



MEMORANDUM

File: 195-30/IAPP

October 1, 1998

To: Regional Managers

From: The Honourable David Zirnhelt
Minister of Forests

Re: *Interior Appraisal Manual*

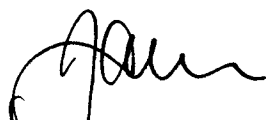
I hereby approve Amendment No. 2 to the *Interior Appraisal Manual*, and attach a copy for your use. The following sections are amended:

Section 1.3.1 Insert "community forest agreement".

Section 2.5 Removes Lillooet as a point of appraisal now that the sawmill is dismantled. Housekeeping move of Squamish and Boston Bar from Zone 7 to Zone 8.

Section 4.5.3.3 Correction of wording. Insert "or a dam transfer is required."

This amendment will come into force on October 1, 1998.



David Zirnhelt
Minister

Attachments

pc: Bill Howard, Director, Revenue Branch

All Subscribers, *Interior Appraisal Manual*



FOR FURTHER INFORMATION CONTACT:

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MANUAL TITLE

Interior Appraisal Manual

REVISION No.

Amendment No. 2

ISSUE DATE

October 1, 1998

MANUAL CO-ORDINATOR

Judy Laton
Revenue Branch

AUTHORIZATION (Name, Title)

W. Howard
Director, Revenue Branch

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

ACTION (Remove/Insert)	(VOL.) CHAPTER-SECTION-SUBJECT	PAGE(S)	COMMENTS
	TABLE OF CONTENTS		
REMOVE	Chapter 1	3 - 4	
INSERT	Chapter 1	3 - 4	
REMOVE	Chapter 2	11 - 12	
INSERT	Chapter 2	11 - 12	
REMOVE	Chapter 4	39 - 40	
INSERT	Chapter 4	39 - 40	
INSERT	Transmittal Sheet & Minister's Letter		Behind Amendment Tab

1.2 Area of Application

This manual applies to the "Interior", which is defined as the entire province of British Columbia, excluding 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 definition. 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" is defined as:

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 (a tree farm licence cutting authority may include more than one cutting authority area),
 - d. a community forest agreement,
 - e. a woodlot licence, or
 - f. a timber licence.
2. A timber sale licence under which cutting permits have not or will not be issued.
3. A licence to cut.
4. A road permit.

1.3.1 Cutting Authority Area

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

1. may be harvested under a cutting authority, and
2. has a unique timber mark.

2.5 Point of Appraisal

The appraiser must select the point of appraisal, from the list below, which will produce the least total harvesting and delivery 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 nearest the point of appraisal and produces the least total harvesting and delivery cost estimate. The appraiser must then assume manufacturing costs and average market values for the zone relative to 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. A sawmill does not have to be physically capable of producing lumber and chips from all the wood appraised to that site. A sawmill is considered capable of producing lumber and chips unless it has been damaged by fire or a destructive force of nature. A damaged sawmill will not be considered a location at a point of appraisal if it has not been repaired within three months of the damage. It will be reconsidered as a location at a point of appraisal on the first day of the next stumpage quarter once it is capable of producing lumber and chips again.

The logs are deemed to have reached the point of appraisal once they have entered the site, commonly the weight scale, upon which the sawmill is located. All further log handling costs except scaling (see Section 4.8) are deemed to be part of the manufacturing cost estimate.

Table 2-1 Points of Appraisal

Northern Interior (Zone 5, 15, 25 & 35)			
Bear Lake	Fort St. James	Mackenzie	Smithers
Burns Lake	Fraser Lake	Prince George	Strathnaver
Clear Lake	Houston	Quesnel	Upper Fraser
Engen	Isle Pierre		Vanderhoof
Skeena (Zone 6, 16, 25 & 36)			
Terrace	Carnaby	Hazelton	Kitwanga
Southern Interior (Zone 7, 17, 25 & 37) (prior to October 1, 1998)			
Adams Lake	Creston	Lumby	Revelstoke
Armstrong	Elko	McBride	Slocan
Boston Bar	Galloway	Merritt	Squamish
Canal Flats	Grand Forks	Midway	Thrums
Canoe	Kamloops	Okanagan Falls	Valemount
Castlegar	Kelowna	Park Siding	Vavenby
Craigellachie	Lavington	Princeton	Westbank
Cranbrook	Louis Creek	Radium	Ymir

Southern Interior (Zone 7, 17, 25 & 37) (on or after October 1, 1998)				
Adams Lake	Elko	McBride	Slocan	
Armstrong	Galloway	Merritt	Thrms	
Canal Flats	Grand Forks	Midway	Valemount	
Canoe	Kamloops	Okanagan Falls	Vavenby	
Castlegar	Kelowna	Park Siding	Westbank	
Craigellachie	Lavington	Princeton	Ymir	
Cranbrook	Louis Creek	Radium		
Creston	Lumby	Revelstoke		
Southern Cariboo (Zone 8, 18, 25 & 38) (prior to October 1, 1998)				
100 Mile House	Chasm	Lillooet	Lytton	Williams Lake
South Cariboo (Zone 8, 18, 25 & 38) (on and after October 1, 1998)				
100 Mile House	Chasm	Lytton	Squamish	Williams Lake
				Boston Bar
Fort Nelson - Peace (Zone 9, 19 & 25)				
Chetwynd	Fort Nelson	Fort St. John	Taylor	

4.5.2 Truck Haul Cost Estimates

4.5.2.1 Primary Haul

The primary truck haul cost estimate is determined from the following equation.

1. Highway Haul

For all highway haul equations if the CT is greater than 0 then the minimum is \$1.00/m³.

$$\$/\text{m}^3 = \text{CONSTANT} + (1.94 * \text{CT}) - (1.46 * \text{BA}\%/100) - (2.89 * \text{CE}\%/100) - (1.30 * \text{FI}\%/100) + (1.41 * \text{HE}\%/100) - (1.39 * \text{LO}\%/100) - (2.04 * \text{SP}\%/100) - (2.69 * \text{WH}\%/100)$$

Where REGION	:	Nelson	P. Rupert	FNP	Other
CONSTANT	=	1.70	2.11	1.67	1.30

If:

CT = 0 then \$/m³ = 0.

2. Off-Highway Haul

For all off-highway haul equations if CT is greater than 0 then the minimum is \$1.34/m³.

$$\$/\text{m}^3 = \text{CONSTANT} + (1.46 * \text{CT}) - (0.016 * (\text{CT})^2) - (0.36 * \text{SP}\%/100)$$

Where REGION	:	Cariboo	P. Rupert	P. George (Excluding FNP)	Other
CONSTANT	=	0.45	0.37	0.26	1.00

If:

CT = 0 then \$/m³ = 0.

Where: CT Cycle time to the nearest 0.1 hour

BA = Balsam

LO = Lodgepole Pine

CE = Cedar

SP = Spruce

HE = Hemlock

WH = White Pine

FI = Douglas Fir

For both hauling equations, the species listed are the species percents taken from the appraisal data sheet to the nearest 1.0%.

4.5.2.2 Secondary Haul

The secondary haul cost estimate is made when logs must be truck hauled between the dewater and reload site to the appraisal point.

$$$/m^3 = 1.857 * CT$$

CT for the secondary haul is determined using the method described in Section 4.5.1(1).

4.5.3 Water Transportation Cost Estimate

A water transportation cost estimate is made when logs must be transported by water between the cutting authority and the point of appraisal or reload. The estimate includes the costs of strapping logs on the truck, dumping, booming, developing and operating dumping and booming grounds, and towing. The cost estimate for reservoir lakes applies to all marine appraisals and to Arrow, Kinbasket, Ootsa, Revelstoke and Williston Lakes. All other lakes receive the natural lake cost estimate.

1. Dump and Boom:

Reservoir Lakes and Marine:	\$3.58
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Natural Lakes:	\$2.19
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2. Tow:

All	$$/m^3 = 0.3284 + 0.007731 * d$
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Where; d = one-way tow distance in kilometres

3. Dewater and Reload:

All	\$2.45
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Only considered if the mill infeed is not located on the same lake, or a dam transfer is required. Otherwise dewatering is part of 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