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July 3, 1997

To: All 1996 *Interior Appraisal Manual* Holders

Re: Addendum to Amendment No. 3 - 1996 *Interior Appraisal Manual*

The enclosed pages from the Table of Contents and Chapter 3, Section 3.1.1 for the 1996 *Interior Appraisal*, Amendment No. 3 were inadvertently omitted from the amendment packages mailed on June 26, 1997.

In addition, an error occurred in the transmittal document, where the instructions to remove Chapter 2, pages 11 - 16 and insert Chapter 2, pages 11 - 16 should read as indicated below.

Please follow these instructions to complete the Amendment No. 3 update.

Errata	Remove	Table of Contents	Pages iii-iv	Dated April 1, 1997
	Insert	Table of Contents	Pages iii-iv	Dated July 1, 1997
	Remove	Chapter 2	Pages 11-14	Dated August 1, 1996
	Insert	Chapter 2	Pages 11-16	Dated July 1, 1997
	Remove	Chapter 3, Section 3.1.1	Pages 3-4	Dated April 1, 1997
	Insert	Chapter 3, Section 3.1.1	Pages 3-4	Dated July 1, 1997



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less than 0.20 m³/tree. Other similarly restricted licences may also use these AMVs at the Regional Manager's discretion. Cutting authorities meeting this criteria will use lumber AMVs listed under "AMVs for Licences which Require Utilization of Small Logs" which is included in the quarterly stumpage parameters published by Revenue Branch.

The selection of AMV Zone 25 will only affect AMVs and will be made at the time of appraisal or reappraisal. Lumber recovery factors and manufacturing costs will continue to be determined by zonation based on point of appraisal.

3. Stud Lumber AMVs

Studs are defined as all lumber which is less than 10 feet (approx. 3.25 m) in length, and which has a nominal thickness and width of 2 inches x 6 inches (approximately 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".

4. Random Lumber AMVs

Random AMVs are compiled for all species.

3.1.1 Application of Lumber Average Market Values

Application of the Small Log, Licences which require Utilization of Small Logs, and 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 AMV zones.

3.2 Chip Average Market Values

Monthly market value information is obtained and compiled by Revenue 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.

Burned Timber

In the case of burned timber, the burn percent is used to reduce the selling price of the stand by assigning a zero value to the estimated chip recovery of the burned wood. This is to compensate for an increased manufacturing cost, lower lumber and chip recovery, and lower lumber and chip average market values associated with processing burned timber.

$$\text{Burn Percent} = \frac{\text{BT m}^3}{\text{Total m}^3} *$$

where

$$\begin{aligned} \text{BT m}^3 &= \text{volume of light, moderate and heavily fire-damaged timber} \\ \text{Total m}^3 &= \text{total volume inclusive of burned wood} \end{aligned}$$

The only other adjustment to the appraisal is for heavily fire damaged timber and is covered under Section 4.4.4 (Tree to Truck Additive for Damaged Timber).