial cut areas and clear-cut areas may not be combined)

R = volume removal factor and is calculated for each treatment regime area.

NCBR = individual areas of non-commercial brush of 4 hectares or less in size.

$$R = \frac{\text{Volume Required to be Harvested}}{\text{Total Net Merchantable Volume}}$$

Where the entire volume is required to be harvested (i.e. clear-cut) then R = 1.

For treatment regime G (partial cutting) R is always = 1.

The Basic Silviculture Cost Estimate is determined as follows:

$$$/m^3 = \frac{\text{Summation of Treatment Regime Cost Estimates}}{\text{Total Net Cruise Volume (m}^3\text{)}}$$

4.11 Manufacturing Cost Estimates

In the Interior, appraisal calculations include estimates of the cost of manufacturing lumber and chips. Manufacturing cost estimates are developed from a survey of sawmills and encompass phases of manufacturing beginning with the dewatering of logs or unloading of logging trucks at the mill log yard, either land or water (or satellite log yards), and ending when the lumber and chips have been loaded on rail cars or trucks for transport to market.

The survey collects experienced costs to the licensee, including wages, benefits, overtime, depreciation, fuel, supplies, repair and maintenance, applicable licences, insurance, etc. from a representative sample of Interior operations.

The cost estimates reflect average conditions, operating practices, and phase accounting allocations experienced in the survey data. Because of this averaging, no additions to or subtractions from these estimates to reflect operation-specific conditions are permitted.

The estimates have an effective cost base date of July 1, 1992.

Untrended Manufacturing Cost Estimates (\$/m³)**1992 Cost Survey Base**

	Species	Manufacturing cost (\$/m³) 0% Decay
<u>Northern Interior</u> (Zone 5) & <u>Skeena (Zone 6)</u>	SP	24.50
	LO	27.21
	BA	27.70
	FI, LA, WH, YE	33.57
	CE	31.58
	HE	29.59
<u>Southern Interior</u> (Zone 7)	SP	27.66
	LO	31.04
	BA	31.53
	FI, LA, WH, YE	38.12
	CE	36.71
	HE	35.65
<u>Southern Cariboo</u> (Zone 8)	SP	23.23
	LO	25.90
	BA	26.29
	FI, LA, WH, YE	31.38
	CE	28.12
	HE	27.09
<u>Fort Nelson/Peace</u> (Zone 9)	SP	24.23
	LO	27.10
	BA	26.94

To derive the manufacturing cost for decay % from 1 to 50, use the above table values as follows:

Manufacturing cost (\$/m³) = decay% * 0.1321 + base value from table.

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

For a list of points of appraisal by zone, refer to Section 2.5.

4.12 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. The cost trend for manufacturing is based on a 3% per annum rate.

The cost trend factor is applied to the logging, silviculture and manufacturing cost estimates at the appraisal effective date and at the date of each stumpage adjustment.

For trend factors applicable prior to July 1, 1994, refer to the October 1, 1993 Interior Appraisal Manual.

Appraisal Effective Dates From January 1, 1990 to May 31, 1992 Inclusive

<u>Appraisal Effective Date or Stumpage Adjustment Date</u>	<u>Trend Factor</u>	
	<u>Logging and Silviculture</u>	<u>Manufacturing</u>
July 1 to September 30, 1994	1.250	1.210
October 1 to December 31, 1994	1.263	1.218
January 1 to March 31, 1995	1.275	1.225
April 1 to June 30, 1995	1.288	1.233
July 1 to September 30, 1995	1.300	1.240
October 1 to December 31, 1995	1.313	1.248

Appraisal Effective Dates From June 1, 1992 to October 31, 1992 Inclusive

<u>Appraisal Effective Date or Stumpage Adjustment Date</u>	<u>Trend Factor</u>	
	<u>Logging and Silviculture</u>	<u>Manufacturing</u>
July 1 to September 30, 1994	1.250	1.150
October 1 to December 31, 1994	1.263	1.158
January 1 to March 31, 1995	1.275	1.165
April 1 to June 30, 1995	1.288	1.173
July 1 to September 30, 1995	1.300	1.180
October 1 to December 31, 1995	1.313	1.188

Appraisal Effective Dates From November 1, 1992 to September 30, 1993 Inclusive

<u>Appraisal Effective Date or Stumpage Adjustment Date</u>	<u>Trend Factor</u>	
	<u>Logging and Silviculture</u>	<u>Manufacturing</u>
July 1 to September 30, 1994	1.210	1.150
October 1 to December 31, 1994	1.223	1.158
January 1 to March 31, 1995	1.235	1.165
April 1 to June 30, 1995	1.248	1.173
July 1 to September 30, 1995	1.260	1.180
October 1 to December 31, 1995	1.273	1.188

Appraisal Effective Dates From October 1, 1993 to September 30, 1994

<u>Appraisal Effective Date or Stumpage Adjustment Date</u>	<u>Trend Factor</u>	
	<u>Logging and Silviculture</u>	<u>Manufacturing</u>
July 1 to September 30, 1994	1.190	1.090
October 1 to December 31, 1994	1.203	1.098
January 1 to March 31, 1995	1.215	1.105
April 1 to June 30, 1995	1.228	1.113
July 1 to September 30, 1995	1.240	1.120
October 1 to December 31, 1995	1.253	1.128

Appraisal Effective Dates On or After October 1, 1994

<u>Appraisal Effective Date or Stumpage Adjustment Date</u>	<u>Trend Factor</u>	
	<u>Logging and Silviculture</u>	<u>Manufacturing</u>
October 1 to December 31, 1994	1.163	1.075
January 1 to March 31, 1995	1.175	1.083
April 1 to June 30, 1995	1.188	1.090
July 1 to September 30, 1995	1.200	1.098
October 1 to December 31, 1995	1.213	1.105

Stumpage Rate Determination

5

5.1 Indicated Stumpage Rate

The Indicated Stumpage Rate is determined by comparing the Value Index of the stand being appraised to the Value Index of other stands, as explained in the following sections.

5.2 Value Index

The stumpage rate charged on each cutting authority is keyed to the estimated Value Index of the stand to be harvested. The Value Index is defined as the Selling Price less the Operating Cost, both of which are estimates expected for an average operator in that stand. The formula to be used is:

$$\text{VI} = \text{SP} - \text{OC}$$

Where:

- VI = Value Index for the cutting authority
- SP = estimated stand Selling Price determined in accordance with Chapter 3
- OC = estimated Operating Cost applicable to the timber being appraised, and determined in accordance with Chapter 4.

5.3 Mean Value Index

The Interior Mean Value Index (MVI) is the benchmark against which individual stands of timber are compared. The Interior Mean Value Index is recalculated and published by Valuation Branch at the time of each quarterly stumpage adjustment. When distributed it becomes an integral part of this manual.

5.4 Market Value Indexing

At the times specified in Section 1.6, stumpage rates are adjusted upwards or downwards to reflect changes in the value of softwood lumber as indicated by the Statistics Canada British Columbia Softwood Lumber Index (INDEX) for the Interior number D693600.

New Interior Target Rate Calculation

1. If the INDEX is less than or equal to 161 then,
$$TR = \frac{INDEX}{139.0} * 8.59$$
2. If the INDEX is greater than 161, but less than or equal to 186 then,
$$TR = 9.95 + \left[\frac{(INDEX - 161)}{25} * 9.35 \right]$$
3. If the INDEX is greater than 186 then,
$$TR = 19.30 + \left[\frac{(INDEX - 186)}{49} * 6.74 \right]$$

Where: TR = New Target Rate (\$/m³)

Quarterly Stumpage Rate Adjustment Date

January 1
April 1
July 1
October 1

New Statistics Canada Index based on index values for the months of:

Preceding August, September, October
Preceding November, December, January
Preceding February, March, April
Preceding May, June, July

The applicable Statistics Canada Index is published by Valuation Branch at the time of each quarterly stumpage adjustment. When distributed it becomes an integral part of this manual.

5.5 Base Rate

The Interior Base Rate is redetermined and published by Valuation Branch at the time of each quarterly stumpage rate adjustment. When distributed it becomes an integral part of this manual.

5.6 Calculation of Stumpage Rate

5.6.1 Calculation of Indicated Stumpage Rate

The Indicated Stumpage Rate for a cutting authority is defined as:

$$IR = BR + (VI - MVI)$$

Where:

- IR = Indicated Stumpage Rate
- BR = Interior Base Rate as defined in Section 5.5
- VI = Value Index for the cutting authority as defined in Section 5.2.
- MVI = Interior Mean Value Index, as defined in Section 5.3

5.6.2 Prescribed Minimum Stumpage Rate

The Minimum Stumpage Rate is prescribed by the *Minimum Stumpage Rate Regulation* (B.C. Reg. 354/87). The current Minimum Stumpage Rate is \$0.25 per cubic metre.

5.6.3 Reserve Stumpage Rate

For each cutting authority, the Reserve Stumpage Rate is the greater of its Indicated Stumpage Rate or the prescribed Minimum Stumpage Rate.

5.6.4 Upset Stumpage Rate

The Upset Stumpage Rate is the total of the Reserve Stumpage Rate less the Stumpage Rate Reduction (if applicable) plus any silviculture and development levies which may be charged as defined in Section 6.6.

5.6.5 Total Stumpage Rate

The Total Stumpage Rate is the Upset Stumpage Rate plus any Bonus Bid.

Miscellaneous Timber Pricing Policies

6

6.1 Average Value Indexes by District and Species

A new table of Average Value Indexes by District and Species is prepared at the time of each quarterly stumpage adjustment and becomes an integral part of this manual at that time. This table may be used by the Forest Officer to determine the Value Index for cutting authorities of less than 2,000 m³, as explained in Section 6.2.

6.2 Cutting Authorities With 5,000 m³ or Less Volume

1. Total Coniferous Volume of less than 2,000 m³

An indicated stumpage rate may be determined by estimating the species volumes, prorating the appropriate Average Value Indexes by District and Species according to those volumes, and then using the resulting stand value index in the stumpage rate formula as described under Section 5.6. For cutting authorities where the licensee is not required to establish a free growing crop of trees, the Value Indexes must be adjusted by adding a basic silviculture cost estimate. (District Average Value Indexes are based on full appraisals of areas requiring basic silviculture.) The total stumpage rate is fixed for the term. For extensions of the cutting authority see Section 2.4 (3).

Alternatively, an indicated stumpage rate may be determined through a full appraisal. The stand data may be site-specific (i.e. timber cruised or scaled) or obtained from one or more comparable cutting authorities (e.g. similar stand and terrain characteristics, etc.) The total stumpage rate is adjustable for the term of the cutting authority, except as provided in Section 6.5.

Each full appraisal is made as described in Chapters 3, 4 and 5.

2. Total Coniferous Volume of 2,000 to 5,000 m³

An indicated stumpage rate is determined on the basis of full appraisal data. The data may be site-specific or the data may be obtained from comparable cutting authorities, as determined by the Regional Manager.

Each appraisal is made as described in Chapters 3 and 4.

These cutting authorities are cruised if specified by the Regional Manager in accordance with Section 4.2 of this manual.

The total stumpage rate is adjustable for the term of the cutting authority, except as provided in Section 6.5.

3. Low Volume Additive

All replaceable and non-replaceable fully appraised cutting authorities are eligible for a low volume additive.

The additive is:

$$$/m^3 = 0.894 - 0.000164 * V$$

V must be less than or equal to 5000 m³.

"V" = the lesser of the cutting authority net cruise volume or the licence's Allowable Annual Cut of Crown Timber (if applicable).

6.3 Right-of-Way Cutting Authorities

A right-of-way cutting authority is defined as any cutting authority issued for the sole purpose of harvesting right-of-way timber, including but not limited to road permits, right-of-way cutting permits, timber sale licences, and licences-to-cut.

Right-of-way cutting authorities are appraised under one of the following scenarios.

1. Total Volume of Less Than 2,000 m³

The indicated stumpage rate is derived according to Section 6.2 A.

2. Total Volume of 2,000 m³ or Greater

A full appraisal is required. Species distribution, total volume and most phase costs are determined either from site-specific cruise data or from a fully appraised cutting authority of the same inventory type and similar site conditions.

A cost estimate for development is included in the appraisal, and should be borrowed from the representative cutting authority as defined above.

Log haul cycle time may be determined from site specific data or the cycle time from a nearby representative cutting authority as defined above.

The costs of roads constructed under right-of-way cutting authorities are recognized in the appraisal of a tributary cutting authority (ie. The roads are deemed to be non-existing for the purposes of appraising the tributary cutting authority.)

Basic silviculture estimates are not included in the appraisal of right-of-way cutting authorities.

6.4 Partially Harvested Timber

Where decked timber, or timber which has been felled and bucked, such as on right-of-way, is sold without competition; and where the stumpage value is over \$3,000 or volume exceeds 300 m³, a full cost estimate appraisal is completed upon an "as is, where is" basis.

If the timber volume is less than 300 m³ and is being sold competitively, the timber may be pricing according to the procedures in Section 6.2.1.

6.5 Small Business Forest Enterprise Program (SBFEP) Sales

For appraisal purposes, the SBFEP includes:

- All Timber Sale Licenses issued under the *Forest Act*, Sections 16 and 16.1.
- All TSL's issued under the *Forest Act*, Section 18, except:
 1. those issued under Section 18 (1)(b) or 18 (1)(c), and
 2. those having an AAC of more than 10 000 m³.

Fixed/Adjustable Stumpage Rates for SBFEP Cutting Authorities

The adjustable rate option can be provided to a licensee only if the upset rate has been determined by means of a full appraisal. The data may be site-specific or may be obtained from one or more comparable cutting authorities. If the District Average Value Index method is used, the upset and hence the total stumpage rate is fixed for the term of the cutting authority and all extensions. The only exceptions are if a reappraisal is done under Section 2.3 (1) Sudden and Severe Damage or Section 2.3 (5) Minister's Direction.

During the term of the cutting authority and all extensions, a licensee's election of fixed stumpage rates also precludes any correction to the upset stumpage rate determination that would otherwise be warranted because of an error in the appraisal.

6.6 Levies

1. Basic Silviculture Levy:

A basic silviculture cost estimate is made for every cutting authority that will require basic silviculture, including those with a volume of less than 2000 m³.

A basic silviculture levy may be added to the Reserve Stumpage Rate. The levy is \$0.00/m³ if no Crown expenditures are anticipated for basic silviculture, or the District Manager may set the levy at \$0.00/m³ if the sale is offered under the *Forest Act, Section 16*, and the District Manager is satisfied that there will be competition for the sale. Otherwise the silviculture levy is equal to the appraisal estimate of basic silviculture costs (trended at the time of the appraisal).

2. Development Levy:

A development levy may be added to the Reserve Stumpage Rate. The levy is \$0.00/m³ if no Crown expenditures are anticipated for road construction and other services, or the District Manager may set the levy at \$0.00/m³ if the sale is offered under the *Forest Act, Section 16*, and the District Manager is satisfied that there will be competition for the sale. Otherwise, the development levy is equal to the appraisal cost estimate of road construction and other extraordinary services provided by the Crown as determined by the Regional Manager (trended at the time of the appraisal).

The amount of any levy may be redetermined at reappraisals only.

6.7 Miscellaneous Stumpage Rates

All Forest Regions

Species	Product	Reserve Stumpage Rate
Cedar	Shakes	\$6.00/m ³
Cedar	Blanks	\$7.20/m ³
Cedar	Fence Posts	\$3.00/m ³
Cedar	Mining Timbers & Fence Rails	\$3.00/m ³
All Species	Firewood	\$0.50/m ³
All Species	Bolts/Blocks	\$5.30/m ³
Yew	All	\$0.25/m ³
All Species	Grades: 3, 4, 5 and 6	\$0.25/m ³
All Deciduous	All (except Lumber Reject)	\$0.50/m ³
All Species	Orchard Props, Rails, Mining Timbers, Mine Cribbing, Fence Posts	\$1.20/m ³ \$1.20/m ³
	Pickets & Palings	\$1.20/m ³
	Car Stakes, Round Stakes & Sticks	\$1.20/m ³ \$1.20/m ³
All Species	Rails (Split), Lagging (Split)	\$0.20/each
	Christmas Tree: under 3m	\$1.00/each
	3-5 m	\$1.50/each
All Species	over 5 m	\$0.25/m ³
All Species	Logs salvaged below the high water levels of the Mica, Arrow, Revelstoke, W.A.C. Bennett Dam Flood Basins and the Slocan, Kootenay, Mineral, Babine and Ootsa Lakes.	\$0.25/m ³
	Trees classified as "Dead Potential" on Cruise-based cutting authorities	

Forest District Specific

Description	District	Reserve Stumpage Rate
Gross area cleared for	Cranbrook	\$1,147/ha
seismic lines, gas or oil	Dawson Creek	\$579/ha
well sites and right-of-	Ft. Nelson	\$579/ha
way to well sites	Ft. St. John	\$579/ha

Appendices

Appendix I: Equipment and Labour Rates

(Cost Base July 1, 1992)

<i>MACHINE DESCRIPTION</i>	<i>TYPICAL MODELS</i>	<i>\$/HOUR</i>
Bulldozer	Cat D-8, TD25, Komatsu D155A-1	157.75
Bulldozer	Cat D-7, TD20, Komatsu D85	128.75
Bulldozer	Cat D-6, TD15, Komatsu D65	110.00
Rock Drill includes labour	All	147.00
Grader	Cat 14G, Komatsu GD705,725	96.00
Front End Loader (Gravel)	Cat 966, Komatsu WA470	117.50
Front End Loader (Logs)	Cat 980, Komatsu WA500	127.50
Heel Boom Loader	All Cable	153.95
Heel Boom Loader	All Hydraulic	137.52
Hydraulic Excavator inc. Brush Guard & Thumb	Cat 235, Hitachi, UH171 etc.	147.95
Hydraulic Excavator inc. Brush Guard & Thumb	Cat 225, Hitachi EX270, etc.	117.15
Hydraulic Excavator inc. Brush Guard	JD 490, Hitachi EX120, etc.	78.23
Gradall	54,100-62,300 kg - m	134.50
Logging Truck (Highway)	Triaxle	98.75
Logging Truck (Off Highway)	All	115.97
Self Loading Log Truck	Highway log truck + 4.5 t deck crane	80.05
Gravel Truck (with rock box)	9.9+m ³	62.50
Gravel Truck Articulated	20-30 tonne	94.40
Lowbed	36 tonne	76.50
Lowbed	150 tonne	115.97
Concrete Mix Truck	6 m ³	80.50
Concrete Vibrator (labour not included)	5 m ³	3.88
Concrete Mixer (labour not included)	.17m ³	6.13
Crane - Truck mounted	18 tonne	83.50
Soft Track Skidder	KMC 200	110.50
Rubber Tired Skidder	Clark 668	75.25
Vibrator Compactor	Clark 668 + 2.7 - 3.6t roller	86.95
Tractor and Grid roller	Clark 668 + grid roller	87.05
Labourer		24.21
Roadman		24.42
Crib/Culvert Maker		25.72
Landingman		26.07
Rockdriller & Helper (for load & blast only)		55.27
Bridgeman		32.12
Powersaw (labour not included)	All	4.25
Faller, including powersaw		48.71

NOTES

Rates based on 1992 logging cost surveys, Province of British Columbia Hydro and Power Authority and B.C. Rail. Equipment Rental Rate Guide (1991-92-93) (rates based on a 3 year old machine), and IWA agreement rates including payroll loading.

- The above rates will be used for all engineered estimates made under this manual.
- The rates include labour, crew transportation, supervision and camp and cookhouse where applicable. No additions are required.
- Use of equipment rates not listed in this appendix must be approved by the Regional Appraisal Coordinator.

Appendix II: Lumber Recovery Factors (board feet/cubic metre)

Species

Log Top Diameter (cm)	Cedar	Hemlock, Cypress, White Pine, Dry Belt Fir	All Others
4.5 - 5.49	91	91	91
5.5 - 6.49	97	102	103
6.5 - 7.49	103	111	113
7.5 - 8.49	108	120	123
8.5 - 9.99	115	129	134
10.0 - 14.9	132	151	158
15.0 - 19.9	156	172	185
20.0 - 24.9	177	187	202
25.0 - 29.9	197	199	217
30.0 - 34.9	215	210	226
35.0 - 39.9	227	217	234
40.0 - 44.9	235	222	240
45.0 - 49.9	238	228	246
50.0 - 54.9	239	233	252
55.0 - 59.9	239	237	258
60.0 - 64.9	237	240	263
65.0 - 69.9	233	241	266
70.0 - 74.9	228	240	267
75.0 - 79.9	223	237	265
80.0 - 84.9	217	234	263
85.0 - 89.9	210	231	261
90.0 - 94.9	201	227	259
95.0 - 99.9	193	224	257
100.0 +	184	221	254

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