

File: 195-30/IAPP

OCT 30 2001

To: Regional Managers - Interior

From: The Honourable Michael de Jong
Minister of Forests

Re: **Amendment No. 4 to the *Interior Appraisal Manual***

I hereby approve Amendment No. 4 to the *Interior Appraisal Manual*, and attach a copy for your use. The following sections have been amended:

Section 4.6, Road Maintenance: In Table 4-7, change the Fort Nelson estimate to \$4.00 per cubic metre.

Section 4.8.1, Overhead: In Table 4-8, change the Fort Nelson estimate to \$7.28 per cubic metre.



This amendment will come into force on November 1, 2001. Further amendments or revisions to this manual require my approval.


for Michael de Jong
Minister

Attachment

pc: Bill Howard, Director, Revenue Branch

All Subscribers, *Interior Appraisal Manual*



FOR FURTHER INFORMATION CONTACT:

John Cook
Sr. Timber Pricing Forester (Interior)
Revenue Branch
Ministry of Forests
PO Box 9511 Stn Prov Govt
Victoria, B.C. V8W 9C2
Phone: 356-7675
E-mail: John.Cook@gems2.gov.bc.ca
FAX: 387-5670

MANUAL TITLE

Interior Appraisal Manual

REVISION No.

4

ISSUE DATE

November 1, 2001

PUBLICATIONS CO-ORDINATOR

Judy Laton
Revenue Branch

AUTHORIZATION (Name, Title)

W. Howard
Director, Revenue Branch

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

ACTION (Remove/Insert)	(VOL.) CHAPTER-SECTION-SUBJECT	PAGE(S)	COMMENTS
	TABLE OF CONTENTS		
REMOVE	Chapter 4 – Operating Cost Estimation	4-45 to 4-48	
INSERT	Chapter 4 – Operating Cost Estimation	4-45 to 4-48	

Region	TFL #	TSA	TSA #	Supply Block	\$/m3
Prince George		Dawson Creek	41	All	1.86
		Fort Nelson	8	All	4.00
		Fort St. John	40	All	3.05
		Mackenzie	16	All	2.34
		Prince George	24	A, B, C	1.53
		Prince George	24	D	1.34
		Prince George	24	E, F, I	1.45
		Prince George	24	G, H	4.20
		Robson Valley	17	All	2.30
	48				1.86
	30				1.45
	53				4.20
	42				1.53
Region Avg.:					1.90

Region	TFL #	TSA	TSA #	Supply Block	\$/m3
Nelson		Arrow	1	All	3.10
		Boundary	2	All	2.34
		Cranbrook	5	All	1.76
		Golden	7	All	4.35
		Invermere	9	All	2.10
		Kootenay Lake	13	All	3.13
		Revelstoke	27	All	3.04
	3				3.10
	23				3.10
	8				2.34
	14				2.10
	55				3.04
	56				3.04
Region Avg.:					2.61

Note: TFL 13 has been rolled into a Forest Licence and therefore dropped from the table.

Region	TFL #	TSA	TSA #	Supply Block	\$/m3
Cariboo		Quesnel	26	A, B, C, D	0.53
		Quesnel	26	E, F, G, H, I	1.13
		Williams Lake	29	A, B, C, D, E, I	0.97
		Williams Lake	29	F, G, H, J	1.09
		Williams Lake	29	K, L	1.12
		Williams Lake	29	M, N	2.53
		100 Mile House	23	All	1.37
	5				0.53
	52				1.13
	Region Avg.:				1.04

4.7 Road and Land Use Charges

Prior to a road or land use charge being included in an appraisal, the licensee must:

- a. submit a "Request for Approval of a Road Use Charge" form with the Appraisal Data Submission; and
- b. receive written approval of the road or land use charge from the Regional Manager.

1. Charges as a Share of Road Maintenance

- a. No recognition is made of such charges. The routine road maintenance cost estimate, Section 4.6, 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 main categories of road status:

a. Forest Service Roads

A road that is declared, determined, built, maintained or modified by the ministry, as defined in forest legislation. No road use charges will be considered in appraisals,

b. Permitted Roads

Roads built on Crown land, authorized by road permit or other cutting authority documents. This category also includes foreshore leases, camp areas and dryland sorts. No road use charges will be considered in appraisals,

c. Other Roads

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

The charges recognized must be reasonable, must not exceed compensation that might be determined under forest legislation and must be proven through the presentation of auditable documents.

3. Other Land Use Charges

Only non-governmental land use charges will be considered in appraisals.

4.8 Administration and Other Costs

4.8.1 Overhead

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

Overhead costs include:

- Office Operations,
- Scaling,
- Cruising,
- Environmental Protection,
- Consultants fees (Section 4.3.3),
- Archaeological surveys,
- Waste and Residue surveys,
- Right-of-way easements,
- Foreshore and other land leases,
- Tree marking Beetle probing & Pheromone baiting,
- Engineering (road layout, survey (including geotechnical surveys), and design), other than those applicable as Engineered Cost Estimate.

Cost estimates by forest district are shown in the following table:

Table 4-8 Overhead Cost Estimates

District	\$/m ³	District	\$/m ³
100 Mile House	7.17	Kispiox	7.50
Arrow	10.10	Kootenay Lake	10.31
Boundary	7.79	Lakes	6.66
Bulkley (Cassiar)	6.73	Lillooet	11.08
Chilcotin	6.48	Mackenzie	6.83
Clearwater	9.09	Merritt	7.20
Columbia (Golden, Revelstoke)	12.24	Morice	6.59
Cranbrook	8.09	Penticton	7.55
Dawson Creek	7.30	Prince George	6.85
Fort Nelson	7.28	Quesnel	6.95
Fort St. James	6.78	Robson Valley	9.37
Fort St. John	6.40	Salmon Arm	8.47
Horsefly	7.09	Vanderhoof	6.61
Invermere	9.43	Vernon	7.53
Kalum	10.84	Williams Lake	7.45
Kamloops	7.65		