



REVENUE BRANCH

# **Interior Appraisal Manual**

## **Effective November 1, 2004**

---

Cost Base  
Woods: July 1, 2001  
Manufacturing: July 1, 2001



**BRITISH  
COLUMBIA**

This manual is intended for the use of individuals or companies when conducting business with the British Columbia Government. Permission is granted to reproduce them for such purposes. This manual and related documentation and publications, are protected under the *Federal Copyright Act*. They may not be reproduced for sale or for other purposes without the express written permission of the Province of British Columbia.



# Table of Contents

## 1 Introduction

|                                                       |     |
|-------------------------------------------------------|-----|
| 1.1 Conventions and Terms of Reference .....          | 1-2 |
| 1.1.1 Terms and Conventions.....                      | 1-2 |
| 1.1.2 Terms of Reference .....                        | 1-2 |
| 1.2 Area of Application.....                          | 1-3 |
| 1.3 Cutting Authority .....                           | 1-4 |
| 1.3.1 Cutting Authority Area.....                     | 1-4 |
| 1.3.2 Cutblocks within a Cutting Authority Area ..... | 1-4 |
| 1.4 Responsibility for Stumpage .....                 | 1-5 |
| 1.5 Market Pricing System .....                       | 1-6 |
| 1.6 Comparative Value Timber Pricing .....            | 1-7 |
| 1.7 CVP Stumpage Adjustments.....                     | 1-8 |

## 2 Appraisal Principles and Procedures

|                                                                                          |      |
|------------------------------------------------------------------------------------------|------|
| 2.1 Types of Determination.....                                                          | 2-2  |
| 2.2 Appraisal Procedure .....                                                            | 2-3  |
| 2.3 Redeterminations and Reappraisals .....                                              | 2-5  |
| 2.3.1 Redetermination of Stumpage Rate by Agreement .....                                | 2-5  |
| 2.3.2 Reappraisals .....                                                                 | 2-5  |
| 2.3.2.1 Changed Circumstances .....                                                      | 2-5  |
| 2.3.2.2 Annual Reappraisal for Road Permits and Blanket Salvage<br>Cutting Permits ..... | 2-7  |
| 2.3.2.3 Minister's Direction .....                                                       | 2-7  |
| 2.3.2.4 Mathematical Error .....                                                         | 2-7  |
| 2.4 Changed Circumstance Reappraisal Procedure.....                                      | 2-9  |
| 2.4.1 Effective Date of Changed Circumstance Reappraisal .....                           | 2-10 |
| 2.4.2 Minister Directed Reappraisal Procedure.....                                       | 2-10 |
| 2.5 Fixed Stumpage Rate and Extension of Term.....                                       | 2-11 |
| 2.6 Point of Appraisal.....                                                              | 2-13 |
| 2.6.1 Method of Transportation to be Used in Determining Point of<br>Appraisal .....     | 2-14 |
| 2.7 Calculation Conventions .....                                                        | 2-15 |

### 3 Interior Selling Prices

|                                                            |     |
|------------------------------------------------------------|-----|
| 3.1 Lumber Average Market Values .....                     | 3-2 |
| 3.1.1 Application of Lumber Average Market Values .....    | 3-4 |
| 3.1.2 Lumber Average Market Value Zones .....              | 3-4 |
| 3.2 Chip Average Market Values .....                       | 3-5 |
| 3.3 Calculation of Species End Product Selling Price ..... | 3-6 |

### 4 Operating Cost Estimation

|                                                                                                             |      |
|-------------------------------------------------------------------------------------------------------------|------|
| 4.1 Cost Estimates .....                                                                                    | 4-2  |
| 4.1.1 Specified Operations .....                                                                            | 4-3  |
| 4.2 Appraisal Data Requirements .....                                                                       | 4-4  |
| 4.2.1 Comparative Cruising .....                                                                            | 4-5  |
| 4.2.2 Appraisal Data Submission .....                                                                       | 4-5  |
| 4.2.3 Appraisal Map .....                                                                                   | 4-5  |
| 4.3 Development .....                                                                                       | 4-6  |
| 4.3.1 Development Cost Categories .....                                                                     | 4-7  |
| 4.3.1.1 Development Cost Allocation .....                                                                   | 4-9  |
| 4.3.1.1.1 Development Cost Estimates on Crown Lands .....                                                   | 4-9  |
| 4.3.1.1.2 Development Cost Estimates for Full Appraisal on<br>Timber Licence (TL) Cutting Authorities ..... | 4-10 |
| 4.3.1.1.3 Development Cost Estimates on Private Land .....                                                  | 4-10 |
| 4.3.1.1.4 Existing Roads and Structures .....                                                               | 4-10 |
| 4.3.1.1.5 Extended Road Amortization .....                                                                  | 4-11 |
| 4.3.2 Tabular Cost Estimates .....                                                                          | 4-11 |
| 4.3.2.1 Subgrade Construction .....                                                                         | 4-12 |
| 4.3.2.2 Subgrade Construction Variables .....                                                               | 4-12 |
| 4.3.2.3 Subgrade Cost Estimate .....                                                                        | 4-14 |
| 4.3.2.4 Drainage Structures .....                                                                           | 4-17 |
| 4.3.2.5 Additional Stabilizing Material .....                                                               | 4-19 |
| 4.3.2.6 Cattle Guards, Remedial Fences and Pipeline Crossings .....                                         | 4-21 |
| 4.3.3 Detailed Engineering Cost Estimates .....                                                             | 4-21 |
| 4.3.3.1 Trending of Detailed Engineering Costs .....                                                        | 4-24 |
| 4.4 Tree-to-Truck .....                                                                                     | 4-25 |
| 4.4.1 Harvesting Methods .....                                                                              | 4-25 |
| 4.4.2 Tree-to-Truck Variables .....                                                                         | 4-26 |
| 4.4.3 Tree-to-truck Cost Estimate .....                                                                     | 4-30 |
| 4.4.4 Tree-to-Truck Additive for Damaged Timber .....                                                       | 4-33 |
| 4.4.5 Prorating Tree-to-Truck Cost Estimates .....                                                          | 4-34 |
| 4.5 Log Transportation .....                                                                                | 4-35 |
| 4.5.1 Truck Haul Variables .....                                                                            | 4-35 |
| 4.5.2 Truck Haul Cost Estimates .....                                                                       | 4-37 |
| 4.5.2.1 Primary Haul .....                                                                                  | 4-37 |

|                                                |      |
|------------------------------------------------|------|
| 4.5.2.2 Secondary Haul .....                   | 4-38 |
| 4.5.3 Water Transportation Cost Estimate ..... | 4-38 |
| 4.5.4 Special Transportation Systems .....     | 4-39 |
| 4.6 Road Management.....                       | 4-41 |
| 4.7 Road and Land Use Charges .....            | 4-44 |
| 4.8 Administration and Other Costs .....       | 4-45 |
| 4.8.1 Overhead .....                           | 4-45 |
| 4.8.2 Isolated Cutting Authority Areas.....    | 4-46 |
| 4.8.3 Low Volume Cost Estimate .....           | 4-46 |
| 4.9 Basic Silviculture Cost Estimate .....     | 4-47 |
| 4.10 Manufacturing Cost Estimates .....        | 4-51 |
| 4.10.1 Grade 3 Pine Interim Adjustment.....    | 4-54 |
| 4.11 Cost Trend.....                           | 4-56 |

## 5 Stumpage Rate Determination

|                                                                   |     |
|-------------------------------------------------------------------|-----|
| 5.1 Indicated Stumpage Rate (ISR).....                            | 5-2 |
| 5.2 Value Index .....                                             | 5-3 |
| 5.3 Interior Mean Value Index .....                               | 5-4 |
| 5.4 Market Value Indexing.....                                    | 5-5 |
| 5.4.1 Converting Indexes From 1997=100 Base to 1992=100 Base..... | 5-5 |
| 5.4.2 Calculating the Interior Composite Index (ICI) .....        | 5-5 |
| 5.4.3 Calculating the Interior Target Rate .....                  | 5-5 |
| 5.5 Interior Base Rate (IBR).....                                 | 5-7 |
| 5.6 Calculation of Stumpage Rate.....                             | 5-8 |
| 5.6.1 Calculation of Indicated Stumpage Rate .....                | 5-8 |
| 5.6.2 Prescribed Minimum Stumpage Rate.....                       | 5-8 |
| 5.6.3 Reserve Stumpage Rate.....                                  | 5-8 |
| 5.6.4 Upset Stumpage Rate .....                                   | 5-8 |
| 5.6.5 Total Stumpage Rate .....                                   | 5-8 |

## 6 Miscellaneous Timber Pricing Policies

|                                                                       |      |
|-----------------------------------------------------------------------|------|
| 6.1 Average Stumpage Rates by Forest Zone and Species.....            | 6-2  |
| 6.2 Cutting Authorities With 5 000 m <sup>3</sup> or Less Volume..... | 6-3  |
| 6.3 Road Permits .....                                                | 6-5  |
| 6.3.1 Blanket Salvage Cutting Permits.....                            | 6-6  |
| 6.4 Salvage Timber Stumpage Rates.....                                | 6-7  |
| 6.5 Partially Harvested Timber .....                                  | 6-9  |
| 6.6 BC Timber Sales (BCTS).....                                       | 6-10 |
| 6.7 Levies (CVP only).....                                            | 6-11 |
| 6.8 Miscellaneous Stumpage Rates.....                                 | 6-12 |
| 6.8.1 Special Forest Products and Other Miscellaneous Rates .....     | 6-12 |
| 6.8.2 Miscellaneous Stumpage Rates for Timber Licences .....          | 6-14 |

## 7 Market Pricing System

|                                                         |      |
|---------------------------------------------------------|------|
| 7.1 MPS Introduction .....                              | 7-2  |
| 7.2 MPS Principles and Procedures .....                 | 7-3  |
| 7.2.1 MPS Appraisals .....                              | 7-3  |
| 7.2.2 MPS Stumpage Adjustments .....                    | 7-3  |
| 7.2.3 Reappraisals for MPS Appraisals .....             | 7-3  |
| 7.2.4 Methodology .....                                 | 7-3  |
| 7.3 MPS Selling Prices .....                            | 7-5  |
| 7.3.1 MPS Lumber Average Market Values .....            | 7-5  |
| 7.3.2 Calculation of Species Lumber Selling Price ..... | 7-5  |
| 7.4 Market Stumpage Price Calculation .....             | 7-7  |
| 7.4.1 Market Stumpage Price Variables .....             | 7-7  |
| 7.4.2 Market Stumpage Price Equation .....              | 7-9  |
| 7.5 MPS Stumpage Rate .....                             | 7-10 |
| 7.5.1 MPS Upset Stumpage Rate .....                     | 7-10 |
| 7.5.2 Upset Stumpage Rate Calculation .....             | 7-11 |
| 7.5.3 Prescribed Minimum Stumpage Rate .....            | 7-11 |
| 7.5.4 Total MPS Stumpage Rate .....                     | 7-11 |

## Appendices

|                                                                                      |      |
|--------------------------------------------------------------------------------------|------|
| Appendix I Equipment and Labour Rates .....                                          | A-2  |
| Appendix II Development Cost Allocation .....                                        | A-4  |
| Appendix III Relative Soil Moisture to Absolute Soil Moisture Conversion Table ..... | A-5  |
| Appendix IV Map Content .....                                                        | A-11 |
| Appendix V Seismic Clearance Line Definitions .....                                  | A-12 |

## Index

## Tables

|                                                                                                                                       |      |
|---------------------------------------------------------------------------------------------------------------------------------------|------|
| Table 2-1 Points of Appraisal.....                                                                                                    | 2-13 |
| Table 3-1 LRF Update Add-ons and Combined Product Recovery Factors .....                                                              | 3-7  |
| Table 3-2 Chip Yield Factors .....                                                                                                    | 3-9  |
| Table 3-3 Shipping Differentials.....                                                                                                 | 3-10 |
| Table 3-4 Manufacturing Cost Differential.....                                                                                        | 3-10 |
| Table 4-1 Specified Operations.....                                                                                                   | 4-3  |
| Table 4-2 Standard Timber Merchantability Specifications .....                                                                        | 4-4  |
| Table 4-3 Road Groups .....                                                                                                           | 4-16 |
| Table 4-4 Culvert Appraisal Cost Estimates.....                                                                                       | 4-18 |
| Table 4-5 Trend Factors for ECE Costs .....                                                                                           | 4-24 |
| Table 4-6 Rail Log Transportation.....                                                                                                | 4-40 |
| Table 4-7 Road Management Cost Estimates .....                                                                                        | 4-42 |
| Table 4-8 Overhead Cost Estimates .....                                                                                               | 4-45 |
| Table 4-9 BGC Silviculture Cost Estimates.....                                                                                        | 4-48 |
| Table 4-10 Untrended Manufacturing Cost Estimates .....                                                                               | 4-52 |
| Table 4-11 Grade 3 Pine Interim Adjustments.....                                                                                      | 4-55 |
| Table 6-1 Average Sawlog Stumpage Rates by Forest Zone and Species (\$/m <sup>3</sup> ).....                                          | 6-2  |
| Table 6-2 Average Sawlog Stumpage Rates for Salvage of Damaged Timber<br>by Forest Zone and Species (\$/m <sup>3</sup> ).....         | 6-8  |
| Table 6-3 Average Sawlog Stumpage Rates for Salvage of Post Harvest<br>Material by Forest Zone and Species (\$/m <sup>3</sup> ) ..... | 6-8  |
| Table 6-4 Miscellaneous Stumpage Rates.....                                                                                           | 6-13 |
| Table 7-1 LRF Update Add-ons for MPS .....                                                                                            | 7-6  |

This page is intentionally left blank.

# Introduction

---

**1**

## 1.1 Conventions and Terms of Reference

### 1.1.1 Terms and Conventions

|            |                |                                                                                                                                                            |
|------------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Procedures | <i>Italics</i> | Indicate the formal name of a document.<br><br>e.g. <i>Forest Act, Interior Appraisal Manual</i>                                                           |
|            | Headings       | 1. = Chapter<br>1.1 or 1.1.1.1 = Section of chapter 1<br>1.1.1.1, (2) = Section within chapter 1, with subsection.<br>Table 4-2 = Table 2 within chapter 4 |

### 1.1.2 Terms of Reference

The *Forest Act*, sections 103 to 108, and regulations provide the statutory authority for the determination of stumpage for Crown timber.

The *Forest Act*, section 105, 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, contains the policies and procedures for determining stumpage rates charged for Crown timber harvested in the area described in section 1.2.

The data used in the manual is based on a broad sampling of timber harvesting, silviculture, and 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 that geographic area included within the Northern and Southern Interior Forest Regions, as established by the *Forest Act* and Regulations under the *Forest Act*, and Manning Park.

### **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,
  - d. a community forest agreement,
  - e. a woodlot licence,
  - f. a timber licence,
  - g. a community salvage licence, or
  - h. a master licence to cut.
2. A timber sale licence under which cutting permits have not or will not be issued.
3. All other licences to cut.
4. A road permit.

#### **1.3.1 Cutting Authority Area**

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

1. Timber may be harvested from, under a cutting authority, and
2. Has a unique timber mark.

#### **1.3.2 Cutblocks within a Cutting Authority Area**

Cutblocks included in a single cutting authority area should constitute a logical unit.

The cutblocks must be:

1. Within the same forest district, and
2. Tributary to a common point of appraisal, and
3. Must not exceed a maximum distance of ten kilometres between the furthest boundaries of the furthest cutblocks, except when required for bark beetle epidemic blanket salvage.

## 1.4 Responsibility for Stumpage

For the purposes of section 105 of the *Forest Act*, the following employees of the ministry are authorized to determine, redetermine and vary stumpage rates.

- regional manager, regional timber pricing co-ordinator, an employee of the regional revenue section designated by the regional manager, and
- director, Revenue Branch, Ministry of Forests and an employee of Revenue Branch.

## **1.5 Market Pricing System**

The Market Pricing System (MPS), subject to a minimum stumpage rate, is the basis for determining stumpage rates for Timber Sale Licences awarded under sections 20, 21, and 47.6(3) of the *Forest Act* after January 1, 1999.

## 1.6 Comparative Value Timber Pricing

Comparative Value Pricing (CVP), subject to the minimum stumpage rate, is the basis for determining stumpage rates for all cutting authorities except those specified under section 1.5. Sections 2.1 (2), (3) and (4) provide the methods that are used for specific products and extraordinary situations.

One component of CVP is the determination of the average stumpage rate for the interior. The stumpage rate for a given stand of timber is more or less than the pre-set average rate (Interior Target Rate) (see chapter 5) depending upon whether the stand value index is more or less valuable than the average stand's value index. To determine the value index of the stand 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 least total cost necessary to harvest and deliver timber to a point of appraisal then add the manufacturing cost for that point of appraisal (see chapter 2 and 4).
3. Determine the Value Index (see chapter 5) of the timber stand by subtracting the estimated operating cost from the estimated selling price.
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 (see chapter 5) by selecting:
  - a. the greater of the indicated stumpage rate or the prescribed minimum stumpage rate, or
  - b. for an appraised cutting authority area containing timber licence volume, the greater of the adjusted indicated stumpage rate or the prescribed minimum stumpage rate.
6. Determine the upset stumpage rate by adding any development, silviculture, and administration levies (see section 6.7) to the reserve stumpage rate.
7. Determine the total stumpage rate by adding any bonus bid to the upset stumpage rate.

One stumpage rate is determined for all appraised timber in each cutting authority area with the exception of miscellaneous stumpage rates as specified under section 6.8.

The average stumpage rate for the interior is indexed to lumber market values as explained in chapter 5.

## **1.7 CVP 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, stumpage rates are adjusted quarterly on January 1, April 1, July 1, and October 1, of each year, and August 1, 2005, subject to section 6.6.

Each quarterly stumpage adjustment will be calculated using stumpage appraisal parameters approved by the director, Revenue Branch.

Stumpage appraisal parameters are:

- i. Statistics Canada interior composite index,
- ii. Interior target rate,
- iii. Interior base rate,
- iv. Interior mean value index.

The adjusted stumpage rates reflect changes in estimated selling prices and lumber recovery factor update add-ons (as authorized in this manual since the previous adjustment), and the recalculated logging and silviculture costs based on the appropriate trend factors shown in section 4.11. The manufacturing costs used in the adjustment will be those authorized in this manual since the previous adjustment. In addition, the adjustment reflects changes in the Statistics Canada Interior Softwood Lumber Index, the Statistics Canada Pulpwood Chip Index for British Columbia, the Interior Base Rate and the Interior Mean Value Index.

# **Appraisal Principles and Procedures**

---

**2**

## **2.1 Types of Determination**

Stumpage rates are determined, redetermined or varied by:

1. An appraisal, reappraisal or quarterly adjustment using the comparative value pricing system,
2. an appraisal, reappraisal or quarterly adjustment using the market pricing system,
3. an Order-in-Council under the *Forest Act*, section 105, or
4. a procedure identified in chapter 6 of this manual.

## 2.2 Appraisal Procedure

1. An appraisal is a process used to determine a stumpage rate for a cutting authority area using the *Interior Appraisal Manual* in effect on the effective date of the cutting authority.
2. A licensee or BC Timber Sales (BCTS) shall submit an interior appraisal data submission and map (Appendix IV) to the district manager when the licensee or BCTS makes an application for a cutting authority.
3. The licensee or BCTS shall submit to the district manager any other information required by the district manager or their designate for the purposes of the appraisal.
4. The submissions under subsections (2) and (3) of this section must be signed by a registered professional forester (RPF) or registered forest technologist (RFT), registered with the Association of British Columbia Forest Professionals.
5. The district manager or their designate may review the licensee or BCTS submission and will notify the licensee or BCTS, in writing, of any omissions, errors or provisions of the *Interior Appraisal Manual* that, in the opinion of the district manager or their designate, the signing RPF or RFT may not have considered. The licensee or BCTS signing RPF or RFT will consider the district manager's or their designate's notification and may revise the submission.
6. The district manager or their designate shall give any information supplied by the licensee or BCTS under this section to the person who determines the stumpage rate together with any other information that the district manager or their designate considers relevant to the appraisal.
7. The person who determines the stumpage rate may review the licensee or BCTS submission and information supplied by the district manager or their designate, and will notify the licensee or BCTS, in writing, of any omissions, errors or provisions of the *Interior Appraisal Manual* that, in the opinion of the person who determines the stumpage rate, the signing RPF or RFT may not have considered. The licensee or BCTS signing RPF or RFT will consider the notification and may revise the submission.
8. The person who determines the stumpage rate shall consider, when determining the stumpage rate:
  - a. the information provided by the licensee or BCTS and the district manager or their designate, and
  - b. any information available to the person who determines the stumpage rate that is relevant to the appraisal.

9. Regional staff will notify the licensee of the total stumpage rate by way of a stumpage advisory notice. Regional staff will advise BCTS of the upset stumpage rate. Once the timber sale has been auctioned regional staff will notify the successful bidder of the total stumpage rate by way of a stumpage advisory notice. Regional staff will also provide the licensee or BCTS with a summary of the information used to determine the stumpage rate or upset stumpage rate.

## 2.3 Redeterminations and Reappraisals

### 2.3.1 Redetermination of Stumpage Rate by Agreement

1. Where, within twenty-one days of the date of a Stumpage Advisory Notice, the person to whom the Notice has been sent and an employee of the Ministry of Forest authorized to redetermine a stumpage rate under section 1.4 of this manual agree, the stumpage rate set out in the Notice, hereinafter referred to as the original stumpage rate, may be redetermined by the employee, and the redetermined stumpage rate shall be effective on the effective date of the original stumpage rate.
2. The twenty-one day period referred to in subsection (1) of this section may be extended by agreement between the person to whom the Notice has been sent and the employee.

### 2.3.2 Reappraisals

1. A reappraisal is a process used to redetermine a stumpage rate for a cutting authority area using the *Interior Appraisal Manual* in effect on the effective date of the reappraisal.
2. Except as provided in section 2.3.2.1(1)(d), 2.3.2.2, and 2.3.2.3, a reappraisal is based on a complete reassessment of the cutting authority area at the time of the reappraisal, as if the area has been returned to the condition it was in prior to development or harvesting.
3. At the time of a reappraisal, initial detailed engineering cost estimates may be re-estimated once after construction utilizing information as specified in section 4.3.3. However, development costs originally estimated using ministry approved competitive bids are not re-estimated in a reappraisal.

#### 2.3.2.1 Changed Circumstances

1. In this section a changed circumstance means a circumstance where:
  - a. (i) The licensee plans to use a method of harvest to harvest at least fifteen percent of the volume of timber in the cutting authority area that is different from the method planned to be used for that timber at the time of the most recent appraisal or reappraisal of the cutting authority area, and
  - (ii) the different method of harvesting that is planned to be used:

- aa) when used in the changed circumstance reappraisal will produce the least cost total harvesting, development, and transportation cost estimate, and
    - bb) is different from the method of harvesting that was used in the most recent appraisal or reappraisal, or
  - b. there will be at least a fifteen percent change in the total appraised development cost estimate from the total development cost estimate used in the most recent appraisal or reappraisal due to changed site conditions upon reappraisal, or
  - c. land containing merchantable timber has been either added to or deleted from the cutting authority area since the most recent cruise compilation or recompilation was used in an appraisal or reappraisal that exceeds the lesser of
    - i. fifteen hectares, or
    - ii. fifteen percent of the area of the cutting authority area as it was prior to the addition or deletion of the land, or
  - d. at least fifteen percent of the volume of the appraised timber in a cutting authority area has been suddenly and severely damaged, unless the timber was damaged by a fire for which the licensee was responsible and the licensee failed to comply with any of section 75 through 95 of the *Forest Practices Code of British Columbia Act* or the *Forest Fire Prevention and Suppression Regulation*. Despite subsection 2.3.2(2) where the cutting authority area is reappraised because of sudden and severe damage the redetermined stumpage rate is based upon the remaining timber only. The reappraisal cost estimate for development takes into account volume of timber already removed from the cutting authority area. This subsection is applicable to cutting authorities with either a non-adjusting (fixed) stumpage rate or a quarterly adjusted stumpage rate.
2. The licensee must notify the district manager immediately of a changed circumstance.
  3. Where the district manager believes that a changed circumstance has occurred, the district manager will immediately notify the licensee of that belief.
  4. A cutting authority area other than a cutting authority area that is the subject of a road permit or a cutting authority area with a non-adjusting stumpage rate, must be reappraised when a changed circumstance has occurred.
  5. Where a cutting authority is reappraised because of a changed circumstance, any bonus bid in existence does not change and remains in effect.

### 2.3.2.2 Annual Reappraisal for Road Permits and Blanket Salvage Cutting Permits

Refer to section 6.3 or 6.3.1 respectively.

### 2.3.2.3 Minister's Direction

1. 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, and may specify criteria and procedures for the reappraisal.
2. A reappraisal directed by the Minister of Forests, may be a re-estimation of operating cost, lumber recovery factor, or selling price, or any combination of these, as may be directed by the Minister of Forests.

### 2.3.2.4 Mathematical Error

- a. If a government employee or contractor in the Ministry of Forests or a licensee (or employee or contractor of a licensee) becomes aware of what is or probably is a mathematical error in a stumpage determination, that person shall give written notice of the error ("the Notice") as follows:
  - i. in the case of appraisals and reappraisals, to the appropriate regional manager, and
  - ii. in the case of quarterly adjustments, to the director of Revenue Branch,
- b. the Notice shall describe the stumpage determination or determinations involved and shall describe the nature and cause of the error to the extent reasonably possible,
- c. upon receipt of the Notice, the regional manager or the director of Revenue Branch shall make the appropriate investigation to decide whether or not an error has, in fact, been made,
- d. if the regional manager or the director of Revenue Branch decides that an error has not been made, they shall notify the person who sent the Notice of the decision and the reasons for it,
- e. if the regional manager or director of Revenue Branch, decides that an error has been made, the following shall occur:
  - i. the regional manager or the director of Revenue Branch, shall notify the person who sent the Notice of the decision and the reasons for it,

- ii. the regional manager or the director of Revenue Branch, shall take reasonable steps to ensure that all licensees who have been affected by the error are informed of the Notice and of the nature and cause of the error,
  - iii. the cutting authority or authorities under which the error was made shall be reappraised or the quarterly stumpage adjustment recalculated to correct the error unless the cutting authority, the *Interior Appraisal Manual* or the application in tender for a timber sale licence specified that the stumpage rate is fixed, and
  - iv. the effective date of the redetermined rate shall be the first day of the month following the date on which the Notice was received by the regional manager or the director of Revenue Branch,
- f. if an error has occurred and no Notice has been given with respect to it, the Notice shall be deemed to have been given on the date on which the regional manager or the director of Revenue Branch, became aware of the error or probable error,
- g. no person who discovers or otherwise becomes aware of a mathematical error in a stumpage determination shall be obliged to send the Notice as required herein if that person, on reasonable grounds, believes that someone else has sent the Notice with respect to the same error,
- h. the redetermined rate does not apply to timber scaled before the first of the month following the date upon which the Notice was given. No remedy will be available with respect to timber scaled before the first of the month,
- i. in this section, a mathematical error is any of the following:
- i. an error in transcribing or compiling approved cruise field data, or in the application of approved loss factors and taper equations,
  - ii. an error in a calculation made as part of the appraisal data submission,
  - iii. an error in transcribing the data from an appraisal data submission or in performing the calculation specified in the manual, and
  - iv. 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.

Omission of data by the licensee on an approved appraisal data submission does not constitute an error in the appraisal.

## 2.4 Changed Circumstance Reappraisal Procedure

1. The licensee shall submit to the district manager an interior appraisal data submission and map if the cutting authority area must be reappraised because of a changed circumstance under section 2.3.2.1.
2. The licensee shall submit to the district manager any other information required by the district manager or their designate for the purposes of the reappraisal.
3. The submissions under subsections (1) and (2) of this section must be signed by a registered professional forester (RPF) or registered forest technologist (RFT), registered with the Association of British Columbia Forest Professionals.
4. The district manager or their designate may review the licensee's submission and will notify the licensee, in writing, of any omissions, errors or provisions of the *Interior Appraisal Manual* that, in the opinion of the district manager or their designate, the signing RPF or RFT may not have considered. The licensee's signing RPF or RFT will consider the district manager's or their designate's notification and may revise the submission.
5. The district manager or their designate shall give any information supplied by the licensee under this section to the person who determines the stumpage rate together with any other information that the district manager or their designate considers relevant to the appraisal.
6. The person who determines the stumpage rate may review the licensee's submission and information supplied by the district manager or their designate, and will notify the licensee, in writing, of any omissions, errors or provisions of the *Interior Appraisal Manual* that, in the opinion of the person who determines the stumpage rate, the signing RPF or RFT may not have considered. The licensee's signing RPF or RFT will consider the notification and may revise the submission.
7. The person who determines the stumpage rate shall consider, when determining the stumpage rate:
  - a. any information provided by the licensee and the district manager or their designate, and
  - b. any information available to the person who determines the stumpage rate that is relevant to the reappraisal.
8. Regional staff will notify the licensee of the reappraised stumpage rate in the form of a stumpage advisory notice and will provide the licensee with a summary of the information used to determine the reappraised stumpage rate.

**2.4.1 Effective Date of Changed Circumstance Reappraisal**

1. Except as provided in subsections (2) and (3) of this section, a reappraisal because of a changed circumstance is effective on the effective date of the most recent appraisal or reappraisal of the cutting authority area prior to the changed circumstance reappraisal:
2. Where the changed circumstance is because of an amendment to the cutting authority area referred to in subsection 2.3.2.1(1)(c), the reappraisal is effective on the first day of the month following the date that the district manager approves the amendment.
3. Where the changed circumstance is a result of sudden and severe damage referred to in subsection 2.3.2.1 (1)(d), the effective date of the reappraisal is the first day of the month following the date when the event that caused the sudden and severe damage stopped on the cutting authority area.

**2.4.2 Minister Directed Reappraisal Procedure**

1. The licensee shall submit to the district manager an interior appraisal data submission, and map, if requested by the district manager or their designate, within forty-five days of the minister's direction.
2. Thereafter, the ministerial direction reappraisal procedure shall be the same procedure as that required by subsections 2.4 (2) through 2.4 (8).

## 2.5 Fixed Stumpage Rate and Extension of Term

### BC Timber Sales (BCTS)

1. A fixed stumpage rate for a BCTS cutting authority means that the reserve stumpage rate, levies and bonus bids will not change during the term of the cutting authority and all extensions. Except where:
  - a. a reappraisal is done under section 2.3.2.1(1)(d) due to sudden and severe damage or
  - b. a reappraisal is done under section 2.3.2.3 because of a minister's direction.

### Woodlots

2. (a) The stumpage rate for a cutting authority issued under a woodlot licence shall be an adjusting stumpage rate unless:
  - (i) the stumpage rate for the cutting authority is changed to a non-adjusting stumpage rate under this subsection, or
  - (ii) the cutting authority is a road permit, or blanket salvage cutting permit, or
  - (iii) the stumpage rate has been determined under section 6.2(1)(a) or 6.4.
- (b) A licensee may choose to have an adjusting stumpage rate changed to a non-adjusting stumpage rate under this subsection by giving written notice to the regional timber pricing co-ordinator.
- (c) Where the licensee gives written notice to the regional timber pricing co-ordinator of that choice, the adjusting stumpage rate shall become a non-adjusting stumpage rate three (3) weeks after the regional timber pricing co-ordinator receives the notice.
- (d) On the date that the stumpage rate becomes a non-adjusting stumpage rate, the stumpage rate for the cutting authority continues to be the stumpage rate that was in effect on that date.
- (e) Where a stumpage rate is changed from an adjusting stumpage rate to a non-adjusting stumpage rate, the stumpage rate for the cutting authority shall not change for the term of the cutting authority and all extensions from the date that the stumpage rate is changed to a non-adjusting stumpage rate, except where the cutting authority area is reappraised under section 2.3.2.1(1)(d) or under section 2.3.2.3.

#### Zonal Average Sawlog Stumpage Rates

3. Where the stumpage rate has been determined under section 6.2 and the term of the cutting authority is extended, the stumpage rate shall continue unchanged during the term of the cutting authority.

#### Miscellaneous Stumpage Rates

4. Miscellaneous stumpage rates (section 6.8) will be based on the *Interior Appraisal Manual* in effect on the date of scale.

## 2.6 Point of Appraisal

The appraiser must select the point of appraisal, from Table 2-1, which will produce the least cost total harvesting and transportation estimate for the timber on the cutting authority area unless;

- i. five years have passed from the date that a milling facility was permanently rendered incapable of producing lumber and chips, and
- ii. it was the only milling facility associated with that point of appraisal.

In which case, the appraiser must select the next the point of appraisal, from Table 2-1, which will produce the least cost total harvesting and transportation estimate for the timber on the cutting authority area.

For the purposes of determining the least cost total harvesting and transportation estimate, the specific locations that were used in measurement of cycle time for each point of appraisal in Table 2-1 as of October 1, 2003, will continue to be used. The appraiser must then assume the manufacturing costs and average market values for the Zone relative to that point of appraisal.

**Table 2-1 Points of Appraisal**

|                                                |                                                         |                                       |                                                       |
|------------------------------------------------|---------------------------------------------------------|---------------------------------------|-------------------------------------------------------|
| Northern Interior (Zone 5, 15, 25 & 35)        |                                                         |                                       |                                                       |
| Bear Lake<br>Burns Lake<br>Clear Lake<br>Engen | Fort St. James<br>Fraser Lake<br>Houston<br>Isle Pierre | Mackenzie<br>Prince George<br>Quesnel | Smithers<br>Strathnaver<br>Upper Fraser<br>Vanderhoof |
| Skeena (Zone 6, 16, 25 & 36)                   |                                                         |                                       |                                                       |
| Terrace                                        | Carnaby                                                 | Hazelton                              | Kitwanga                                              |

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

### 2.6.1 Method of Transportation to be Used in Determining Point of Appraisal

The estimate of transportation costs for a cutting authority area must be determined by using the criteria for determining the transportation cost estimate as set out in this manual for the method of transportation referred in this manual to the point of appraisal that will produce the least total harvesting and transportation cost estimate unless:

- a. that particular method of transportation is not permitted by the cutting authority, or
- b. as provided in section 4.5.1(1).

In considering whether or not a particular method of transportation is not permitted by the cutting authority, the timber pricing co-ordinator must not consider, nor take into account, nor have regard for:

1. Any destination referred to in the cutting authority.
2. Any enactment.
3. Any document other than the cutting authority.
4. Any other fact.

## 2.7 Calculation Conventions

1. All operating cost calculations will be performed to the full capacity of the calculating machine with the results truncated at four places of decimals and rounded to two places.
2. Results from 5 to 9 will be rounded upward and from 1 to 4 will be rounded downward.
3. Each phase cost estimate (\$/m<sup>3</sup>) (see chapter 4) will be rounded to the nearest cent and will be added to the other phase cost estimates to obtain the total cost estimate.
4. Where values are specified as limits (constraints or requirements for equations), they will be treated as absolute values and actual measurements or records will not be rounded before use unless otherwise specified in this manual.
5. CVP stumpage rate calculations will be performed according to the methods outlined in the document, entitled *Specifications: Calculating Stumpage Rates for Interior Appraisals*.

This page is intentionally left blank.

# Interior Selling Prices

---

# 3

Selling price estimates are based on schedules of lumber and chip values collected and published by Revenue Branch. When the values are compiled and distributed, they become an integral part of this manual.

### 3.1 Lumber Average Market Values

Monthly market value information for the interior is obtained by Revenue Branch from lumber producers located in each of the recognized average market value zones. Average market values (AMV) for each species are compiled by dividing total sales value by total sales volume for each zone. When there is inadequate data to provide a reasonable average for a species in one zone, the data is adjusted and combined with other species in other zones. Separate AMVs are derived for small log cutting authorities, small log licences, stud lumber, random lumber and Grade 4 hemlock.

The volume that is manufactured to Canadian Lumber Standard/American Lumber Standard (CLS/ALS) sizes is reported in footboard measure (fbm). Lumber manufactured in non-CLS/ALS sizes is adjusted to equivalent CLS/ALS sizes. The total volume for each species includes all sizes and grades of rough and dressed lumber in the green and dried state. Also included are railroad ties, trim blocks, finger jointed CLS/ALS lumber and machine stress rated (MSR) lumber.

The total net sales value for each species is reported in Canadian dollars, after freight, actual sales expenses incurred to a maximum of 5%, cash discounts, duty and entry charges and leased rail car costs have been deducted from the selling price.

#### 1. AMVs for Small Log Cutting Authorities

Small log AMVs are based on dimension lumber products capable of being produced from small trees.

Small log AMVs are used for cutting authorities with an average net volume per tree (conifers only) of less than  $0.20 \text{ m}^3$  where the governing licence document does not restrict harvesting to stands of timber having a net average cruise volume per tree of less than  $0.20 \text{ m}^3/\text{tree}$ . Cutting authorities meeting this criteria will use lumber AMVs listed under "AMVs for Small Logs" which is included in the quarterly stumpage parameters published by Revenue Branch.

The selection of a small log AMV zone (Zones 15, 16, 17, 18 and 19) will only affect AMVs and will be made at the time of appraisal or reappraisal. Lumber recovery factors (LRF) and manufacturing costs will continue to be determined by zonation based on point of appraisal.

#### 2. AMVs for Small Log Licences

AMVs for licences which restrict harvesting to stands of timber having a net average cruise volume per tree of less than  $0.20 \text{ m}^3/\text{tree}$ , are based on dimension lumber products capable of being produced from trees smaller than standard timber merchantability specifications. Removing the effect of the LRF add-on (section 3.1 (1)) from "AMVs for Small Log Cutting Authorities" creates these AMVs.

These AMVs are used for all cutting authorities where the governing licence document restricts harvesting to stands of timber having a net average cruise volume per tree of less than 0.20 m<sup>3</sup>/tree. Other similarly restricted licences may also use these AMVs at the regional manager's discretion. Cutting authorities meeting this criteria and having a net average cruise volume/tree of less than 0.20 m<sup>3</sup>/tree will use lumber AMVs listed under "AMVs for Small Log Licences" (Zone 25) 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

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.

### 5. Grade 4 Hemlock AMVs

Grade 4 hemlock AMVs will be used by all cutting authorities, where the district manager required or where the licensee elected utilization of Grade 4 hemlock prior to November 4, 2003, unless otherwise specified by the Director of Revenue Branch under section 4.2 of this manual. Cutting authorities meeting this criteria will use lumber AMVs listed under "AMVs for Grade 4 Hemlock Logs" which are included in the quarterly stumpage parameters published by Revenue Branch.

The selection of a Grade 4 hemlock AMV zone (Zones 35, 36, 37 or 38) 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 the point of appraisal.

### **3.1.1 Application of Lumber Average Market Values**

Application of the small log cutting authorities, small log licences, stud lumber, random lumber and grade 4 hemlock AMVs in appraisals for all cutting authorities are made according to the formulae in section 3.3.

### **3.1.2 Lumber Average Market Value Zones**

Refer to section 2.6 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 End Product Selling Price

The total end product selling price in \$/m<sup>3</sup> is determined for each species using lumber recovery factors from the cruise compilation summary, LRF update add-ons, current applicable average market values for the species and 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.

$$\text{Burn Percent} = \frac{\text{BT m}^3}{\text{Total m}^3} * 100$$

where

BT m<sup>3</sup> = volume of light, moderate and heavily fire-damaged timber  
Total m<sup>3</sup> = total volume *inclusive* of burned wood

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).

The LRFs are determined from the following formulas and tables:

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

**Table 3-1 LRF Update Add-ons and Combined Product Recovery Factors**

| Zone                          | Species        | LRF Update Add-ons | Combined Product Recovery Factors |
|-------------------------------|----------------|--------------------|-----------------------------------|
| Northern Interior<br>(Zone 5) | Lodgepole Pine | 87                 | 438                               |
|                               | Spruce         | 108                | 438                               |
|                               | Balsam         | 100                | 438                               |
|                               | Douglas Fir    | 77                 | 438                               |
|                               | Larch          | 73                 | 438                               |
|                               | Cedar          | 52                 | 438                               |
|                               | Hemlock        | 54                 | 438                               |
|                               | White Pine     | 71                 | 438                               |

|                 |                |    |     |
|-----------------|----------------|----|-----|
| Skeena (Zone 6) | Lodgepole Pine | 50 | 419 |
|                 | Spruce         | 76 | 419 |
|                 | Balsam         | 70 | 419 |
|                 | Cedar          | 21 | 419 |
|                 | Hemlock        | 24 | 419 |

|                               |                |     |     |
|-------------------------------|----------------|-----|-----|
| Southern Interior<br>(Zone 7) | Lodgepole Pine | 78  | 428 |
|                               | Spruce         | 102 | 428 |
|                               | Balsam         | 91  | 428 |
|                               | Douglas Fir    | 65  | 428 |
|                               | Larch          | 65  | 428 |
|                               | Cedar          | 47  | 428 |
|                               | Hemlock        | 50  | 428 |
|                               | White Pine     | 63  | 428 |
|                               | Yellow Pine    | 66  | 428 |

| Zone                         | Species        | LRF Update Add-ons | Combined Product Recovery Factors |
|------------------------------|----------------|--------------------|-----------------------------------|
| Southern Cariboo<br>(Zone 8) | Lodgepole Pine | 76                 | 440                               |
|                              | Spruce         | 97                 | 440                               |
|                              | Balsam         | 90                 | 440                               |
|                              | Douglas Fir    | 66                 | 440                               |
|                              | Larch          | 66                 | 440                               |
|                              | Cedar          | 42                 | 440                               |
|                              | Hemlock        | 47                 | 440                               |
|                              | White Pine     | 62                 | 440                               |
|                              | Yellow Pine    | 70                 | 440                               |

|                               |                |    |     |
|-------------------------------|----------------|----|-----|
| Fort Nelson-Peace<br>(Zone 9) | Lodgepole Pine | 66 | 432 |
|                               | Spruce         | 84 | 432 |
|                               | Balsam         | 75 | 432 |

|                                     |            |   |                      |   |               |
|-------------------------------------|------------|---|----------------------|---|---------------|
| Example: (Zone 5)<br>Lodgepole Pine | Cruise LRF |   | LRF<br>Update Add-on |   | Appraisal LRF |
| All Logs                            | 180        | + | 87                   | = | 267           |

## 2. Chip Yield Derivation

$$\text{Chip Yield (BDU/m}^3\text{)} = (\text{Combined Product Recovery Factor} - \text{Appraisal LRF}) \\ * \text{Species Chip Yield Factor}$$

## 3. Chip Yield Factors

**Table 3-2 Chip Yield Factors**

| Species        | Factor (BDU/fbm) |
|----------------|------------------|
| 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 stud log percent is determined as follows:

The stud log percent for each stud species (spruce, balsam, lodgepole pine, Douglas fir and larch) is determined from the cruise compilation summary. The stud log percent is defined as the net volume of 5 m logs with top diameters under 20 cm expressed as a percentage of the total net cruise volume. The stud log percent is calculated and rounded to the nearest whole percentage point.

The percent stud AMV is determined as follows:

- If the stud log percent is 45 or greater and less than or equal to 65:

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

- If the stud log percent is less than 45, the percent stud AMV = 0, and
- If the stud log percent is more than 65, the percent stud AMV = 100.

## 5. Shipping Differential

The Shipping Differential for the following points of appraisal are:

**Table 3-3 Shipping Differentials**

| \$0.58/m <sup>3</sup>                                              | \$1.01/m <sup>3</sup>                                                                                                               | \$5.80/m <sup>3</sup> |
|--------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Bear Lake<br>Fort St. James<br>Mackenzie<br>Quesnel<br>Strathnaver | Adams Lake<br>Clear Lake<br>Louis Creek<br>Merritt<br>Midway<br>Okanagan Falls<br>Princeton<br>Slocan<br>Thrums<br>Westbank<br>Ymir | Fort Nelson           |

## 6. Manufacturing Cost Differential

**Table 3-4 Manufacturing Cost Differential**

|                       |
|-----------------------|
| \$5.95/m <sup>3</sup> |
| Fort Nelson           |

## 7. Calculation of Total Species End Product Selling Price

- a. Lumber AMV =  $(\% \text{ Stud AMV}/100) * (\text{Stud AMV}/1000)$   
 $+ (1.0 - (\% \text{ Stud AMV}/100)) * (\text{Random AMV}/1000),$
- b. Lumber SP = Lumber AMV \* Appraisal LRF,
- c. Chip SP = Chip Value \* Chip Yield, and
- d. Total Species SP = Lumber SP + Chip SP - D.

|               |   |                                                                                                   |
|---------------|---|---------------------------------------------------------------------------------------------------|
| Where: SP     | = | Selling Price in \$/m <sup>3</sup>                                                                |
| AMV           | = | The Lumber Average Market Value (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).       |

This page is intentionally left blank.

# 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 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 timber pricing co-ordinator must estimate development, harvesting and transportation costs for a cutting authority area using the information that the timber pricing co-ordinator has at the time the estimate is made in a manner that will produce the least total development, harvesting and transportation cost estimate.

The estimate of harvesting costs must be determined by using the criteria for determining the harvesting cost estimates as set out in this manual for the method of harvesting referred to in this manual which will produce the least total harvesting and transportation cost estimate unless that particular method of harvesting is not permitted by the cutting authority.

The estimate of transportation costs must be determined by using the criteria for determining the transportation cost estimates as set out in this manual for the method of transportation referred to in this manual to the point of appraisal which will produce the least total harvesting and transportation cost estimate unless:

- a. that particular method of transportation is not permitted by the cutting authority, or
- b. as provided in section 4.5.1(1).

In considering whether or not a particular method of harvesting or transportation is not permitted by the cutting authority, the timber pricing co-ordinator must not consider, nor take into account, nor have regard for:

- 1. Any destination referred to in the cutting authority.
- 2. Any enactment.
- 3. Any document other than the cutting authority.
- 4. Any other fact.

Once the least cost point of appraisal has been established, the cost estimate of manufacturing for that point, as specified in section 4.10, is applied.

The phase cost estimating equations and tables in this manual were derived from a survey of logging and lumber manufacturing operations in the interior. The survey includes both employee and contractor operations. The survey collects actual 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. Contract costs (including contractor profit and risk margins, overhead, crew transportation, etc.) are included.

The phase cost estimates are complete and reflect average conditions, operating practices, and phase accounting allocations experienced in the survey data. Additions and subtractions to phase cost estimating equations and tables to reflect specific operating conditions are not permitted. The cost estimates have an effective cost base date of July 1, 2001.

### 4.1.1 Specified Operations

In addition to the logging methods and phase costs that are covered by this manual, there are specified operations which require special cost estimating. Table 4-1 contains 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 phase cost estimates in this manual are combined with the specified operation cost estimate to determine the total operating cost. Where appropriate, specified operations are weighted according to the applicable net cruise volume.

Specified operations shall be recognised only when the treatment is required within the Silviculture Prescription, Site Plan, Cutting Authority Document or the Forest Development Plan as dictated by site conditions. Where a specific treatment is not required based on these conditions, the conventional cost estimate shall apply.

Further information on specified operations may be obtained from the regional timber pricing co-ordinators.

**Table 4-1 Specified Operations**

| Specified Operations                                                 | Affected Phase               |
|----------------------------------------------------------------------|------------------------------|
| Root Disease Control                                                 | Silviculture (section 4.9).  |
| Skidder Swinging (includes all ground skidding methods) <sup>1</sup> | Tree-to Truck (section 4.4). |

1. Skidder swing will only be considered between harvest methods listed in section 4.4.1 (four methods), in order to deliver logs to an existing road/landing.

## 4.2 Appraisal Data Requirements

The cruise and all other pertinent information required for the appraisal must be submitted by the licensee or BC Timber Sales with the appropriate interior appraisal data submission and map to the district manager.

Unless otherwise specified by the director, Revenue Branch, cruise data must be gathered and compiled according to the approved interior standard timber merchantability specifications in Table 4-2 below and in accordance with the following Ministry of Forests publications:

- *Cruising Manual* (*Cruising Manual* web site: <http://www.for.gov.bc.ca/revenue/manuals/cruising/>),
- *Cruise Compilation Manual*.

**Table 4-2 Interior Standard Timber Merchantability Specifications**

| Description                                                                                     |  |         |
|-------------------------------------------------------------------------------------------------|--|---------|
| The following standard timber merchantability specifications must be used for all appraisals.   |  |         |
| Stumps (Measured on the side of the stump adjacent to the highest ground.)                      |  |         |
| • no higher than                                                                                |  | 30.0 cm |
| Diameter (outside bark) at stump height                                                         |  |         |
| • lodgepole pine: all timber that meets or exceeds                                              |  | 15.0 cm |
| • all other species: all timber that meets or exceeds                                           |  | 20.0 cm |
| Top diameter (inside bark or slab thickness)                                                    |  |         |
| • for all species and ages, except cedar older than 141 years, all timber that meets or exceeds |  | 10.0 cm |
| Top diameter (inside bark or slab thickness)                                                    |  |         |
| • for cedar older than 141 years, all timber that meets or exceeds                              |  | 15.0 cm |
| Minimum length                                                                                  |  |         |
| • log or slab                                                                                   |  | 3.0 m   |

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 data list in a format prescribed by the regional manager.

The net cruise volume ( $\text{m}^3$ ) is the gross volume ( $\text{m}^3$ ) less decay, waste and breakage by species. The cutting authority total net cruise volume is calculated by multiplying the net cruise volume per hectare ( $\text{m}^3/\text{ha}$ ) by the total merchantable timbered area (ha) to be harvested, net cruise volume is rounded to the nearest cubic metre as required in the *Cruise Compilation Manual*.

Each reappraisal uses a cruise volume by species which is the original net cruise volume adjusted for amendments to the cutting authority since the last appraisal.

#### **4.2.1 Comparative Cruising**

Comparative cruising is defined as the borrowing of cruise data from an existing, appropriately comparable, cutting authority in place of site specific data for an appraisal of a new cutting authority. If there is time to perform a full cruise, then the timber will be cruised. However, comparative cruise data may be utilized for cutting authorities with volumes greater than  $5\,000\text{ m}^3$  if:

- the area is in an approved Emergency Bark Beetle Management Area (EBBMA) as designated by the Minister of Forests and within an approved Emergency Management Unit (EMU) as designated by the beetle management coordinator,
- the licensee has previously harvested comparative cutting authority's in a timely manner, and
- the regional manager has determined that the requirement to perform a full operational cruise will delay expeditious harvesting and result in further damage.

Comparative cruise data will be chosen following procedures set out in section 2.1.2.2 of the *Cruising Manual*.

For cutting authorities with volumes of  $5\,000\text{ m}^3$  or less refer to section 6.2.

#### **4.2.2 Appraisal Data Submission**

The form of appraisal Data Submission (ADS) that is required by the director of Revenue Branch may be found at:

<http://www.for.gov.bc.ca/hva/ECAS/index.htm>

#### **4.2.3 Appraisal Map**

The appraisal map must be completed in accordance with the requirements of Appendix IV.

### 4.3 Development

Development costs are estimated for each of two categories:

1. New construction.
2. Reconstruction and replacement.

Throughout this section the term "roads" includes roads, drainage and other pertinent structures.

- a. A total cost (\$) is calculated for each category of section 4.3.1, and 4.3.1.1. These category costs are summed to provide a total development cost estimate.
- b. In order to calculate a unit (\$/m<sup>3</sup>) cost by category, the applicable volume will be the total net cruise volume (as defined in section 4.2) or the remaining volume (section 4.3.1(2)). The applicable volume includes the deciduous volume where the licence requires harvesting in deciduous stands.

#### Tributary Volume

The costs for development works may only be allocated to the first tributary cutting authority, subject to section 4.3.1.1.5. A cutting authority is considered to be tributary:

1. If 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, a main service road must be used on a regular basis for transportation of bulk fuels, supplies, equipment and the harvesting crew.

#### Development Cost Estimating

1. Tabular cost estimates are made for construction of roads and drainage structures using the applicable equations 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. 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.

### **4.3.1 Development Cost Categories**

Development cost allocation (section 4.3.1.1) applies to all cost estimates made under this section.

#### **New Construction**

1. New construction is defined as the following construction phases: subgrade construction, placement of additional stabilizing material and the construction and installation of drainage and other pertinent structures.

New construction costs are allocated to the first tributary cutting authority (subject to section 4.3.1.1.5).

- a. Road Cost Estimates

- i. Tabular cost estimates

Each road section cost estimate is determined from the appropriate tables (section 4.3.2). These section costs are totalled to give a road cost estimate for each road. The road costs for all roads are then totalled to give a total cost for tabular roads.

- ii. Detailed engineering cost estimates

Each project cost is estimated according to section 4.3.3. These projects may include: (see section 4.3.3 for a complete listing).

The total of the estimated costs for each project is summed to give a total cost (\$) for engineered roads.

- b. Drainage Structure Cost Estimates

Each drainage structure cost estimate is determined either from the appropriate table (section 4.3.2.4) or as a detailed engineering cost estimate (section 4.3.3).

Where materials are reused by the original purchaser at a second or subsequent location, the cost estimate will include dismantling, transportation and installation at the new site. The initial materials cost and delivery costs are excluded.

Where used bridge materials are purchased from a legally non-associated party, the cost of purchase and shipping those materials will be included in the cost estimate. The requirements of section 4.1 still apply.

The total of the estimated costs for all bridges are summed to give a total cost for bridges.

The total costs for tabular roads, engineered roads, and bridges are totalled and then divided by the total net cruise volume to give a unit cost (\$/m<sup>3</sup>) for new construction.

## Reconstruction and Replacement

### 2. Reconstruction and Replacement are defined as:

- a. replacement or structural repair of a major drainage structure (e.g., replacing stringers, cross ties, or cribbing), or
- b. major resurfacing, which means resurfacing sections of more than 0.3 km in length that were initially surfaced but have deteriorated due to long term wear and tear, or
- c. major reconstruction, which means restoring at least 0.1 km of road (per occurrence) that requires complete rebuilding of the subgrade.

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

Bridges replaced on forest service roads that are included in the Forest Renewal B.C. five year “Bridge Replacement Program on Forest Service Roads”, or are otherwise funded by the Crown will not be included in any appraisal. Other major forest service road reconstruction or upgrades that are funded by the Crown will not be included in appraisals.

Where a Ministry of Transportation (public) road requires reconstruction or upgrade to forest service standards for hauling Crown timber, the project must be approved in advance by the director of Revenue Branch before it can be included in an appraisal of tributary timber. The detailed engineering cost estimate for each project must be based on arms length competitive bids. The approved project costs may be apportioned to multiple users as per section 4.3.1.1.5.

Reconstruction and replacement cost estimates are determined as detailed engineering cost estimates (section 4.3.3) for works that are approved in advance by the district manager. The cost estimates may be applied to remaining tributary timber (i.e., applicable volume) provided the project was not known of or planned for at the time of appraisal. If the cost estimate is not applied to the remaining tributary volume, it must be applied to the first tributary cutting authority appraised over the reconstruction or replacement. Section 4.3.1.1.5 may be applicable for main roads. Cost estimates for reconstruction and replacement are not to exceed the tabular costs for new construction under similar conditions.

Costs will not be recognized if the licensee has been negligent or has not followed approved plans or standards as defined under the *Forest Practices Code* and Regulations.

#### 4.3.1.1 Development Cost Allocation

Where proration is required for section 4.3.1.1.1, 4.3.1.1.2 and 4.3.1.1.3:

$$\text{Crown Share} = \text{Total Estimated Cost} * \frac{\text{Appraised Timber Volume}}{\text{Total Timber Volume}}$$

Where:

|                                           |   |                                                                                                                                                                                                                                        |
|-------------------------------------------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Crown Share (\$)                          | = | Dollar amount to be allocated to stumpage-bearing timber in the cutting authority being appraised.                                                                                                                                     |
| Total Estimated Cost (\$)                 | = | Dollar amount of the total development cost estimate.                                                                                                                                                                                  |
| Appraised Timber Volume (m <sup>3</sup> ) | = | Volume of Crown timber that is tributary to the project and under the control of the licensee or a company legally associated with the licensee, including volume in all areas contributing to the allowable annual cut determination. |
| Total Timber Volume (m <sup>3</sup> )     | = | Total volume of Crown and private timber that is tributary to the project and under the control of the licensee or a company legally associated with the licensee.                                                                     |

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

The Crown share is a dollar amount which is included in the appraisal of a tributary cutting authority, subject to section 4.3.1.1.5.

Development cost estimate is allocated according to the outline below (see also Appendix II).

##### 4.3.1.1.1 Development Cost Estimates on Crown Lands

1. Development providing access to appraised timber only:

Total estimated costs are included in the appraisal.

2. Development providing access to non-appraised timber only:

Cost estimates are not included in the appraisal.

3. Development in appraised timber areas providing access to both appraised and non-appraised timber held by the licensee or a company legally associated with the licensee:

All costs are prorated between appraised and non-appraised timber. The appraised timber portion is then included in the appraisal.

#### **4.3.1.1.2 Development Cost Estimates for Full Appraisal on Timber Licence (TL) Cutting Authorities**

New development will be allocated as in section 4.3.1.1.1.

#### **4.3.1.1.3 Development Cost Estimates on Private Land**

When a new or reconstructed road or structure on private land is required for Crown timber extraction, the estimated cost of the road or structure will be included in the appraisal of a tributary cutting authority according to the procedures of section 4.3.1.1 and the following guidelines:

1. Development provides access to appraised timber only:

The total estimated costs are included in the appraisal.

2. Development provides access to non-appraised timber only:

Cost estimates are not included in any appraisal.

3. Development provides access to both non-appraised and appraised timber.

All cost estimates are prorated between non-appraised and appraised timber (section 4.3.1.1) and then the Crown portion is included in the appraisal.

#### **4.3.1.1.4 Existing Roads and Structures**

The following are defined as existing roads for the cutting authority being appraised and are not eligible for inclusion in development cost estimates:

1. Costs of constructed roads that have been previously considered in appraisals of Crown timber within another cutting authority.
2. Roads previously constructed and used to haul non-appraised timber (excluding right-of-way).
3. Roads previously constructed all or in part for purposes unrelated to logging the cutting authority area being appraised.
4. Roads previously constructed, repaired or reconstructed on private land before August 1, 1996.

Winter roads over muskeg or organic soils that use snow and ice for a driving surface are not considered as existing roads.

5. If the existing road requires reconstruction or replacement after August 1, 1996, the cost estimate is made as described in section 4.3.1. If the existing road is on private land, road and land use charges may be recognized as described in section 4.7.

A road on private land that has previously been included in an appraisal because it was required for only short term timber extraction (as per previous policy) shall continue to be included upon reappraisal.

#### **4.3.1.1.5 Extended Road Amortization**

For new appraisals where the development cost estimate for roads accessing more than one tributary cutting authority exceeds \$4.00 per cubic metre, a written agreement may be made between the licensee and the regional manager, which distributes a portion of the development cost estimate to two or more tributary cutting authorities.

The agreement is subject to the following conditions:

1. Future tributary timber included in the extended road amortization agreement must be either within the woodlot licence or an approved cutting permit or cutblocks shown in the licensee's forest development plan, woodlot licence plan or forest stewardship plan in effect on the appraisal effective date.
2. The road portion that may be included in the agreement ends at the far boundary of the first cutting authority being appraised.
3. The agreement must indicate the cost estimate that is being distributed to each existing or future cutting authority.
4. The agreement must be signed by the licensee and the regional manager or the regional manager's designate.
5. The total lump sum costs may be adjusted once at reappraisal provided no harvest has occurred on any cutting authority included in the agreement.
6. The costs apportioned to each cutting authority under the agreement may be adjusted once, in conjunction with section 4.3.1.1.5,(4), at reappraisal using the same ratio for distributing the costs as in the original agreement. The adjustment can only be made where no harvest has occurred on any cutting authority included in the agreement.
7. The agreement confers no obligation on the Crown to compensate licensees for any unamortized costs.

#### **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,
- grubbing,
- stripping,
- debris disposal,
- stump removal,
- ditch construction,
- turnout construction (not landings),
- 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 m span.

Right-of-way felling and logging is excluded.

#### 4.3.2.2 Subgrade Construction Variables

For appraisal purposes the following subgrade construction 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 km or longer, although some individual section lengths less than 1 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. For ground skidding, short roads (up to and including 100 m long) that access single landings are included in the tree-to-truck cost estimates (section 4.4) and are not eligible for development cost estimates.

2. Road Type:

- **Snow/Ice Road (WINTER):** - A single lane seasonal road including turnouts, with a flat road profile that is built with a combination of snow, ice and dirt, on a surface that may or may not have been stumped. The driving surface is built up using multiple layers of snow and ice such that extra stabilizing material costs are not applicable. A flat road profile means the side slope is less than or equal to 15% and there is minimal side cut. Minimal means, cuts into mineral or organic soil must not exceed 0.5 m in depth for distances up to 0.1 km. Seismic lines being used for roads, that have not previously been used as roads, will be considered as new construction and qualify as snow/ice roads provided they fall within the above criteria.
- **Operational Road (OP):** - A single lane road with turnouts, which does not meet the definition of a snow/ice road or a block road. Is generally built under the authority of a road permit but portions may be constructed under the cutting authority. An operational road exists within a cutblock when the road accesses

timber beyond the cutblock or is intended to access timber beyond the block as shown on an approved forest development plan, or forest stewardship plan. There must be a physical separation of the blocks or cutting authorities. Blocks or cutting authorities that share a common boundary are not considered separate for the purposes of defining the road type.

- **Block Roads (BLOCK):** - A single lane road with turnouts, which does not meet the definition of a snow/ice road or an operational road. Is generally built under the cutting authority and includes roads which are located completely within the cutblock, continuous to the edge of a cutblock, accesses separate portions of a disconnected cutblock, or accesses a series of cutblocks that share a common boundary. Those cutblocks that share boundaries may be included in the cutting authority being appraised or a different cutting authority.

### 3. Uphill Side Slope: (SLOPE %)

Uphill side slope percent may show a variation (+/- 15% about the average) within any section length and represents the average of all slopes in the section to a maximum of 50%. To derive an average for uphill 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 uphill side slope percent is measured at right angles to the road centreline and is recorded to the nearest integer. Where the road is located on a bench, the uphill side slope of the bench is used.

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

Rock includes bedrock and large boulders (each greater than 1.5m in diameter) . It may be rippable or may require drilling and blasting. Rock percent may show a variation (+/- 15% about the average) within any section length and represents the average of all rock percents in the section to a maximum of 50%. To derive an average percent rock, several representative cross-section measurements are taken along the section length and the percent rock calculated. The sum of one-half of the distance on each side of where the measurements were taken is applied as a weight against the percent rock calculated at that cross-section. The percent 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. Alternately, where estimates of rock

volume from commercial road design programs are available for tabular sections, that information may be used to estimate the rock percent.

#### 5. Soil Moisture Regime (SMR):

Those biogeoclimatic zones/subzones with site series identified as “M”, “VM” or “W” in the shaded area of the table in Appendix III are considered “Wet” for appraisal purposes.

#### 6. Biogeoclimatic Zones

|        |   |                                          |
|--------|---|------------------------------------------|
| CWH/MH | - | Coastal Western Hemlock/Mountain Hemlock |
| BWBS   | - | Boreal White and Black Spruce            |
| ICH    | - | Interior Cedar Hemlock                   |
| SBS    | - | Sub Boreal Spruce                        |
| SBPS   | - | Sub Boreal Pine/Spruce                   |
| ESSF   | - | Engelmann Spruce - Subalpine Fir         |
| IDF    | - | Interior Douglas Fir                     |

#### 4.3.2.3 Subgrade Cost Estimate

For each operational and block road the subgrade cost estimate in \$/km is determined from the equation for the appropriate road group.

| Road Group | Equation                                                                                                                                                                                 |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1          | Refer to subsection 4.3.3(14)                                                                                                                                                            |
| 2          | $14708 + (130 * \text{SLOPE}\%)$                                                                                                                                                         |
| 3          | $2764 + (239 * \text{SLOPE}\%) + (307 * \text{ROCK}\%) + (10002 * \text{OP})$                                                                                                            |
| 4          | $3568 + (479 * \text{SLOPE}\%) + (5123 * \text{OP})$                                                                                                                                     |
| 5          | $5270 + (94 * \text{SLOPE}\%) + (311 * \text{ROCK}\%) + (1982 * \text{SMR}) + (5334 * \text{OP})$                                                                                        |
| 6          | $4509 + (258 * \text{SLOPE}\%) + (6547 * \text{OP})$                                                                                                                                     |
| 7          | $4600 + (192 * \text{SLOPE}\%) + (4725 * \text{ESSF}) + (24998 * \text{ESSF} * \text{OP}) + (5904 * \text{BWBS} * \text{OP}) + (7129 * \text{SBS} * \text{OP})$                          |
| 8          | $1767 + (141 * \text{SLOPE}\%) + (4831 * \text{OP}) - (4756 * \text{IDF} * \text{OP})$                                                                                                   |
| 9          | $7450 + (89 * \text{SLOPE}\%) + (99 * \text{ROCK}\%) + (3128 * \text{OP}) - (4490 * \text{IDF})$                                                                                         |
| 10         | $637 + (319 * \text{SLOPE}\%) + (310 * \text{ROCK}\%) + (7049 * \text{ESSF}) + (8201 * \text{MS})$<br>(\$6,195/km set as minimum. If equation yields less than \$6,195 then use \$6,195) |
| 11         | $12213 + (487 * \text{SLOPE}\%) + (304 * \text{ROCK}\%)$                                                                                                                                 |
| 12         | $3882 + (510 * \text{SLOPE}\%) + (5122 * \text{OP})$<br>(\$4,503/km set as minimum. If equation yields less than \$4,503 then use \$4,503)                                               |

Where:

Road groups are defined in Table 4-3.

|      |   |                                                                                  |
|------|---|----------------------------------------------------------------------------------|
| OP   | = | 1 if an Operational Road, otherwise = 0                                          |
| SMR  | = | 1 if Soil Moisture Regime is “wet”.<br>Otherwise SMR = 0.                        |
| ESSF | = | 1 if road construction is within this biogeoclimatic zone.<br>Otherwise ESSF = 0 |
| MS   | = | 1 if road construction is within this biogeoclimatic zone.<br>Otherwise MS = 0   |
| BWBS | = | 1 if road construction is within this biogeoclimatic zone.<br>Otherwise BWBS = 0 |
| SBS  | = | 1 if road construction is within this biogeoclimatic zone.<br>Otherwise SBS = 0  |
| IDF  | = | 1 if road construction is within this biogeoclimatic zone.<br>Otherwise IDG = 0  |
|      | = |                                                                                  |

#### Snow and Ice Roads (winter)

The subgrade cost estimate for all new snow and ice roads (winter) is \$6107/km.

**Table 4-3 Road Groups**

| <b>Road Group #</b> | <b>Districts Included</b>                               | <b>Within the Geographic Boundary of a TSA, SB and TFL</b>                                                                                               |
|---------------------|---------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1                   | Kalum                                                   |                                                                                                                                                          |
| 2                   | Skeena Stikine<br>(Bulkley/Cassiar<br>Kispiox)          | Lillooet TSA                                                                                                                                             |
| 3                   | Nadina (Lakes, Morice)                                  |                                                                                                                                                          |
| 4                   |                                                         | Williams Lake TSA, SBs J, K & L<br>Prince George TSA, SBs G & H, TFLs 30, 53<br>Quesnel TSA, SBs E, F, G, H & I, TFL52<br>100 Mile House TSA, SBs, G & H |
| 5                   | Vanderhoof                                              | Prince George TSA, SBs C, E, F & I, TFL5,<br>TFL 42                                                                                                      |
| 6                   |                                                         | Mackenzie TSA, SBs G through P, Prince<br>George TSA SB's A & B                                                                                          |
| 7                   | Peace<br>(Dawson Creek<br>Fort St. John)<br>Fort Nelson | Mackenzie TSA, SBs A through F                                                                                                                           |
| 8                   | Chilcotin                                               | Williams Lake TSA, SBs E, F, G, H, and I<br>Quesnel TSA, SBs A, B, C & D<br>100 Mile House TSA, SBs A, B, C, D, E, F                                     |
| 9                   | Kamloops                                                | Merritt TSA, TFL 15, 49<br>Okanagan TSA, SBs 1, 2, 3, 4, 5                                                                                               |
| 10                  | Rocky Mountain<br>(Cranbrook<br>Invermere)              | Boundary TSA, TFL 8                                                                                                                                      |
| 11                  | Columbia<br>(Golden, Revelstoke)<br>Kootenay Lake       | Arrow TSA, TFL 23, 3                                                                                                                                     |
| 12                  | Headwaters<br>(Clearwater<br>Robson Valley)             | Williams Lake TSA, SBs M & N<br>Okanagan TSA, SBs, 6,7,8,9, TFL 33                                                                                       |

Woodlot and Timber Licence cutting authorities are assigned to the road group for the area in which they are geographically located.

#### 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 under 950 mm in diameter and all single log abutment culverts under 3.5 m span length are included in the subgrade cost estimates (see section 4.3.2.1).

See page 37 of the *Forest Road Engineering Guidebook* (June 2002) for a detailed description.

See pages 104 (Pipe Culverts) and 106 (Log Culverts) of the *Forest Road Engineering Guidebook* (June 2002) for detailed description.

An electronic version of the above guidebook can be accessed at:

[www.for.gov.bc.ca/tasb/legsregs/fpc/FPCGUIDE/Guidetoc.htm](http://www.for.gov.bc.ca/tasb/legsregs/fpc/FPCGUIDE/Guidetoc.htm)

##### 1. Culverts

The cost estimates for the supply and installation of culverts from 0.3 m to 1.8 m in diameter are determined from Table 4-4 that follows. Culverts smaller than 0.95 m are included in the subgrade cost estimates in section 4.3.2.3.

Costs for culverts smaller than 0.95 m are included in Table 4-4 for use where a detailed engineering cost estimate in section 4.3.3 requires the use of culverts smaller than 0.95m. Detailed engineering cost estimates are required for culverts larger than 1.8m. No interpolation of values is permitted. Total installation cost for culverts includes all costs of transporting the culvert to the jobsite and all costs of installation of the culvert to the final subgrade stage.

**Table 4-4 Culvert Appraisal Cost Estimates**

| <b>INSTALLED CULVERT COST ESTIMATE (\$)</b> |                                       |               |               |               |               |               |               |             |             |             |             |                           |
|---------------------------------------------|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------|-------------|-------------|-------------|---------------------------|
| <b>Culvert Length (m)</b>                   | <b>Equivalent Round Diameter (m)</b>  |               |               |               |               |               |               |             |             |             |             |                           |
|                                             | <b>0.3 m</b>                          | <b>0.4</b>    | <b>0.5</b>    | <b>0.6</b>    | <b>0.7</b>    | <b>0.8</b>    | <b>0.9</b>    | <b>1.0</b>  | <b>1.2</b>  | <b>1.4</b>  | <b>1.6</b>  | <b>1.8 m</b>              |
| <b>Length (m)</b>                           | <b>X-Section Area (m<sup>2</sup>)</b> |               |               |               |               |               |               |             |             |             |             |                           |
|                                             | <b>0.07 m<sup>2</sup> †</b>           | <b>0.13 †</b> | <b>0.20 †</b> | <b>0.28 †</b> | <b>0.38 †</b> | <b>0.50 †</b> | <b>0.64 †</b> | <b>0.79</b> | <b>1.13</b> | <b>1.54</b> | <b>2.01</b> | <b>2.54 m<sup>2</sup></b> |
| 9                                           | 544                                   | 630           | 739           | 873           | 1032          | 1214          | 1421          | 1652        | 2188        | 2821        | 3552        | 4380                      |
| 10                                          | 557                                   | 651           | 773           | 922           | 1098          | 1301          | 1531          | 1788        | 2383        | 3086        | 3898        | 4818                      |
| 11                                          | 569                                   | 673           | 807           | 971           | 1164          | 1387          | 1640          | 1923        | 2578        | 3352        | 4244        | 5256                      |
| 12                                          | 581                                   | 695           | 841           | 1019          | 1230          | 1474          | 1750          | 2058        | 2773        | 3617        | 4591        | 5695                      |
| 13                                          | 593                                   | 716           | 875           | 1068          | 1297          | 1561          | 1859          | 2194        | 2967        | 3882        | 4937        | 6133                      |
| 14                                          | 605                                   | 738           | 908           | 1117          | 1363          | 1647          | 1969          | 2329        | 3162        | 4147        | 5283        | 6571                      |
| 15                                          | 617                                   | 760           | 942           | 1165          | 1429          | 1734          | 2079          | 2464        | 3357        | 4412        | 5630        | 7010                      |
| 16                                          | 630                                   | 781           | 976           | 1214          | 1496          | 1820          | 2188          | 2599        | 3552        | 4677        | 5976        | 7448                      |
| 17                                          | 642                                   | 803           | 1010          | 1263          | 1562          | 1907          | 2298          | 2735        | 3747        | 4942        | 6322        | 7886                      |
| 18                                          | 654                                   | 824           | 1044          | 1311          | 1628          | 1993          | 2407          | 2870        | 3941        | 5208        | 6669        | 8324                      |
| 19                                          | 666                                   | 846           | 1078          | 1360          | 1694          | 2080          | 2517          | 3005        | 4136        | 5473        | 7015        | 8763                      |
| 20                                          | 678                                   | 868           | 1111          | 1409          | 1761          | 2166          | 2626          | 3141        | 4331        | 5738        | 7361        | 9201                      |
| 21                                          | 690                                   | 889           | 1145          | 1458          | 1827          | 2253          | 2736          | 3276        | 4526        | 6003        | 7708        | 9639                      |
| 22                                          | 703                                   | 911           | 1179          | 1506          | 1893          | 2340          | 2846          | 3411        | 4721        | 6268        | 8054        | 10078                     |
| 23                                          | 715                                   | 933           | 1213          | 1555          | 1959          | 2426          | 2955          | 3546        | 4915        | 6533        | 8400        | 10516                     |
| 24                                          | 727                                   | 954           | 1246          | 1604          | 2026          | 2513          | 3065          | 3682        | 5110        | 6799        | 8747        | 10955                     |
| 25                                          | 739                                   | 976           | 1280          | 1652          | 2092          | 2599          | 3174          | 3817        | 5305        | 7064        | 9093        | 11393                     |
| 26                                          | 751                                   | 998           | 1314          | 1701          | 2158          | 2686          | 3284          | 3952        | 5500        | 7329        | 9439        | 11831                     |
| 27                                          | 764                                   | 1019          | 1348          | 1750          | 2225          | 2773          | 3394          | 4088        | 5695        | 7594        | 9786        | 12269                     |
| 28                                          | 776                                   | 1041          | 1382          | 1799          | 2291          | 2859          | 3503          | 4223        | 5889        | 7859        | 10132       | 12708                     |
| 29                                          | 788                                   | 1063          | 1416          | 1847          | 2357          | 2946          | 3613          | 4358        | 6084        | 8124        | 10478       | 13146                     |
| 30                                          | 800                                   | 1084          | 1449          | 1896          | 2423          | 3032          | 3722          | 4493        | 6279        | 8389        | 10825       | 13584                     |

† Cost estimates for 0.3 through 0.9 m diameters are extrapolations using the cost estimating equation.

## 2. Log Bridges

Cost estimates for both log bridges and non-log bridges, where required and not included in subgrade cost estimates, are made as detailed engineering cost estimates (section 4.3.3).

Bridge costs include:

- crib back-fills to a maximum distance of 15 m on either end,
- site preparation,
- protection features such as rip rap,
- material and equipment supply and delivery,
- installation.

### 4.3.2.5 Additional Stabilizing Material

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 during the harvesting of tributary timber (see section 4.3.3 (12) for cost estimates pertaining to the use of special materials). Where stabilizing material developed during the subgrade or ditch construction is insufficient, a cost estimate for additional stabilizing material to be trucked in from selected borrow pits may be included in the appraisal.

#### 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, and
- spreading and compacting the material.

The cost estimates assume borrow pits 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 an access road cost estimate is required in addition to the in-place unit cost estimates.

For each road, the additional stabilizing material cost estimate (\$/km) is determined from the equation for the appropriate road group.

| Road Groups | Equation                   |
|-------------|----------------------------|
| 1           | Refer to section 4.3.3(14) |
| 2           | $13826 + (9294 * QROCK)$   |
| 3           | $13826 + (9294 * QROCK)$   |
| 4           | 19044                      |
| 5           | 9751                       |
| 6           | $9939 - (2128 * SBS)$      |
| 7           | $7213 + (896 * D)$         |
| 8           | 11722                      |
| 9           | 8417                       |
| 10          | 8417                       |
| 11          | 15633                      |
| 12          | 12310                      |

Where:

Road groups are defined in Table 4-3.

|       |   |                                                                                                                                  |
|-------|---|----------------------------------------------------------------------------------------------------------------------------------|
| D     | = | Distance in kilometres from source of ballast to the centre of the section that requires ballast (rounded to the nearest 0.1 km) |
| QROCK | = | 1 if road is stabilized with quarry rock that requires drilling and blasting, or rippable rock. Otherwise QROCK = 0              |
| SBS   | = | 1 if road construction is within this biogeoclimatic zone.<br>Otherwise SBS = 0                                                  |

No cost estimate for additional stabilizing material is allowed for any snow and ice roads.

#### 4.3.2.6 Cattle Guards, Remedial Fences and Pipeline Crossings

Where the cutting authority specifies the installation of cattle guards, wing fences or pipeline crossings, the installed cost using new or recycled material is estimated as follows:

- |    |                                              |                 |
|----|----------------------------------------------|-----------------|
| 1. | Cattle Guards                                | \$3177 each     |
| 2. | Remedial Fences and Wing Fences <sup>1</sup> | \$685 per 100 m |
| 3. | Pipeline Crossings                           | \$3400 each     |

All costs include materials, transportation and installation.

#### 4.3.3 Detailed Engineering Cost Estimates

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 cost estimate. The regional manager may approve standardized procedures to generate cost estimates for use in projects as listed below.

Where specific development projects involve detailed engineering cost estimates, the district manager shall be advised of project details no later than 60 days before the start of work on the project.

For appraisal purposes, the estimated development project costs are made on the basis of the site-specific data including the definitions found in section 4.3.2.2 for common subgrade construction variables, the culvert costs included in Table 4-4, and the equipment and labour rates specified in Appendix I. 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.

If the ECE is re-estimated once after construction as provided in section 2.3 (using more accurate on site information) the new detailed engineering cost estimate replaces the original (used in the initial appraisal). Apportionment agreement or bid tender cost estimates are not re-estimated only trended. ECE's are not re-estimated due to labour and/or equipment rates being updated periodically in Appendix I.

Where road sections estimated as a detailed engineered cost estimate are contiguous with tabular cost estimates, costs for mobilization and demobilization will only be allowed for

---

<sup>1</sup> Fencing that is required to remedy, reduce, or manage the impact of timber harvesting activities on range management.

special equipment not required for the construction of the tabular roads. The following specific situations are considered for detailed engineering cost estimates:

1. New construction of long term, primary access road sections, that will have 300,000 cubic metres of harvested crown timber hauled over them annually for at least ten years.
2. Road construction on uphill side slopes greater than 50 percent.
3. When rock percent as calculated in section 4.3.2.2(4) exceeds 50 percent, or terrain class 4 and 5.
4. End haul construction (of roads and landings) requiring removal by truck of excavated material to a separate area to avoid side casting on steep and/or sensitive sites.
5. Overland construction to provide a roadbed by trucking in material for extensive filling; see page 81 of Forest Road Engineering Guidebook for a more detailed description.
6. For log bridges and non-log bridges that are not included in the subgrade cost estimates, eligible costs include site planning and the same phases as listed in section 4.3.2.4(2). All ice bridge construction including construction for additional logging seasons.
7. Structural maintenance of bridges, substructure and cribwork.
8. Reconstruction of roads and pertinent structures. Cost estimates for reconstruction are not to exceed the tabular cost for new construction under similar conditions.
9. Upgrade of roads and pertinent structures. Road upgrade resulting in a change in the standard of the road and structure or where the licensee was not obligated to carry out road maintenance prior to the appraisal. Where road maintenance obligations exist, road upgrade is limited to widening the running surface, vertical and horizontal realignment, and additional culverts.
10. Replacement or addition of road running surfaces for uninterrupted lengths over 0.3 km. Lengths less than 0.3 km are included in road maintenance (section 4.6).
11. Culverts greater than 1.8 m in diameter when specified in the cutting authority, or road permit. Culverts greater than 30 m in length regardless of diameter also qualify. The cost estimate includes all costs of transporting the culvert to the jobsite and all costs of installation of the culvert to the final subgrade stage.
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 (may include multiple culverts, baffled culverts, arched culverts and other structures determined by the timber pricing co-ordinator).

14. Subgrade and ballast cost estimate in road group 1, Kalum District. The subgrade and ballast cost estimate will be determined using the detailed engineering cost methodology specified by the Northern Interior Forest Region.
15. The costs of designing and constructing a forwarding road, where the timber pricing co-ordinator is satisfied that it will produce the least cost total development, harvesting and transportation estimate in the appraisal. A forwarding road is a road built to a designed standard that is used for transporting crews and equipment but not for hauling logs.

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.
4. Location of borrow and waste areas to calculate material haul distances.

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

1. Where the bridge span is 15.4 m or less and the crib height is 5.4 m or less and a permanent structure is proposed, an economic life cycle comparison between a log structure and the permanent proposal is required.
2. Where the bridge span is greater than 15.4 m, and/or the crib height is 5.4 m or more and for pipe culverts greater than 1.8 m in diameter or 30 m in length: plans, specifications and design for the 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 timber are required.
3. Where bridge materials are reused the cost estimate will include dismantling, transportation and reinstallation at the new site, but will exclude initial materials purchased and initial delivery costs.

Costs that may be included in the detailed engineered cost estimate are:

1. Freight (for materials).
2. Provincial sales tax (for materials).
3. Supervision of construction of complex structures by a professional engineer.
4. Bridge certification by a professional engineer (maximum of three field trips) unless otherwise approved by the regional timber pricing co-ordinator (the costs for

professional engineers are permitted whether they are on the licensees staff or hired under contract).

5. Site plans, designs and layouts.
6. Where equipment is not, or will not be already on site for adjoining tabular road, bridge or culvert construction, then the costs of mob and demob may be included in the engineered cost estimate.

GST and supervision costs other than as stated above, are not to be included in the engineered estimate.

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 detailed engineering cost estimates may be apportioned to two or more licensees' tributary cutting authorities, as described under section 4.3.1.1.5.

#### 4.3.3.1 Trending of Detailed Engineering Costs

All detailed engineering costs must be adjusted to match the cost base of the manual in effect at the time of the appraisal or reappraisal (refer to Table 4-5). This includes development costs in apportionment agreements, ministry approved competitive bid tenders, and ECE's prepared using Appendix I.

**Table 4-5 Trend Factors for ECE Costs**

| <b>ECE Cost Year</b> | <b>Multiply by this Trend Factor to Match the 2001 Cost Base</b> |
|----------------------|------------------------------------------------------------------|
| 1995                 | 1.045                                                            |
| 1996                 | 0.986                                                            |
| 1997                 | 0.917                                                            |
| 1998                 | 0.968                                                            |
| 1999                 | 1.017                                                            |
| 2000                 | 1.000                                                            |
| 2001                 | 1.000                                                            |
| 2002                 | 1.000                                                            |
| 2003                 | 1.000                                                            |

## 4.4 Tree-to-Truck

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

- felling
- skidding
- yarding
- bucking
- sorting (bush, dryland, and water)
- loading
- landing construction, rehabilitation and reconstruction (excluding end haul)
- fuel and equipment moves
- pest control
- grass seeding
- all post logging treatments
- crew accommodation for accessible operations
- contractor overhead and profit, fringe benefits
- three metre knockdown
- lop and scatter
- landing burning (includes fireguards)
- roadside debris piling and disposal
- skid and back spar trail construction and rehabilitation/slashing
- slashing
- crew transport
- spur roads for ground skidding of less than or equal to 100 m length (see section 4.3.2.2(1))

### 4.4.1 Harvesting Methods

Each of the following harvesting methods is recognized only when it is identified on the cutting permit map which is submitted by the licensee with the application for a cutting authority, or with an application for an amendment to a cutting authority. If no harvesting method is identified on the map the method appraised will be the ground skidding clear cut method.

- Helicopter,
- Horse,
- Ground Skidding, and
- Overhead Cable Logging.

#### 4.4.2 Tree-to-Truck Variables

For appraisal purposes the following variables are recognized, based on all compiled cruise plots segregated by logging method where applicable (see section 4.4.5). Where the licence requires harvesting in deciduous stands, applicable variables are to include the deciduous component.

1. Biogeoclimatic Zone

A separate biogeoclimatic zone may be recognized for each harvest method (section 4.4.1) as part of the regional constant.

2. Slope (SLOPE%)

The average side slope percent is derived from an area weighted average of the maximum side slope percentage on all cruise plots, rounded to the nearest whole percentage point.

If helicopter yarding is uphill the slope is set at 0.

3. Volume per Hectare (VOLHA)

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

4. Percent Blowdown (BD%)

The percentage of the net cruise volume classified as blowdown.

5. Partial Cut Variables (PCUT, DPCUT)

The term partial cutting includes all forms of harvesting, other than clear cutting.

Clear cutting is defined as those areas with block opening sizes equal to or greater than 1 hectare and where the volume removal is equal to or greater than 90 percent based on the net volume measured to the Standard Timber Merchantability Specifications (section 4.2).

Partial cut areas that have less than 90 percent volume removal are not to be averaged with those areas that are equal to or greater than 90 percent. Clear cut areas are to be stratified out before calculating an overall weighted partial cut percent for the cutting authority.

## a. PCUT

Where a partial cut is comprised of openings of less than 1 hectare in size, the PCUT percent is based on the cumulative volume of these openings divided by the volume of the block area surrounding them.

The percent partial cut is determined as:

$$PCUT = \frac{\text{Net cruise volume required to be removed using a partial cut system}}{\text{Total net cruise volume on the area where Partial Cutting is required}} * 100\%$$

(except if partial cut percent  $\geq 90\%$  then PCUT = 0).

## b. Partial cut dummy variable (DPCUT)

DPCUT = 1 if partial cut percent is greater than 0 and less than 90, otherwise DPCUT = 0.

## 6. Distance to Support Centre (DS)

The one-way, road distance from the geographic centre of the cutting authority to the main post office (or other location designated by the regional timber pricing co-ordinator) in a community from the following list. The distance to support centre includes the distance covered by a daily barge or ferry service. Where there is more than one block in the cutting authority, the weighted average distance to support centre must be calculated using the individual distances and the individual block volumes. Where more than one alternative is possible, the least cost alternative is used. The distance is measured to the nearest kilometre. The following is a list of communities by forest region.

**Northern Interior Forest Region**

|            |                |             |               |
|------------|----------------|-------------|---------------|
| Burns Lake | Kitwanga       | Smithers    | Terrace       |
| Houston    | New Hazelton   | Stewart     | Prince George |
| Kitimat    | Fort St. James | Fraser Lake | Fort St. John |
| Chetwynd   | Fort Nelson    | Mackenzie   | Dawson Creek  |
|            |                |             | Vanderhoof    |

**Southern Interior Forest Region**

|               |           |             |                |
|---------------|-----------|-------------|----------------|
| Boston Bar    | Kamloops  | Merritt     | Salmon Arm     |
| Clearwater    | Kelowna   | Pemberton   | Vernon         |
| Hope          | Lillooet  | Penticton   | Nakusp         |
| Canal Flats   | Creston   | Grand Forks | Nelson         |
| Castlegar     | Fernie    | Greenwood   | Revelstoke     |
| Cranbrook     | Golden    | Invermere   | 100 Mile House |
| McBride       | Valemount | Princeton   | Quesnel        |
| Williams Lake |           |             |                |

For isolated cutting authorities (see section 4.8.2), the distance to support centre is the one-way road distance from the geographic centre of the cutting authority to the isolated camp (including that covered by the non-road portions of the route). Where more than one alternative is possible, the least cost alternative is used. The distance is measured to the nearest kilometre.

The following distance variables are included:

- NEWDIST200 = 0 IF DS ≤ 100 km  
                   = (DS-100) if DS > 100 km and ≤ 200 km  
                   = 100 if DS > 200 km
- DIST200S175 = 0 if DS ≤ 175 km  
                   = (DS-175) if DS > 175 km and ≤ 200 km  
                   = 25 if DS > 200 km

#### 7. Volume per Tree (VOLTREE)

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

#### 8. Gross Volume per Tree (GVOL)

Gross volume per tree ( $m^3$ ) is computed as:  $VOLTREE / (1 - \text{defect \%}/100)$ .

Where:

Defect is the estimate of decay, waste and breakage (DWB) percent of the coniferous gross volume from the cruise summary for the trees to be harvested. Where utilization of deciduous volume is mandatory under the licence, defect percent is taken from the stand volume of the cruise summary. Defect percent is recorded to the nearest whole percentage point for appraisal calculation purposes.

#### 9. Small Tree Volume (SMALL TREEVOL)

$SMALLTREEVOL$  = Average net merchantable volume ( $m^3$ ) per tree if  $< 0.34 m^3/\text{tree}$ . If  $\geq 0.34 m^3/\text{tree}$   $SMALLTREEVOL = 0$ .

#### 10. Small Tree Dummy Variable (SMALLTREED)

$SMALLTREED = 1$  if average net merchantable volume per tree  $< 0.34 m^3/\text{tree}$ , otherwise = 0.

## 11. Heli Yarding Distance (HELIYARD)

The average loaded horizontal yarding distance (in kilometres) flown by helicopter measured to the nearest 0.1 km.

## 12. Skyline Yarding Distance (SKYYARD)

Average skyline slope distance (m).

## 13. Species Percent

Coniferous species volumes indicated in the harvest method summary of the cruise compilation are entered in species information section of the appraisal data submission. Where a licence requires harvesting in deciduous stands the deciduous volume (all deciduous species) indicated in the harvest method summary of the cruise compilation is entered as a lump sum (all deciduous species) in the cruise information section of the appraisal data submission.

The species percent data (coniferous and deciduous) used in the tree-to-truck and hauling equations is automatically calculated as:

$$\text{Species volume (m}^3\text{)} / (\text{Total Net Cruise Volume (m}^3\text{)} + \text{Deciduous Volume (m}^3\text{)})$$

|              |                     |
|--------------|---------------------|
| HE - Hemlock | SP - Spruce         |
| FI - Fir     | LO - Lodgepole Pine |
| LA - Larch   | BA - Balsam         |
| CE - Cedar   |                     |

## 14. Region Constants

|               |   |                                                                             |
|---------------|---|-----------------------------------------------------------------------------|
| FNP           | = | Fort Nelson & Peace Forest Districts                                        |
| Prince George | = | Fort St. James, Mackenzie, Prince George, and Vanderhoof Forest Districts   |
| Prince Rupert | = | Kalum, Nadina, and Skeena Stikine Forest Districts                          |
| Kamloops      | = | Cascades, Kamloops, Headwaters and Okanagan Shushwap Forest Districts       |
| Cariboo       | = | Chilcotin, 100 Mile House, Central Cariboo and Quesnel Forest Districts     |
| Nelson        | = | Arrow Boundary, Columbia, Kootenay Lake and Rocky Mountain Forest Districts |

## 15. Biogeoclimatic Zones:

|        |   |                                          |
|--------|---|------------------------------------------|
| CWH/MH | - | Coastal Western Hemlock/Mountain Hemlock |
| ICH    | - | Interior Cedar Hemlock                   |
| SBS    | - | Sub Boreal Spruce                        |
| SBPS   | - | Sub Boreal Pine/Spruce                   |
| ESSF   | - | Engelmann Spruce – Subalpine Fir         |
| MS     | - | Montane Spruce                           |
| IDF    | - | Interior Douglas Fir                     |

Where a harvest method area occupies more than one biogeoclimatic zone, the constant for the zone that occupies the greatest area in the harvest method area shall be used in the calculation of the cost determination algorithm.

**4.4.3 Tree-to-truck Cost Estimate**

Tree-to-truck costs estimates are determined for each harvesting method as follows:

## 1. Helicopter Logging

$$\$/\text{m}^3 = \text{CONSTANT} - (5.28 * \text{SLOPE}\% / 100) + (4.18 * \text{HELIYARD}) - (5.94 * \text{SP}\% / 100)$$

If yarding uphill, slope percent is set to 0.

Where CONSTANT =

|          | BIOGEOCLIMATIC ZONE |       |       |
|----------|---------------------|-------|-------|
| REGION   | ICH                 | ESSF  | Other |
| Kamloops | 66.02               | 69.32 | 63.34 |
| Nelson   | 64.65               | 67.95 | 61.97 |
| Other    | 69.92               | 73.22 | 67.24 |

## 2. Horse Logging

No variables are recognized for this method. The cost estimates are applied to the volume of timber to be clear cut or partial cut.

$$$/m^3 = 27.95$$

## 3. Ground Skidding

The ground skidding equipment options include, but are not limited to, rubber tired skidder, crawler tractor, soft track skidder, small cat skidding, hoe chucking, long line skidding, clambunk forwarders, low ground pressure skidders, harvester forwarders and cut-to-length processors. A system does not have to skid wood all the way from the stump to the landing to be included. Some wood may be moved part way by longlining or hoe chucking before being skidded by some other system to the landing. Two variations are recognized:

- a. Clear Cut,
- b. Partial Cut

The tree-to-truck cost estimate for both variations is determined from the equation as follows:

$$\begin{aligned}
 \$/m^3 = \text{CONSTANT} &+ (6.58 * \text{SLOPE\%/100}) - (5.21 * \text{VOLHA/1000}) + (3.81 * \text{BD\%/100}) \\
 &+ (7.67 * \text{DEFECT\%/100}) + (1.07 * \text{DPCUT}) + \\
 &(6.03 * \text{SMALLTREED}) - (17.58 * \text{SMALLTREEVOL}) + \\
 &(1.53 * \text{NEWDIST200/100})
 \end{aligned}$$

Where CONSTANT =

|                | BIOGEOCLIMATIC ZONE |       |       |       |       |       |
|----------------|---------------------|-------|-------|-------|-------|-------|
| REGION         | CWH/MH              | SBS   | ICH   | MS    | SBPS  | Other |
| Cariboo        | 22.53               | 15.80 | 19.77 | 17.39 | 14.93 | 18.64 |
| FNP            | 20.49               | 13.76 | 17.73 | 15.35 | 12.89 | 16.60 |
| Kamloops       | 21.11               | 14.38 | 18.35 | 15.97 | 13.51 | 17.22 |
| Prince George* | 21.48               | 14.75 | 18.72 | 16.34 | 13.88 | 17.59 |
| Prince Rupert  | 21.13               | 14.40 | 18.37 | 15.99 | 13.53 | 17.24 |
| Other          | 24.80               | 18.07 | 22.04 | 19.66 | 17.20 | 20.91 |

\* Excluding FNP.

#### 4. Overhead Cable Logging

Overhead cable logging cost estimates will be recognized when required. The method includes both highlead (spar) mobile (grapple) yarders and skyline yarders, but variations in machine size, spar/boom height, winch line capacity and yarding technique are not recognized.

Variations recognized within the method are:

##### a. Highlead and Grapple

The tree-to-truck cost estimate for clear cut and partial cut is determined from the equation as follows:

$$\$/m^3 = \text{CONSTANT} + (10.97 * \text{SLOPE}\% / 100) - (11.38 * \text{VOLHA} / 1000) - (3.08 * \text{GVOL}) + (0.33 * \text{GVOLSQR}) + (3.13 * \text{DPCUT}) + (19.42 * \text{DIST200S175} / 100) + (2.01 * \text{LO}\% / 100)$$

Where CONSTANT =

|                | Biogeoclimatic Zone |       |       |       |
|----------------|---------------------|-------|-------|-------|
| REGION         | CWH/MH              | IDF   | ESSF  | Other |
| Kamloops       | 46.82               | 28.47 | 36.30 | 33.71 |
| Nelson         | 48.20               | 29.85 | 37.68 | 35.09 |
| Prince George* | 43.32               | 24.97 | 32.80 | 30.21 |
| Other          | 41.31               | 22.96 | 30.79 | 28.20 |

\* Excluding FNP.

##### b. Skyline and Intermediate Support Skyline

Skyline yarding estimates will be recognized where the average yarding distance is greater than 300 m, or intermediate supports are required.

The average yarding distance is determined by:

1. Drawing a series of transects (minimum four) with their origin at the landing, being equi-angle apart and measured to the back-line. This is done for each block; blocks will not be amalgamated for the purpose of average yarding distance calculation. The volume for the system is the sum of the volumes of qualifying blocks.

2. Yarding distance will be measured as slope distance from the centre of the landing to the falling boundary.
3. The sum of transect lengths divided by the number of transects equals the average yarding distance.
4. The exception to the above; where the ministry and the licensee agree that Forest and Land Management is better served by the use of a skyline system in a particular logging chance, then the average yarding distance greater than 300 meters requirement is waived.

The tree-to-truck cost estimate is determined from the equation as follows:

$$$/m^3 = \text{CONSTANT} + (24.79 * \text{SLOPE\%/100}) - (12.91 * \text{GVOL}) + (3.32 * \text{GVOLSQR}) + 1.12 * \text{SKYYARD/100}$$

Where CONSTANT =

|        | Biogeoclimatic Zone |
|--------|---------------------|
| Region | All                 |
| Nelson | 31.79               |
| Other  | 28.77               |

#### 4.4.4 Tree-to-Truck Additive for Damaged Timber

The following cost estimate additives are recognized for heavy fire damage (HFD), and dead/live useless snags (DUS). The data is collected as specified by the *Cruising Manual*. The additional costs incurred to harvest blowdown timber are recognized in the tree-to-truck ground skidding and overhead cable logging equations (sections 4.4 (3), 4.4 (4)).

The following additive is determined for all cable and ground skidding harvesting methods and is added to the tree-to-truck cost estimate.

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

Where: DT is the Damaged Timber percent

$$DT = \text{HFD} + \text{DUS}$$

If: DT is less than 15 percent, DT = 15

If: DT is more than 100 percent, DT = 100

$$\text{Heavy Fire Damage \%} = \frac{\text{Conifer HFD Volume(m}^3\text{)} * 100}{\text{Total Net Conifer Volume(m}^3\text{)}}$$

$$\text{Dead / Live Useless Snags \%} = \frac{\text{Conifer DUS Snags / ha} * 100}{\text{Net Merchantable Conifer Stems / ha} + \text{Conifer DUS Snags / ha}}$$

#### 4.4.5 Prorating Tree-to-Truck Cost Estimates

Where more than one harvesting method is required, a proration of costs is necessary.

The variables for each required harvesting method must be based on a cruise compilation of only those plots located within the area to be harvested by the method and include the deciduous volume if the licence requires harvesting in deciduous stands.

The additive for damaged timber is also determined for each applicable method.

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:

$$\begin{aligned} \$/\text{m}^3 = & \frac{(\text{Cost}_{\text{Heli(C)}})(V_{\text{Heli(C)}})}{(\text{TNCV})} + \frac{(\text{Cost}_{\text{Heli(P)}})(V_{\text{Heli(P)}})}{(\text{TNCV})} + \frac{(\text{Cost}_{\text{Horse}})(V_{\text{Horse}})}{(\text{TNCV})} + \frac{(\text{Cost}_{\text{OC(C)}})(V_{\text{OC(C)}})}{(\text{TNCV})} + \\ & \frac{(\text{Cost}_{\text{OC(P)}})(V_{\text{OC(P)}})}{(\text{TNCV})} + \frac{(\text{Cost}_{\text{GS(C)}})(V_{\text{GS(C)}})}{(\text{TNCV})} + \frac{(\text{Cost}_{\text{GS(P)}})(V_{\text{GS(P)}})}{(\text{TNCV})} + \frac{(\text{Cost}_{\text{SK}})(V_{\text{SK}})}{(\text{TNCV})} \end{aligned}$$

Where:

|          |   |                                                                          |
|----------|---|--------------------------------------------------------------------------|
| Cost     | = | cost estimate (\$/m <sup>3</sup> ) including any damaged timber additive |
| V        | = | volume (m <sup>3</sup> ) required to be logged by each system            |
| Heli (C) | = | helicopter logging (clear cut)                                           |
| Heli (P) | = | helicopter logging (partial cut)                                         |
| Horse    | = | horse logging                                                            |
| GS (C)   | = | ground skidding (clear cut)                                              |
| GS (P)   | = | ground skidding (partial cut)                                            |
| OC(C)    | = | overhead cable logging (clear cut)                                       |
| OC(P)    | = | overhead cable logging (partial cut)                                     |
| SK       | = | skyline logging                                                          |
| TNCV     | = | total net cruise volume (m <sup>3</sup> )                                |

## 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. The use of section 4.5.1, 1., c. does not affect any other provision that requires the use of the least cost point of appraisal.

### 4.5.1 Truck Haul Variables

1. Cycle Time:

For appraisal purposes, weighted average Cycle Time (CT) is the estimated time in hours (rounded to the nearest 0.1 hour) for transporting logs from the centre of a cutting authority area to:

- a. the least cost point of appraisal,
- b. the appraisal place of unloading in the case of water or rail transport, or
- c. where the regional manager is satisfied that a transfer of current cutting rights to address a bark beetle infestation will result in:
  - i. equal or higher sawlog stumpage rates for the timber to which the current cutting rights are transferred to, when compared to the sawlog stumpage rates for the timber where the current cutting rights are transferred from and,
  - ii. an increase in milling consumption of beetle infested timber by the licensee whose current cutting rights are transferred, then

the place that would have been the point of appraisal if the timber had been harvested in the area from which the current cutting rights are transferred from.

2. To determine weighted average cycle time:

- a. establish the geographical centre point of each cutblock and project this point to the nearest road for measurement purposes,
- b. from this centre point, determine the cycle time to the nearest junction serving all cutblocks,
- c. weight the cycle time for each cutblock by the volume on the cutblock and determine the average weighted cycle time to the junction. If the cutblock volume is not available, the cutblock area is used, and
- d. determine the cycle time from the junction to:
  - i. the least cost point of appraisal,
  - ii. the appraisal place of unloading,
  - iii. if the conditions under 4.5.1 (1)(c) are met, then

the place that would have been the point of appraisal if the timber had been harvested in the area from which the current cutting rights are transferred from.

and add this to the average weighted cycle time from 'c.' above.

The cycle consists of loading, hauling, weighing, unloading, return time, and unavoidable delays. 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.

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).

Unavoidable delays are 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 and adjusting brakes, minor delays prior to loading and 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. The time for load, unload and unavoidable delay is set at 75 minutes for cable yarding systems (see section 4.4.3 (4)) and 60 minutes for all other systems (see section 4.4.3 (1), (2), & (3)).

### 3. 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 on the licensee's particular method.

Highway hauling is assumed when loaded logging trucks must travel in part over roads administered under the *Highway Act*, 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 is less than 0.20 m<sup>3</sup>.

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 a recognized reload. Where prolonged known restrictions (e.g., bridge load limit, narrow road, through rock cut, WCB Regulations, etc.) prevent the use of oversize loads, highway haul is assumed.

## 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 \$0.05/m<sup>3</sup>. If CT = 0 then \$/m<sup>3</sup> = 0.

$$\$/\text{m}^3 = \text{CONSTANT} + (2.05 * \text{CT}) - (0.44 * \text{BA}\%/100) - (1.70 * \text{CE}\%/100) \\ + (0.89 * \text{DE}\%/100) + (1.73 * \text{HE}\%/100) - (1.65 * \text{WH}\%/100) - (1.03 * \text{SP}\%/100)$$

Where:

| REGION   | : | Cariboo | FNP  | Nelson | Prince George * | Other |
|----------|---|---------|------|--------|-----------------|-------|
| CONSTANT | = | 0.30    | 0.38 | 0.51   | -0.27           | -0.01 |

\* Excluding FNP

#### 2. Off-Highway Haul

For all off-highway haul equations if CT is greater than 0 then the minimum is \$0.19/m<sup>3</sup>. If CT = 0 then \$/m<sup>3</sup> = 0.

$$\$/\text{m}^3 = \text{CONSTANT} + (1.41 * \text{CT}) - (2.88 * \text{CE}\%/100) - (0.59 * \text{SP}\%/100)$$

Where:

| REGION   | : | Cariboo | FNP  | Kamloops | Nelson | Other |
|----------|---|---------|------|----------|--------|-------|
| CONSTANT | = | 1.67    | 1.82 | 1.34     | 1.66   | 0.55  |

For both highway and off-highway:

|      |                                     |      |            |
|------|-------------------------------------|------|------------|
| CT = | Cycle time to the nearest 0.1 hours |      |            |
| CE = | Cedar                               | LA = | Larch      |
| HE = | Hemlock                             | SP = | Spruce     |
| DE = | Deciduous species (all)             | WH = | White Pine |

A description of how species are automatically calculated is provided in section 4.4.2(13).

|               |   |                                                                             |
|---------------|---|-----------------------------------------------------------------------------|
| FNP           | = | Fort Nelson & Peace Forest Districts                                        |
| Prince George | = | Fort St. James, Mackenzie, Prince George, and Vanderhoof Forest Districts   |
| Prince Rupert | = | Kalum, Nadina and Skeena Stikine Forest Districts                           |
| Kamloops      | = | Cascades, Kamloops, Headwaters and Okanagan Shushwap Forest Districts       |
| Cariboo       | = | Chilcotin, 100 Mile House, Central Cariboo and Quesnel Forest Districts     |
| Nelson        | = | Arrow Boundary, Columbia, Kootenay Lake and Rocky Mountain Forest Districts |

#### 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.

$$$/m^3 = 1.761 * CT$$

CT for the secondary haul is determined using the method described in section 4.5.1(2).

#### 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:  $\$/\text{m}^3 = \$3.21$

Natural Lakes:  $\$/\text{m}^3 = \$1.86$

## 2. Tow:

All  $\$/\text{m}^3 = 1.0138 + 0.004419 * d$

Where; d = one-way tow distance in kilometres

## 3. Dewater and Reload:

All  $\$/\text{m}^3 = \$2.38$

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

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:

Rail - Dease Lake Extension:  $\$/\text{m}^3 = \$4.11$

All Other Railways:  $\$/\text{m}^3 = \$3.80$

## 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.

**Table 4-6 Rail Log Transportation**

| Origin        | Cost Estimate (\$/m <sup>3</sup> ) | Point of Appraisal |
|---------------|------------------------------------|--------------------|
| Leo Creek     | 8.44                               | Fort St. James     |
| Lovell        | 11.31                              | Fort St. James     |
| Bear Lake     | 16.26                              | Fort St. James     |
| Minaret Creek | 17.78                              | Fort St. James     |
| Niteal        | 15.42                              | 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:

Reservoir Lakes  $\$/\text{m}^3 = \$3.79$

Natural Lakes  $\$/\text{m}^3 = \$1.90$

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.

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:

All lakes  $\$/\text{m}^3 = \$0.75$

4. Francois Lake Ferry (Private/Public)

When the least cost truck haul includes using the Francois Lake Ferry crossing, the cost estimate for the ferry phase is:

Francois Ferry  $\$/\text{m}^3 = \$0.31$

## 4.6 Road Management

Where the licensee is obliged to carry out road management, it includes but is not limited to, the following:

- grading
- snowplowing and refreezing
- 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/wearing surface replacement
- ditching
- road use charges paid to other licensees
- all access management
- seasonal erosion control
- roadside treatments
- sign maintenance
- dust control
- brushing
- minor flood and storm damage repair
- slough removal
- water bar construction (seasonal)
- road ripping
- cross ditch construction
- grass seeding
- all deactivation

The cost estimate for all routine maintenance carried out on logging operations depends on the geographic location of the cutting authority area (refer to Table 4-7).

Cutting authorities issued under forms of tenure not located administratively within a tree farm licence area or timber supply area will be assigned the routine road maintenance cost estimate for the TFL or TSA/supply block in which the cutting authority is geographically located.

The geographic location is recognized by forest region, timber supply area and supply block, and tree farm licence as follows.

**Table 4-7 Road Management Cost Estimates**

| Region            | TFL # | TSA            | TSA # | Supply Block | \$/m3 |
|-------------------|-------|----------------|-------|--------------|-------|
| Northern Interior |       | Bulkley        | 3     | All          | 1.97  |
|                   |       | Cassiar        | 4     | All          | 1.97  |
|                   |       | Cranberry      | 42    | All          | 1.97  |
|                   |       | Dawson Creek   | 41    | All          | 2.24  |
|                   |       | Fort Nelson    | 8     | All          | 3.39  |
|                   |       | Fort St. John  | 40    | All          | 2.24  |
|                   |       | Kalum          | 10    | All          | 1.97  |
|                   |       | Kispiox        | 12    | All          | 1.97  |
|                   |       | Lakes          | 14    | All          | 1.53  |
|                   |       | Mackenzie      | 16    | All          | 1.60  |
|                   |       | Morice         | 20    | All          | 1.53  |
|                   |       | Nass           | 43    | All          | 1.97  |
|                   |       | Prince George  | 24    | A, B, C      | 1.60  |
|                   |       | Prince George  | 24    | D            | 1.61  |
|                   |       | Prince George  | 24    | E, F, I      | 1.34  |
|                   |       | Prince George  | 24    | G, H         | 2.90  |
|                   | 1     |                |       |              | 1.97  |
|                   | 30    |                |       |              | 2.90  |
|                   | 41    |                |       |              | 1.97  |
|                   | 42    |                |       |              | 1.60  |
|                   | 48    |                |       |              | 2.24  |
|                   | 53    |                |       |              | 2.90  |
| Southern Interior |       | 100 Mile House | 23    | All          | 1.16  |
|                   |       | Arrow          | 1     | All          | 2.91  |
|                   |       | Boundary       | 2     | C, D, G      | 2.91  |
|                   |       | Boundary       | 2     | E, F         | 2.63  |
|                   |       | Cranbrook      | 5     | All          | 2.34  |
|                   |       | Golden         | 7     | All          | 4.89  |
|                   |       | Invermere      | 9     | All          | 2.34  |
|                   |       | Kamloops       | 11    | 1            | 2.08  |
|                   |       | Kamloops       | 11    | 2, 3, 4      | 1.39  |
|                   |       | Kootenay Lake  | 13    | All          | 2.56  |

| Region            | TFL # | TSA           | TSA # | Supply Block     | \$/m3 |
|-------------------|-------|---------------|-------|------------------|-------|
| Southern Interior |       | Lillooet      | 15    | All              | 1.97  |
|                   |       | Merritt       | 18    | All              | 1.09  |
|                   |       | Okanagan      | 22    | 1, 2, 3          | 2.63  |
|                   |       | Okanagan      | 22    | 4, 5             | 1.66  |
|                   |       | Okanagan      | 22    | 6, 7, 8, 9       | 2.41  |
|                   |       | Quesnel       | 26    | A, B, C, D       | 0.51  |
|                   |       | Quesnel       | 26    | E, F, G, H, I    | 2.90  |
|                   |       | Revelstoke    | 27    | All              | 4.89  |
|                   |       | Robson Valley | 17    | All              | 2.08  |
|                   |       | Williams Lake | 29    | A, B, C, D, E, I | 1.23  |
|                   |       | Williams Lake | 29    | F, G, H, J       | 0.99  |
|                   |       | Williams Lake | 29    | K, L             | 1.19  |
|                   |       | Williams Lake | 29    | M, N             | 3.50  |
|                   | 3     |               |       |                  | 2.91  |
|                   | 5     |               |       |                  | 1.34  |
|                   | 8     |               |       |                  | 2.63  |
|                   | 14    |               |       |                  | 2.34  |
|                   | 15    |               |       |                  | 2.63  |
|                   | 18    |               |       |                  | 2.08  |
|                   | 23    |               |       |                  | 2.91  |
|                   | 33    |               |       |                  | 2.41  |
|                   | 35    |               |       |                  | 1.39  |
|                   | 49    |               |       |                  | 1.66  |
|                   | 52    |               |       |                  | 2.90  |
|                   | 55    |               |       |                  | 4.89  |
|                   | 56    |               |       |                  | 4.89  |

## **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 <sup>3</sup> | District                                         | \$/m <sup>3</sup> |
|-------------------------------------------|-------------------|--------------------------------------------------|-------------------|
| 100 Mile House                            | 8.11              | Kootenay Lake                                    | 11.24             |
| Arrow Boundary (Arrow Boundary)           | 9.06              | Mackenzie                                        | 6.25              |
| Cascades (Merritt, Lillooet)              | 8.33              | Nadina (Lakes, Morice)                           | 5.59              |
| Central Cariboo (Horsefly, Williams Lake) | 7.75              | Okanagan Shuswap (Penticton, Salmon Arm, Vernon) | 7.06              |
| Chilcotin                                 | 9.12              | Peace (Ft. St. John, Dawson Creek)               | 7.72              |
| Columbia                                  | 12.51             | Prince George                                    | 6.40              |
| Fort Nelson                               | 8.33              | Quesnel                                          | 7.12              |
| Fort St. James                            | 5.40              | Rocky Mountain (Cranbrook, Invermere)            | 9.77              |
| Headwaters (Clearwater, Robson Valley)    | 10.36             | Skeena Stikine (Bulkley/Cassiar, Kispiox)        | 6.23              |
| Kalum                                     | 10.00             | Vanderhoof                                       | 6.40              |
| Kamloops                                  | 7.10              |                                                  |                   |

### 4.8.2 Isolated Cutting Authority Areas

1. An isolated cutting authority area is an area to which workers who work on the cutting authority area travel on each day of work, during timber harvesting operations, from a camp in which the workers are residing that is outside of a support centre listed in Table 4.4.2(6).
2. A camp must:
  - a. be a permanent structure,
  - b. have a cookhouse and a bunkhouse, and
  - c. have been established through the expenditure of capital costs.
3. Where an isolated cutting authority area may be accessed only by rail, the isolated cost estimate for that cutting authority area is \$6.41/m<sup>3</sup>, otherwise the cost estimate is \$5.11/m<sup>3</sup>.

### 4.8.3 Low Volume Cost Estimate

All fully appraised cutting authorities are eligible for a specific low volume cost estimate in addition to all other phase cost estimates.

1. Where the licence to which the cutting authority belongs has an allowable annual cut of Crown timber greater than 0 m<sup>3</sup> and less than 3 000 m<sup>3</sup>:

$$$/m^3 = 8.35$$

2. Where the licence to which cutting authority belongs has an AAC of 3 000 m<sup>3</sup> or greater and the net cruise volume for the cutting authority is less than 3 000 m<sup>3</sup>;

|                                               |                    |                       |
|-----------------------------------------------|--------------------|-----------------------|
| The cost estimate is:<br>(prorated by volume) | Ground Skidding    | \$0.64/m <sup>3</sup> |
|                                               | Highlead & Grapple | \$0.88/m <sup>3</sup> |
|                                               | All Other          | \$0.00/m <sup>3</sup> |

## 4.9 Basic Silviculture Cost Estimate

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

Basic silviculture treatment cost estimates include all treatment costs that are required to achieve the free-growing stocking standards, as referred to in the *Forest Planning and Practices Regulation* (B.C. Reg.14/2004).

Basic silviculture treatment may not be required on some cutting authorities where:

1. this intent has been specified in the licence, cutting authority, or by applicants agreement, or,
2. basic silviculture work is funded by any Crown agency.

When any of these circumstances exist the basic silviculture cost estimate is not included in the appraisal, except as noted in section 6.7 of this manual.

The Table 4-9 lists the associated cost estimates (\$/ha) for each BioGeoClimatic (BGC) zone, subzone, and variant across the interior.

Where a cutting authority area includes more than one BGC/subzone/variant, the predominant BGC/subzone/variant by area shall be used for the cost estimate in the appraisal of the cutting authority.

The area to be appraised for silviculture is the net merchantable area(NMA) from the cruise. The area must be the same as the area directly attributed to the appraised Net Merchantable Volume(NMV) of the cutting authority. Where deciduous harvest volume is included in an appraisal the area for the deciduous must also be included as part of the net merchantable area.

The cutting authority silviculture cost estimate is calculated as follows:

$$\$/m^3 = \frac{[NMA(ha) * [BGC/subzone/variant cost(\$/ha) * (CAPCUT \%/100)*1.25]]}{NMV(m^3)}$$

Where:

If (CAPCUT %) is greater than 80%, then CAPCUT % = 80

$$(CAPCUT \%) = (CANMV(m^3) / CA \text{ Gross } NMV(m^3)) * 100$$

$$CA \text{ Gross } NMV(m^3) = {}^vGS(C) + ({}^vGS(P) / GS(PCUT/100)) + {}^vOC(C) + ({}^vOC(P) / OC(PCUT/100)) + {}^vSK(C) + {}^vHorse(C) + {}^vHeli(C) + ({}^vHeli(P) / Heli(PCUT/100))$$

And variables are defined as:

|          |   |                                                                   |
|----------|---|-------------------------------------------------------------------|
| PCUT     | = | Logging method PCUT (%) from section 4.4.2,(5)                    |
| CAPCUT   | = | Cutting Authority (CA) partial cut percent                        |
| v        | = | Net merchantable volume (m3) required to be logged by each system |
| Heli (C) | = | helicopter logging (clear cut)                                    |
| Heli (P) | = | helicopter logging (partial cut)                                  |
| Horse(C) | = | horse logging (clear cut)                                         |
| GS (C)   | = | ground skidding (clear cut)                                       |
| GS (P)   | = | ground skidding (partial cut)                                     |
| OC(C)    | = | overhead cable logging (clear cut)                                |
| OC(P)    | = | overhead cable logging (partial cut)                              |
| SK(C)    | = | skyline logging (clear cut)                                       |

**Table 4-9 BGC Silviculture Cost Estimates\***

| BGC Zone | Subzone | Variant | \$/ha | BGC | Subzone | Variant | \$/ha |
|----------|---------|---------|-------|-----|---------|---------|-------|
| BWBS     | dk      | 1       | 1302  | ICH | mk      | 2       | 1418  |
| BWBS     | dk      | 2       | 1302  | ICH | mk      | 3       | 1406  |
| BWBS     | mw      | 1       | 1779  | ICH | mm      |         | 1965  |
| BWBS     | mw      | 2       | 1888  | ICH | mw      | 1       | 2014  |
| BWBS     | un      |         | 1655  | ICH | mw      | 2       | 1799  |
| BWBS     | vk      |         | 1655  | ICH | mw      | 3       | 2426  |
| BWBS     | wk      | 1       | 1320  | ICH | un      |         | 1965  |
| BWBS     | wk      | 2       | 1320  | ICH | vc      |         | 1965  |
| BWBS     | wk      | 3       | 1320  | ICH | vk      | 1       | 2854  |
| CWH      | un      |         | 1727  | ICH | vk      | 2       | 2415  |
| CWH      | vh      | 1       | 1727  | ICH | wc      |         | 1965  |
| CWH      | vh      | 2       | 1727  | ICH | wk      | 1       | 2431  |
| CWH      | vm      |         | 1727  | ICH | wk      | 2       | 2195  |
| CWH      | vm      | 1       | 1727  | ICH | wk      | 3       | 2195  |

| BGC Zone | Subzone | Variant | \$/ha |
|----------|---------|---------|-------|
| CWH      | vm      | 2       | 1727  |
| CWH      | vm      | 3       | 1727  |
| CWH      | wh      | 1       | 1727  |
| CWH      | wh      | 2       | 1727  |
| CWH      | wm      |         | 1727  |
| CWH      | ws      | 1       | 1727  |
| CWH      | ws      | 2       | 1727  |
| CWH      | xm      | 1       | 1727  |
| CWH      | xm      | 2       | 1727  |
| ESSF     | dc      | 1       | 1723  |
| ESSF     | dc      | 2       | 1578  |
| ESSF     | dcp     | 1       | 1599  |
| ESSF     | dcp     | 2       | 1599  |
| ESSF     | dk      |         | 1317  |
| ESSF     | dkp     |         | 1599  |
| ESSF     | dku     |         | 1599  |
| ESSF     | dv      |         | 1709  |
| ESSF     | dvp     |         | 1599  |
| ESSF     | mc      |         | 1585  |
| ESSF     | mcp     |         | 1599  |
| ESSF     | mk      |         | 1599  |
| ESSF     | mkp     |         | 1599  |
| ESSF     | mm      | 1       | 1599  |
| ESSF     | mm      | 2       | 1599  |
| ESSF     | mmp     | 1       | 1599  |
| ESSF     | mmp     | 2       | 1599  |
| ESSF     | mv      | 1       | 1130  |
| ESSF     | mv      | 2       | 1358  |
| ESSF     | mv      | 3       | 1234  |
| ESSF     | mv      | 4       | 1505  |
| ESSF     | mvp     | 1       | 1599  |
| ESSF     | mvp     | 2       | 1599  |
| ESSF     | mvp     | 3       | 1599  |
| ESSF     | mvp     | 4       | 1599  |
| ESSF     | mw      |         | 1566  |
| ESSF     | mwp     |         | 1599  |
| ESSF     | un      |         | 1599  |
| ESSF     | vc      |         | 2855  |
| ESSF     | vcp     |         | 1599  |

| BGC  | Subzone | Variant | \$/ha |
|------|---------|---------|-------|
| ICH  | wk      | 4       | 2195  |
| ICH  | xw      |         | 1965  |
| IDF  | dk      | 1       | 727   |
| IDF  | dk      | 2       | 1209  |
| IDF  | dk      | 3       | 555   |
| IDF  | dk      | 4       | 673   |
| IDF  | dm      | 1       | 922   |
| IDF  | dm      | 2       | 614   |
| IDF  | dw      |         | 851   |
| IDF  | mw      | 1       | 1925  |
| IDF  | mw      | 2       | 1892  |
| IDF  | un      |         | 851   |
| IDF  | ww      |         | 851   |
| IDF  | xh      | 1       | 1076  |
| IDF  | xh      | 2       | 1076  |
| IDF  | xm      |         | 851   |
| IDF  | xw      |         | 851   |
| MH   | un      |         | 1727  |
| MS   | dc      | 1       | 2380  |
| MS   | dc      | 2       | 2380  |
| MS   | dk      |         | 1180  |
| MS   | dm      | 1       | 1490  |
| MS   | dm      | 2       | 1285  |
| MS   | dv      |         | 1247  |
| MS   | un      |         | 1247  |
| MS   | xk      |         | 1523  |
| MS   | xv      |         | 861   |
| PP   | dh      | 1       | 25    |
| PP   | dh      | 2       | 25    |
| PP   | un      |         | 25    |
| PP   | xh      | 1       | 25    |
| PP   | xh      | 2       | 25    |
| SBPS | dc      |         | 711   |
| SBPS | mc      |         | 699   |
| SBPS | mk      |         | 975   |
| SBPS | un      |         | 699   |
| SBPS | xc      |         | 548   |
| SBS  | dh      |         | 1234  |
| SBS  | dh      | 1       | 1234  |

| BGC Zone | Subzone | Variant | \$/ha |
|----------|---------|---------|-------|
| ESSF     | vv      |         | 1696  |
| ESSF     | vvp     |         | 1599  |
| ESSF     | wc      | 1       | 2092  |
| ESSF     | wc      | 2       | 1743  |
| ESSF     | wc      | 3       | 1606  |
| ESSF     | wc      | 4       | 2290  |
| ESSF     | wcp     | 2       | 1599  |
| ESSF     | wcp     | 3       | 1599  |
| ESSF     | wcp     | 4       | 1599  |
| ESSF     | wk      | 1       | 1945  |
| ESSF     | wk      | 2       | 1526  |
| ESSF     | wm      |         | 1636  |
| ESSF     | wmp     |         | 1599  |
| ESSF     | wv      |         | 1599  |
| ESSF     | wvp     |         | 1599  |
| ESSF     | xc      |         | 1547  |
| ESSF     | xcp     |         | 1599  |
| ESSF     | xv      | 1       | 1176  |
| ESSF     | xv      | 2       | 1108  |
| ESSF     | xvp     | 1       | 1599  |
| ESSF     | xvp     | 2       | 1599  |
| ICH      | dk      |         | 1965  |
| ICH      | dw      |         | 1717  |
| ICH      | mc      | 1       | 1372  |
| ICH      | mc      | 2       | 1969  |
| ICH      | mk      | 1       | 1351  |

| BGC | Subzone | Variant | \$/ha |
|-----|---------|---------|-------|
| SBS | dh      | 2       | 1234  |
| SBS | dk      |         | 1078  |
| SBS | dw      | 1       | 1220  |
| SBS | dw      | 2       | 908   |
| SBS | dw      | 3       | 951   |
| SBS | mc      | 1       | 1235  |
| SBS | mc      | 2       | 1221  |
| SBS | mc      | 3       | 1123  |
| SBS | mh      |         | 1234  |
| SBS | mk      | 1       | 1290  |
| SBS | mk      | 2       | 1268  |
| SBS | mm      |         | 1369  |
| SBS | mw      |         | 1502  |
| SBS | un      |         | 1234  |
| SBS | vk      |         | 1557  |
| SBS | wk      | 1       | 1534  |
| SBS | wk      | 2       | 1555  |
| SBS | wk      | 3       | 981   |
| SWB | dk      |         | 1505  |
| SWB | dks     |         | 1505  |
| SWB | mk      |         | 1505  |
| SWB | mks     |         | 1505  |
| SWB | un      |         | 1505  |
| SWB | vk      |         | 1505  |
| SWB | vks     |         | 1505  |

\* The dollar per hectare (\$/ha) cost estimates are net of overhead.

## **4.10 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 all phases of manufacturing beginning with the unloading of logging trucks at the mill log yard, (land or water or satellite log yards) or the dewatering of logs in cases when the mill infeed is on the same lake as used for towing the logs, and ending when the lumber and chips have been loaded on rail cars or trucks for transport to market.

The survey collects actual costs to the licensee, including wages, benefits, overtime, depreciation, fuel, supplies, repair, 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 are permitted to reflect operation-specific conditions.

The estimates have an effective cost base date of July 1, 2001, and will be used for all appraisals, reappraisals and adjustments of stumpage rates.

**Table 4-10 Untrended Manufacturing Cost Estimates**

| <b>Untrended Manufacturing Cost Estimates (\$/m<sup>3</sup>)</b><br><b>2001 Cost Survey Base</b> |                |                                                                 |
|--------------------------------------------------------------------------------------------------|----------------|-----------------------------------------------------------------|
|                                                                                                  | <b>Species</b> | <b>Manufacturing cost (\$/m<sup>3</sup>)</b><br><b>0% Decay</b> |
| Northern Interior<br>(Zone 5)                                                                    | LO             | 35.71                                                           |
|                                                                                                  | SP             | 32.73                                                           |
|                                                                                                  | BA             | 37.31                                                           |
|                                                                                                  | FI, LA, WH, YE | 51.50                                                           |
|                                                                                                  | CE             | 48.42                                                           |
|                                                                                                  | HE             | 45.31                                                           |
|                                                                                                  |                |                                                                 |
| Skeena (Zone 6)                                                                                  | LO             | 27.34                                                           |
|                                                                                                  | SP             | 25.85                                                           |
|                                                                                                  | BA             | 28.66                                                           |
|                                                                                                  | CE             | 36.78                                                           |
|                                                                                                  | HE             | 33.60                                                           |
|                                                                                                  |                |                                                                 |
| Southern Interior<br>(Zone 7)                                                                    | LO             | 39.75                                                           |
|                                                                                                  | SP             | 35.57                                                           |
|                                                                                                  | BA             | 40.96                                                           |
|                                                                                                  | FI, LA, WH, YE | 55.73                                                           |
|                                                                                                  | CE             | 52.60                                                           |
|                                                                                                  | HE             | 51.73                                                           |

| <b>Untrended Manufacturing Cost Estimates (\$/m<sup>3</sup>)<br/>2001 Cost Survey Base</b> |                |                                                           |
|--------------------------------------------------------------------------------------------|----------------|-----------------------------------------------------------|
|                                                                                            | <b>Species</b> | <b>Manufacturing cost (\$/m<sup>3</sup>)<br/>0% Decay</b> |
| Southern Cariboo<br>(Zone 8)                                                               | LO             | 36.96                                                     |
|                                                                                            | SP             | 33.69                                                     |
|                                                                                            | BA             | 38.58                                                     |
|                                                                                            | FI, LA, WH, YE | 52.22                                                     |
|                                                                                            | CE             | 45.71                                                     |
|                                                                                            | HE             | 45.62                                                     |

|                               |    |       |
|-------------------------------|----|-------|
| Fort Nelson/Peace<br>(Zone 9) | LO | 34.85 |
|                               | SP | 31.65 |
|                               | BA | 35.89 |

To derive the manufacturing cost estimate for decay % from 1 to 50, use the above table values in the following equation:

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

Manufacturing cost (\$/m<sup>3</sup>) = decay % \* 0.1952 + base value from table.

For a list of points of appraisal by zone, refer to section 2.6.

#### **4.10.1 Grade 3 Pine Interim Adjustment**

The manufacturing cost estimate is adjusted for grade 3 pine on August 1, 2005 in the following manner:

Adjusted LO manufacturing cost estimate = LO manufacturing cost estimate - adjustment from Table 4-11, for the applicable point of appraisal.

The stumpage rates for the following licences or cutting authorities issued under these licences will not be affected by this interim adjustment:

All licences issued under BC Timber Sales, A57963, A59071, A59959, A61106, A61108, A61109, A61546, A64418, A65442, A66815, A66005, A71884, A72766, A73080, A73557, A73558, A73761, A73927, A74107, A74718, A75166, A75167, A76490, A76491, A76492, A76553, A76729, A68213, A73935, A73936, A73937, A74729, A74730, A75472, A75473, A75474, A75475, A75670, A75671, A75947, A75948, A76217, A76218, A76219, A76400, A76469, A76470.

**Table 4-11 Grade 3 Pine Interim Adjustments**

| <b>Point of Appraisal *</b> | <b>Grade 3 Pine Adjustment</b> | <b>Point of Appraisal *</b> | <b>Grade 3 Pine Adjustment</b> |
|-----------------------------|--------------------------------|-----------------------------|--------------------------------|
| 100 Mile House              | 2.84                           | Lavington                   | 0.92                           |
| Adams Lake                  | 1.93                           | Lillooet                    | 0.00                           |
| Armstrong                   | 1.62                           | Louis Creek                 | 4.72                           |
| Bear Lake                   | 2.54                           | Lumby                       | 1.26                           |
| Boston Bar                  | 0.00                           | Lytton                      | 3.22                           |
| Burns Lake                  | 2.09                           | Mackenzie                   | 0.40                           |
| Canal Flats                 | 0.64                           | McBride                     | 0.92                           |
| Canoe                       | 1.20                           | Merritt                     | 1.13                           |
| Carnaby                     | 0.00                           | Midway                      | 0.83                           |
| Castlegar                   | 2.51                           | Okanagan Falls              | 0.77                           |
| Chasm                       | 2.50                           | Park Siding                 | 1.47                           |
| Chetwynd                    | 0.12                           | Prince George               | 3.71                           |
| Clear Lake                  | 8.48                           | Princeton                   | 0.55                           |
| Craigellachie               | 1.95                           | Quesnel                     | 8.02                           |
| Cranbrook                   | 0.00                           | Radium                      | 1.29                           |
| Creston                     | 0.57                           | Revelstoke                  | 13.87                          |
| Elko                        | 1.13                           | Slocan                      | 2.01                           |
| Engen                       | 9.79                           | Smithers                    | 1.95                           |
| Fort Nelson                 | 0.34                           | Squamish                    | 0.00                           |
| Fort St. James              | 2.15                           | Strathnaver                 | 6.99                           |
| Fort St. John               | 0.10                           | Taylor                      | 0.09                           |
| Fraser Lake                 | 5.48                           | Terrace                     | 0.00                           |
| Galloway                    | 1.15                           | Thrms                       | 2.37                           |
| Grand Forks                 | 1.39                           | Upper Fraser                | 3.74                           |
| Hazelton                    | 0.00                           | Valemount                   | 1.21                           |
| Houston                     | 0.81                           | Vanderhoof                  | 1.04                           |
| Isle Pierre                 | 8.83                           | Vavenby                     | 2.17                           |
| Kamloops                    | 1.87                           | Westbank                    | 0.41                           |
| Kelowna                     | 0.85                           | Williams Lake               | 2.37                           |
| Kitwanga                    | 0.16                           | Ymir                        | 1.11                           |

\* The list includes two former Points of Appraisal Cranbrook and Lillooet.

## 4.11 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. Cost trend factors are applied at the appraisal effective date and at the date of each stumpage adjustment.

For trend factors applicable prior to November 1, 2004, refer to earlier *Interior Appraisal Manuals*.

### Appraisal Effective Dates From August 1, 1996 to November 30, 1997

| <u>Appraisal Effective Date<br/>or Stumpage Adjustment Date</u> | <u>Trend Factor</u>             |                      |
|-----------------------------------------------------------------|---------------------------------|----------------------|
|                                                                 | <u>Logging and Silviculture</u> | <u>Manufacturing</u> |
| January 1 to March 31, 2005                                     | 0.954                           | 1.0                  |
| April 1 to June 30, 2005                                        | 0.954                           | 1.0                  |
| July 1 to September 30, 2005                                    | 0.954                           | 1.0                  |
| October 1 to December 31, 2005                                  | 0.954                           | 1.0                  |

### Appraisal Effective Dates From December 1, 1997 to August 31, 1998

| <u>Appraisal Effective Date<br/>or Stumpage Adjustment Date</u> | <u>Trend Factor</u>             |                      |
|-----------------------------------------------------------------|---------------------------------|----------------------|
|                                                                 | <u>Logging and Silviculture</u> | <u>Manufacturing</u> |
| January 1 to March 31, 2005                                     | 0.886                           | 1.0                  |
| April 1 to June 30, 2005                                        | 0.886                           | 1.0                  |
| July 1 to September 30, 2005                                    | 0.886                           | 1.0                  |
| October 1 to December 31, 2005                                  | 0.886                           | 1.0                  |

**Appraisal Effective Dates From September 1, 1998 to September 30, 1999**

| <u>Appraisal Effective Date<br/>or Stumpage Adjustment Date</u> | <u>Trend Factor</u>             |                      |
|-----------------------------------------------------------------|---------------------------------|----------------------|
|                                                                 | <u>Logging and Silviculture</u> | <u>Manufacturing</u> |
| January 1 to March 31, 2005                                     | 0.936                           | 1.0                  |
| April 1 to June 30, 2005                                        | 0.936                           | 1.0                  |
| July 1 to September 30, 2005                                    | 0.936                           | 1.0                  |
| October 1 to December 31, 2005                                  | 0.936                           | 1.0                  |

**Appraisal Effective Dates From October 1, 1999 to August 31, 2000**

| <u>Appraisal Effective Date<br/>or Stumpage Adjustment Date</u> | <u>Trend Factor</u>             |                      |
|-----------------------------------------------------------------|---------------------------------|----------------------|
|                                                                 | <u>Logging and Silviculture</u> | <u>Manufacturing</u> |
| January 1 to March 31, 2005                                     | 0.983                           | 1.0                  |
| April 1 to June 30, 2005                                        | 0.983                           | 1.0                  |
| July 1 to September 30, 2005                                    | 0.983                           | 1.0                  |
| October 1 to December 31, 2005                                  | 0.983                           | 1.0                  |

**Appraisal Effective Dates From September 1, 2000 to June 30, 2001**

| <u>Appraisal Effective Date<br/>or Stumpage Adjustment Date</u> | <u>Trend Factor</u>             |                      |
|-----------------------------------------------------------------|---------------------------------|----------------------|
|                                                                 | <u>Logging and Silviculture</u> | <u>Manufacturing</u> |
| January 1 to March 31, 2005                                     | 0.967                           | 1.0                  |
| April 1 to June 30, 2005                                        | 0.967                           | 1.0                  |
| July 1 to September 30, 2005                                    | 0.967                           | 1.0                  |
| October 1 to December 31, 2005                                  | 0.967                           | 1.0                  |

**Appraisal Effective Dates From July 1, 2001 to October 31, 2002**

| <u>Appraisal Effective Date<br/>or Stumpage Adjustment Date</u> | <u>Trend Factor</u>             |                      |
|-----------------------------------------------------------------|---------------------------------|----------------------|
|                                                                 | <u>Logging and Silviculture</u> | <u>Manufacturing</u> |
| January 1 to March 31, 2005                                     | 0.967                           | 1.0                  |
| April 1 to June 30, 2005                                        | 0.967                           | 1.0                  |
| July 1 to September 30, 2005                                    | 0.967                           | 1.0                  |
| October 1 to December 31, 2005                                  | 0.967                           | 1.0                  |

**Appraisal Effective Dates From November 1, 2002 to October 31, 2004**

| <u>Appraisal Effective Date<br/>or Stumpage Adjustment Date</u> | <u>Trend Factor</u>             |                      |
|-----------------------------------------------------------------|---------------------------------|----------------------|
|                                                                 | <u>Logging and Silviculture</u> | <u>Manufacturing</u> |
| January 1 to March 31, 2005                                     | 1.007                           | 1.0                  |
| April 1 to June 30, 2005                                        | 1.007                           | 1.0                  |
| July 1 to September 30, 2005                                    | 1.007                           | 1.0                  |
| October 1 to December 31, 2005                                  | 1.007                           | 1.0                  |

**Appraisal Effective Dates On or After November 1, 2004**

| <u>Appraisal Effective Date<br/>or Stumpage Adjustment Date</u> | <u>Trend Factor</u>             |                      |
|-----------------------------------------------------------------|---------------------------------|----------------------|
|                                                                 | <u>Logging and Silviculture</u> | <u>Manufacturing</u> |
| January 1 to March 31, 2005                                     | 1.000                           | 1.0                  |
| April 1 to June 30, 2005                                        | 1.000                           | 1.0                  |
| July 1 to September 30, 2005                                    | 1.000                           | 1.0                  |
| October 1 to December 31, 2005                                  | 1.000                           | 1.0                  |

# **Stumpage Rate Determination**

---

**5**

## **5.1 Indicated Stumpage Rate (ISR)**

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 tied 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:

$$VI = SP - OC$$

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 Interior Mean Value Index**

The interior mean value index (IMVI) is the benchmark against which individual stands of timber are compared. The interior mean value index is recalculated and published by Revenue Branch at the time of each quarterly stumpage adjustment and becomes an integral part of this manual.

## 5.4 Market Value Indexing

At the times specified in section 1.7, target rates are adjusted upwards or downwards to reflect changes in the value of softwood lumber and wood chips as indicated by Statistics Canada.

Statistics Canada has replaced the 1992=100 based price series with new series that have a base of 1997=100. For the January 1, 2002, and all subsequent target rates, the 1997=100 price series must be converted to a 1992=100 base before beginning calculation of the composite index described in section 5.4.2.

### 5.4.1 Converting Indexes From 1997=100 Base to 1992=100 Base

Interior softwood lumber is represented by Statistics Canada price index P4798 (1997=100) which replaces P2459 (1992=100). To convert P4798 to a 1992=100 base, for use in section 5.4.2, multiply by a link factor of 1.752.

Wood chips are represented by Statistics Canada price index P4856 (1997=100) which replaces P2513 (1992=100). To convert P4856 to a 1992=100 base, for use in section 5.4.2, multiply by a link factor of 1.138.

### 5.4.2 Calculating the Interior Composite Index (ICI)

The average lumber and chip indexes from the appropriate three-month period (shown below) are combined, with lumber receiving a weight of 88.0 percent and chips 12.0 percent. The combined index is then multiplied by a normalization factor of 1.520. This factor equates the new lumber/chip composite index (1992=100) with the Statistics Canada lumber index (1981=100) at April 1, 1998. During the calculations described above, no rounding is done. The final composite index (INDEX) is rounded to one decimal place before being entered into the appropriate formula below.

### 5.4.3 Calculating the Interior Target Rate

Interior Target Rate (ITR) Calculation

1. If the ICI is less than or equal to 161 then,

$$ITR = \frac{INDEX}{139.0} * 8.59$$

2. If the ICI is greater than 161, but less than or equal to 169.9 then,

$$ITR = 9.95 + \left[ \frac{(INDEX - 161)}{25} * 9.35 \right]$$

3. If the ICI is greater than 169.9  
then,

$$\text{ITR} = 13.28 + \left[ \frac{(\text{INDEX} - 169.9)}{49} * 6.74 \right]$$

Where: ITR = Target Rate (\$/m<sup>3</sup>)

| Quarterly Stumpage<br>Rate Adjustment Date  | ICI based on Statistics Canada price indexes<br>for the months of:                                                                             |
|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| January 1<br>April 1<br>July 1<br>October 1 | Preceding August, September, October<br>Preceding November, December, January<br>Preceding February, March, April<br>Preceding May, June, July |

The applicable index is published by Revenue Branch at the time of each quarterly stumpage adjustment and becomes an integral part of this manual.

## **5.5 Interior Base Rate (IBR)**

The interior base rate is redetermined and published by Revenue Branch at the time of each quarterly stumpage rate adjustment and 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:

$$\text{ISR} = \text{IBR} + (\text{VI} - \text{IMVI})$$

Where:

ISR = Indicated Stumpage Rate

IBR = Interior Base Rate as defined in Section 5.5

VI = Value Index for the cutting authority as defined in Section 5.2

IMVI = 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 area, except those containing timber licence volume, the reserve stumpage rate is determined by selecting the greater of:

- the 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 plus any development, silviculture and administration levies which may be charged as defined in section 6.7.

### 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 Stumpage Rates by Forest Zone and Species

- Each of the following forest zones used in Tables 6-1, 6-2 and 6-3 is made up of the corresponding forest district areas:

North Central Zone - Fort St. James, Mackenzie, Nadina, Prince George, Quesnel and Vanderhoof Forest Districts.

North West Zone - Kalum and Skeena Stikine Forest Districts.

North East Zone - Fort Nelson and Peace Forest Districts.

South East Zone - Arrow Boundary, Columbia, Headwaters, Kamloops, Kootenay Lake, Okanagan Shuswap and Rocky Mountain Forest Districts.

South West Zone - 100 Mile House, Cascades, Central Cariboo and Chilcotin Forest Districts.

Where a species of timber is not listed in Table 6-1, the rate that shall be used for that species of timber is the rate listed in the column headed as OTHER.

**Table 6-1 Average Sawlog Stumpage Rates by Forest Zone and Species**

| FOREST ZONE   | BALSAM | CEDAR | FIR   | HEMLOCK | LARCH | L. PINE | SPRUCE | OTHER |
|---------------|--------|-------|-------|---------|-------|---------|--------|-------|
| North Central | 24.10  | 29.90 | 29.21 | 25.07   | -     | 26.39   | 30.09  | 27.68 |
| North West    | 10.57  | 9.81  | -     | 9.51    | -     | 17.77   | 13.21  | 10.95 |
| South East    | 22.70  | 20.22 | 19.56 | 15.72   | 15.20 | 23.07   | 23.17  | 21.35 |
| South West    | 24.37  | 15.82 | 20.15 | 11.06   | 32.79 | 19.51   | 23.40  | 20.45 |
| North East    | 14.29  | -     | -     | -       | 17.80 | 18.74   | 16.71  | 17.21 |

- For community forest agreements issued under sections 43.2, 43.4 or 43.51 of the *Forest Act* and associated road permits, the sawlog stumpage rate by species will be 15 percent of the sawlog stumpage rate from Table 6-1 in all cases. This provision expires on December 31, 2006.

Sections 6.2 through 6.7 do not apply to community forest agreements and associated road permits.

## 6.2 Cutting Authorities With 5 000 m<sup>3</sup> or Less Volume

1. This subsection applies to a cutting authority area that has a total coniferous volume of 2 000 m<sup>3</sup> or less :

- a. Sawlog Stumpage Rates by Forest Zone and Species

Where the licence to which the cutting authority area belongs has a coniferous allowable annual cut of less than 3 000 m<sup>3</sup>, or no coniferous allowable cut, the following method may apply:

- i. Except as provided in section 6.4, and in subsections (1)(a)(ii) and (1)(b) of this section, where a cutting authority area has 2 000 m<sup>3</sup> or less of coniferous timber, the stumpage rate for each species of timber must be determined using the stumpage rate prescribed in table 6-1 for the forest zone in which the cutting authority area is located.
    - ii. Where the licensee is not required to establish a free growing crop of trees on the cutting authority area, the stumpage rate for a species of timber shall be the sum of the rate prescribed in table 6-1 plus the basic silviculture cost for the species in the forest region or, where the Crown has the responsibility for silviculture, the basic silviculture levy as determined under section 6.7.
    - iii. The stumpage rates calculated under this section are not adjusted quarterly.
    - iv. For extensions of the cutting authority, see section 2.5(3).

- b. Full Appraisal

Alternatively, a 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.). When choosing the comparative cruise data, the district manager may require that procedures in section 2.1.2.2 of the *Cruising Manual* be followed. The total stumpage rate is adjustable for the term of the cutting authority, except as provided in section 6.6, or 2.5(2).

Each full appraisal is made as described in chapters 3, 4 and 5, or chapter 7.

2. Total coniferous volume of greater than 2 000 m<sup>3</sup> to 5 000 m<sup>3</sup>.

The 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 per section 2.1.2.2 of the *Cruising Manual*.

Each appraisal is made as described in chapters 3, 4 and 5, or chapter 7.

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 6.6.

### 6.3 Road Permits

1. Except as provided in subsection 2 of this section, the stumpage rate for a road permit shall be:
  - a. the weighted average sawlog stumpage for:
    - i. all cutting authorities, other than road permits, that authorize the harvesting of timber in the same forest district as is the land to which the road permit applies, and that are issued under the licence that entitles the licensee to apply for the road permit, or
    - ii. if there are no records from which the weighted average saw log stumpage rate may be determined under (i), and the licence permitting the granting of the road permit has an allowable annual cut of 3 000 m<sup>3</sup> or more per year, then all the cutting authorities, other than road permits, that authorize the harvesting of timber on land located in the same forest district as is the land to which the road permit applies, or
    - iii. if there are no records from which the weighted average saw log stumpage rate may be determined under (i), and the licence permitting the granting of the road permit has an allowable annual cut of less than 3 000 m<sup>3</sup> per year, all the cutting authorities, other than road permits, that are for licences that have an allowable annual cut of less than 3 000 m<sup>3</sup> in the same forest district as the area to which the road permit applies.
2. The stumpage rate for a road permit granted to the holder of a timber sale licence entered into under section 20 of the *Forest Act* will be the same as the stumpage rate for the timber sale licence which entitled the licensee to apply for the road permit.
3. In each of subparagraphs (i), (ii), and (iii) of subsection (1) of this section, the weighted average sawlog stumpage rate that is in effect for the period between June 1 of one year (the first year) and May 31 of the following year is the sum of the stumpage billed under the cutting authorities referred to in that subparagraph according to stumpage billing records of the revenue branch for coniferous sawlogs of grade code () blank during the twelve-month billing period ending March 31 in the first year divided by the sum of the volume of those sawlogs.
4. The stumpage rate for a road permit shall be redetermined on June 1 of each year in accordance with the procedure in this section.
5. The costs of roads constructed under road permits are eligible for inclusion as development cost estimates under section 4.3 in the appraisal of the first tributary cutting authority. These roads will not be considered as existing roads under section 4.3.1.1.4 (2).

### **6.3.1 Blanket Salvage Cutting Permits**

1. The stumpage rate for a blanket salvage cutting permit shall be the weighted average sawlog stumpage rate for:
  - a. All the cutting authorities other than blanket salvage cutting permits, that are located in the same forest district as is the land to which the blanket salvage cutting permit applies, and that have been issued under the same licence, or,
  - b. if there are no records from which the weighted average sawlog stumpage rate may be determined under paragraph (a) and the licence under which the blanket salvage cutting permit has been issued has an allowable annual cut of 3 000 m<sup>3</sup> or more then: all the cutting authorities, other than blanket salvage cutting permits for areas of land located in the same forest district that the area to which the blanket salvage cutting permit applies, or
  - c. if there are no records from which the weighted average sawlog stumpage rate may be determined under paragraph (a) and the licence under which the blanket salvage cutting permit is issued has an allowable annual cut of less than 3 000 m<sup>3</sup> per year, then all the cutting authorities, other than blanket salvage cutting permits, which have been issued under licences that have allowable annual cuts less than 3 000 m<sup>3</sup> in the same forest district as the area to which the blanket salvage cutting permit applies.
2. In each of paragraphs (a), (b), and (c) of subsection (1) of this section, the weighted average sawlog stumpage rate that is in effect for the period between August 1 of one year (the first year) and July 31 of the following year, is the sum of the stumpage billed under the cutting authorities referred to in that paragraph according to stumpage billing records of the revenue branch for the twelve-month period ending on March 31 in the first year for coniferous sawlogs of grade code () blank during that period divided by the sum of the volume of those sawlogs.
3. The stumpage rate for a blanket salvage cutting permit shall be redetermined on August 1 each year in accordance with the procedure in this section.

## 6.4 Salvage Timber Stumpage Rates

This section applies to cutting authorities which do not have an allowable annual cut.

1. Salvaged timber is either post harvest material or damaged timber:
2. Post Harvest Material is either:
  - a. wooden culverts and bridges, or
  - b. post logging residue.
3. Damaged Timber is timber that:
  - a. Has been blown down,
  - b. Has been damaged by fire, disease, snow press, or
  - c. Will die within one year, as determined by the district manager, as a result of the affects of the mountain pine beetle, or other forest pests.
4. The criteria and methodology for the calculation of salvaged timber stumpage rates are:
  - a. Post harvest material may not be combined in the same cutting authority area with damaged timber.
  - b. Except where damage to adjacent or contiguous timber occurs after harvesting is completed on the adjacent primary logging cutting permit area and the harvesting equipment has been demobilized from the area, damaged timber salvage cutting authority areas must be scattered, and not be adjacent to or contiguous with an existing cutting authority area.
  - c. Except as provided in subsection (4)(d) of this section the total area of a clearcut salvage harvesting area shall not exceed 1 hectare.
  - d. Where salvage of only damaged stems through partial cutting will leave a stand that meets minimum stocking standards, the area harvested may be larger than 1 hectare.
  - e. Salvage logging stumpage rates may only be determined for a cutting authority where more than one-third of the volume of coniferous timber in the cutting authority area is damaged timber.
  - f. Post harvest salvage may only occur after primary logging has been satisfactorily completed and residue and waste assessments have been submitted to and accepted by the Ministry.

- g. Salvage cannot occur on a road right-of-way which has an active timber mark associated with it.
  - h. The stumpage rate will be fixed for one year from the effective date of the stumpage rate. The stumpage rate will be redetermined annually in accordance with the procedure in this section.
5. Where salvaged timber is damaged timber, the stumpage rate for each species of the salvaged timber will be determined using the schedule of Sawlog Stumpage Rates for Salvage of Damaged Timber by Forest Zone and Species found in Table 6-2.
  6. Where the source of the salvaged timber is post harvest material, the stumpage rate for each species of timber will be determined using the schedule of Sawlog Stumpage Rates of Post Harvest Material by Forest Zone and Species found in Table 6-3.

Where a species of timber is not listed in Table 6-2 and 6-3, the rate that shall be used for that species of timber is the rate listed in the column headed as OTHER.

**Table 6-2 Average Sawlog Stumpage Rates for Salvage of Damaged Timber by Forest Zone and Species (\$/m<sup>3</sup>)**

| FOREST ZONE   | BALSAM | CEDAR | FIR   | HEMLOCK | LARCH | L. PINE | SPRUCE | OTHER |
|---------------|--------|-------|-------|---------|-------|---------|--------|-------|
| North Central | 14.46  | 26.91 | 26.29 | 15.04   | -     | 19.79   | 27.08  | 16.61 |
| North West    | 6.34   | 8.83  | -     | 5.71    | -     | 13.33   | 11.89  | 6.57  |
| South East    | 13.62  | 18.20 | 17.60 | 9.43    | 13.68 | 17.30   | 20.85  | 12.81 |
| South West    | 14.62  | 14.24 | 18.14 | 6.64    | 29.51 | 14.63   | 21.06  | 12.27 |
| North East    | 8.57   | -     | -     | -       | 16.02 | 14.06   | 15.04  | 10.33 |

**Table 6-3 Average Sawlog Stumpage Rates for Salvage of Post Harvest Material by Forest Zone and Species (\$/m<sup>3</sup>)**

| FOREST ZONE   | BALSAM | CEDAR | FIR   | HEMLOCK | LARCH | L. PINE | SPRUCE | OTHER |
|---------------|--------|-------|-------|---------|-------|---------|--------|-------|
| North Central | 6.03   | 23.92 | 14.61 | 6.27    | -     | 13.20   | 15.05  | 6.92  |
| North West    | 2.64   | 7.85  | -     | 2.38    | -     | 8.89    | 6.61   | 2.74  |
| South East    | 5.68   | 16.18 | 9.78  | 3.93    | 7.60  | 11.54   | 11.59  | 5.34  |
| South West    | 6.09   | 12.66 | 10.08 | 2.77    | 16.40 | 9.76    | 11.70  | 5.11  |
| North East    | 3.57   | -     | -     | -       | 8.90  | 9.37    | 8.36   | 4.30  |

## **6.5 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 volume exceeds 300 m<sup>3</sup>, a full cost estimate appraisal is completed upon an "as is, where is" basis.

Phase costs may be based on borrowed data from a representative cutting permit, adjusted for partial phase.

If the timber volume is being sold competitively, the timber may be priced according to the procedures in section 6.2, or 7.5.1 (4).

## 6.6 BC Timber Sales (BCTS)

1. For appraisal purposes, the BCTS includes:
  - All timber sale licenses issued under the *Forest Act*, section 20, and
  - all forestry licences to cut issued under the *Forest Act*, section 47.6(3).

### Adjustable Stumpage Rates

2. The adjustable stumpage rate option can only be provided to a licensee if the upset rate has been determined by means of a full appraisal and the timber sale licence was advertised before November 1, 2003. For cutting authorities with volumes greater than 5 000 m<sup>3</sup>, refer to section 4.2.1, for volumes 5 000 m<sup>3</sup> or less refer to section 6.2.

### Non-adjusting Stumpage Rates

3. All timber sale licences awarded under section 20 of the *Forest Act* that were advertised on or after November 1, 2003 and forestry licences to cut awarded under section 47.6 (3) of the *Forest Act* will have non-adjusting stumpage rates.

If the zonal average sawlog stumpage rate method is used, the upset and hence the total stumpage rate does not adjust for the term of the cutting authority and all extensions. The only exceptions are if a reappraisal is done under section 2.3.2.1(d) due to sudden and severe damage or section 2.3.2.3 because of a minister's direction.

A licensee's election of non-adjusting stumpage rates also precludes any correction to the upset stumpage rate determination that would otherwise be warranted because of an error in the appraisal.

## 6.7 Levies (CVP only)

### 1. Silviculture Levy:

A silviculture cost estimate is made for every cutting authority that will require basic silviculture, including those with a volume of less than 2 000 m<sup>3</sup>.

A basic silviculture levy may be added to the reserve stumpage rate. The levy is equal to the district manager's cost estimate of silviculture liability to be incurred by the Crown.

### 2. Development/Administration Levy:

- a. A development levy may be added to the reserve stumpage rate. The development levy is equal to the appraisal cost estimate of road construction provided by the Crown as approved by the regional manager.
- b. An administration levy may be added to the reserve stumpage rate. The administration levy is equal to the district manager's cost estimate of administration provided by the Crown for preparing a Forestry Licence to Cut for salvage timber. An administration cost estimate is made for every cutting authority where the district office has to prepare all details of a Forestry Licence to Cut for salvage. No levy is applicable to professional applications.

The amount of any levy may be re-determined at reappraisal only.

## **6.8 Miscellaneous Stumpage Rates**

For the purpose of determining stumpage rates for certain special forest products, including deciduous species, low grade logs and timber in specified areas listed under this section, the miscellaneous stumpage rates tables are to be used.

### **6.8.1 Special Forest Products and Other Miscellaneous Rates**

Table 6-4 is to be used for determining stumpage rates for the specified products from all sources of Crown timber when scaled.

**Table 6-4 Miscellaneous Stumpage Rates***All Forest Regions*

| Species                       | Product                                                                                                                | Reserve Stumpage Rate                     |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| Cedar                         | Shakes                                                                                                                 | \$6.00/m <sup>3</sup>                     |
| Cedar                         | Blanks                                                                                                                 | \$7.20/m <sup>3</sup>                     |
| Cedar                         | Fence Posts                                                                                                            | \$3.00/m <sup>3</sup>                     |
| Cedar                         | Mining Timbers & Fence Rails                                                                                           | \$3.00/m <sup>3</sup>                     |
| All Species                   | Firewood                                                                                                               | \$0.50/m <sup>3</sup>                     |
| All Species                   | Bolts/Blocks                                                                                                           | \$5.30/m <sup>3</sup>                     |
| Yew                           | All                                                                                                                    | \$0.25/m <sup>3</sup>                     |
| All Species                   | Grades: 3, 4, 5 and 6                                                                                                  | \$0.25/m <sup>3</sup>                     |
| All Deciduous                 | All, except grades 3,4,5 and 6 and except where the upset stumpage rate is calculated under Section 7.5.1 (5)          | \$0.50/m <sup>3</sup>                     |
| All Species<br>(except Cedar) | Fence Rails, Mining Timbers, Fence Posts                                                                               | \$1.20/m <sup>3</sup>                     |
| All Species                   | Pickets & Palings, Mine Cribbing, Car Stakes, Round Stakes & Sticks, Rails (Split), Lagging (Split), Orchard Props     | \$1.20/m <sup>3</sup>                     |
| All Species                   | Christmas Tree: under 3m<br>3-5 m<br>over 5 m                                                                          | \$0.20/each<br>\$1.00/each<br>\$1.50/each |
| All Species                   | Logs salvaged below the high water levels of Reservoir Lakes and the Slocan, Kootenay, Mineral, Babine and Ootsa Lakes | \$0.25/m <sup>3</sup>                     |
| All Species                   | Marine Beachcomb                                                                                                       | \$0.70/m <sup>3</sup>                     |
| All Species                   | Trees classified as "Dead Potential" on Cruise-based cutting authorities                                               | \$0.25/m <sup>3</sup>                     |
| All Coniferous                | For logs harvested from the Alex Fraser (UBC), Aleza Lake (UBC and UNBC) and Fort St. James (UNBC) Research Forests    | \$0.25/m <sup>3</sup>                     |
| All Species                   | Firmwood Reject                                                                                                        | NIL                                       |

**Forest District Specific**

| Description                                                                                                                                       | District                                           | Reserve Stumpage Rate                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|------------------------------------------------------|
| Gross area cleared for mining exploration trails, seismic lines <sup>1</sup> , gas or oil well sites and right-of-way to well sites. <sup>2</sup> | Rocky Mountain<br>Peace<br>Ft. Nelson<br>Mackenzie | \$1,663/ha<br>\$1,731/ha<br>\$1,040/ha<br>\$2,122/ha |

1. The gross area cleared as "Low Impact Seismic" or "Minimal Impact" line (refer to Appendix V) is divided by 2 as defined by the Geophysical Final Plan Cover Sheet and the appropriate per ha rate from the table applied to the adjusted area.
2. For pipe line rights-of-way a stumpage rate may be determined by using the above rates for cutting authorities containing less than 2 000 m<sup>3</sup>, of merchantable volume. For cutting authorities of 2 000 m<sup>3</sup> and over see section 6.2.

**6.8.2 Miscellaneous Stumpage Rates for Timber Licences**

Timber licence cutting authority areas that have not been appraised and have a cutting authority term that began before May 1, 1995, must be appraised effective April 1, 2003.

# Market Pricing System

---

# 7

The market pricing system (MPS) policy provided in this chapter is to be used only for licences awarded under sections 20, 21 and 47.6 (3) of the *Forest Act*.

Chapters 3, 4, 5 and 6 of this manual are only to be used, for licences awarded under sections 20, 21 and 47.6 (3), where directly referenced in chapter 7.

## 7.1 MPS Introduction

The market pricing system is the basis for determining sawlog stumpage rates for timber sale licences issued under section 20 and 47.6 (3) of the *Forest Act*, subject to a minimum stumpage rate. Sections 2.1 (3) and (4) of this manual provide the methods that are used for deriving stumpage rates for specific products and extraordinary situations.

MPS is a method of estimating the stumpage value of a stand of timber based on the results of previous similar timber stands that were sold competitively.

MPS can only be used where complete appraisal data as per section 4.2 is available for the cutting authority area. Where data is not available see chapter 6 of this manual.

Except where the upset stumpage rate is determined using section 7.5.1 (5), the MPS upset rate and bonus bid applies to coniferous sawlogs only. The stumpage rates for deciduous species, special forest products and grade 3, 4, 5 or 6 logs are listed under section 6.8.

## **7.2 MPS Principles and Procedures**

### **7.2.1 MPS Appraisals**

The upset stumpage rate will be calculated using the *Interior Appraisal Manual* and monthly parameters (selling prices and consumer price index (CPI)) in effect on the date of calculating (appraisal effective date). This rate plus the bonus bid remains in effect from the date of award of the sale until the sale expires. All MPS stumpage rates on Section 20 timber sale licences advertised on or after November 1, 2003 and Forestry Licences to Cut awarded under section 47.6 (3) of the *Forest Act* are fixed for the term of the timber sale and all extensions.

### **7.2.2 MPS Stumpage Adjustments**

For cutting authorities that were advertised prior to November 1, 2003, that elected to have, or have adjustable stumpage rates, the stumpage rates are adjusted quarterly on January 1, April 1, July 1, and October 1, of each year.

At the time of the quarterly adjustment, the MPS upset rate will be re-calculated based on the equations applicable for the appraisal effective date and the cutting authority data. The monthly parameters effective for the month of the adjustment will be used in the calculation instead of the original values. All other data remain unchanged.

This process is repeated quarterly until the cutting authority is reappraised.

### **7.2.3 Reappraisals for MPS Appraisals**

Revised data and revised monthly parameters will be used with the equations in effect on the reappraisal date. Any reappraisal will follow the policy direction of chapter 2 of this manual. The original bonus bid remains in effect.

### **7.2.4 Methodology**

Calculating the upset stumpage rate for BC Timber Sales, issued under section 20 of the *Forest Act*, will be done using the following methodology:

1. Calculate a selling price (SP) of the products that can be recovered from the stand using sections 7.3.1 and 7.3.2 with the variables as defined.
2. Calculate the market stumpage price using the equation in section 7.4.2, the variables for the stand, and the SP calculated in section 7.3.
3. Calculate the MPS upset stumpage rate according to section 7.5.

One stumpage rate is determined for all appraised coniferous sawlogs in each cutting authority area unless the upset stumpage rate has been calculated under section 7.5.1 (5), in which case one stumpage rate is determined for all appraised coniferous and deciduous sawlogs in each cutting authority area. Other products are priced using miscellaneous stumpage rates as specified under section 6.8.

## 7.3 MPS Selling Prices

Selling prices for MPS are based on three-month averages of schedules of lumber values collected and published monthly by Revenue Branch. When the MPS values are compiled and distributed they become an integral part of this manual.

### 7.3.1 MPS Lumber Average Market Values

Monthly market value information for the interior is obtained by Revenue Branch from lumber producers located in each average market value zone. The zones are defined by point of appraisal (see section 2.6). Average market values (AMV) for each species are compiled by dividing total sales value by total sales volumes for each zone.

The volume that is manufactured to Canadian Lumber Standard/American Lumber Standard (CLS/ALS) sizes is reported in foot board measure (fbm). Lumber manufactured in non-CLS/ALS sizes is adjusted to equivalent CLS/ALS sizes. The total volume for each species includes all sizes and grades of rough and dressed lumber in the green and dried state. Also included is finger-jointed lumber and machine stress rated lumber.

The total net sales value for each species or species group is reported in Canadian dollars FOB mill. These sales values are rolled up into three-month averages each month. There is approximately a one-month lag in reporting.

### 7.3.2 Calculation of Species Lumber Selling Price

The total lumber selling price (SP) in \$/m<sup>3</sup> is determined for each species using lumber recovery factors (LRF) from the cruise compilation summary, LRF update add-ons and current applicable lumber average market values (AMV) for the species and zone.

1. Zonal LRF update add-ons are found in Table 7-1, by species.
2. Lumber AMVs as published every month.
3. Calculation of total species lumber selling price.
  - a. Appraisal LRF = Cruise LRF + LRF update add-on
  - b. Species SP (\$/m<sup>3</sup>) = Species AMV(\$/mbm)/1000 \* Appraisal LRF
4. The stand SP is the volume-prorated sum of the species SP.

**Table 7-1 LRF Update Add-ons for MPS**

| <b>Species</b> | <b>Zone<br/>5</b> | <b>Zone<br/>6</b> | <b>Zone<br/>7</b> | <b>Zone<br/>8</b> | <b>Zone<br/>9</b> |
|----------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Balsam         | 100               | 70                | 91                | 90                | 75                |
| Cedar          | 52                | 21                | 47                | 42                | -                 |
| Douglas Fir    | 77                | -                 | 65                | 66                | -                 |
| Hemlock        | 54                | 24                | 50                | 47                | -                 |
| Larch          | 73                | -                 | 65                | 66                | -                 |
| Lodgepole Pine | 87                | 50                | 78                | 76                | 66                |
| Spruce         | 108               | 76                | 102               | 97                | 84                |
| White Pine     | 71                | -                 | 63                | 62                | -                 |
| Yellow Pine    | -                 | -                 | 66                | 70                | -                 |

## 7.4 Market Stumpage Price Calculation

The market stumpage price is calculated as detailed in this section. It is assumed that the market stumpage price will approximate the final stumpage rate, including the bonus bid, based on the variables used.

### 7.4.1 Market Stumpage Price Variables

|        |   |                                                                                                                                                                    |
|--------|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| MSP    | = | Market Stumpage Price for the cutting authority in (\$/m <sup>3</sup> ).                                                                                           |
| CPIF   | = | B.C. Consumer Price Index (P110000) for current month divided by the base CPI of 109.3.                                                                            |
| SP     | = | Lumber Selling Price (\$/m <sup>3</sup> ). See Section 7.3.                                                                                                        |
| DC     | = | Estimated Development Cost Borne by the Licensee (\$) calculated using Section 4.3 and divided by the total net cruise coniferous volume.                          |
| VOL    | = | Total net cruise volume of coniferous timber (m <sup>3</sup> ).                                                                                                    |
| S%     | = | Average cruise side slope for ground and cable yarding systems (does not include the area for horses and helicopter yarding systems).                              |
| VPT    | = | Prorated net cruise coniferous volume per tree (m <sup>3</sup> ) for ground and cable yarding systems. Plus horse and helicopter systems use average VPT = 0.5490. |
| VPH    | - | Net cruise coniferous volume per hectare (m <sup>3</sup> /ha).                                                                                                     |
| BWDN%  | = | Blowdown as a percent of net cruise coniferous volume for ground and cable yarding systems. Does not include the volume for horse and helicopter yarding systems.  |
| BURN%  | = | Species volume prorated total burn percent.                                                                                                                        |
| CY%    | = | Overhead cable yarding coniferous volume (includes skyline) as a percent of total net cruise coniferous volume.                                                    |
| HP%    | = | Helicopter yarding coniferous volume as a percent of total net cruise coniferous volume.                                                                           |
| HORSE% | = | Horse yarding coniferous volume as a percent of total net cruise coniferous volume.                                                                                |

|       |   |                                                                                                                                 |
|-------|---|---------------------------------------------------------------------------------------------------------------------------------|
| CYCLE | = | Hauling round trip cycle time from the landing to the point of appraisal or water dumpsite and return (hrs). See section 4.5.1. |
| WH%   | = | White Pine species volume as a percent of the total net cruise coniferous volume.                                               |
| HECE  | = | Combined hemlock, balsam and cedar dummy variable.                                                                              |
| Z9    | = | Fort Nelson Peace selling price zone, dummy variable.                                                                           |
| SAL   | = | Damaged timber salvage dummy variable.                                                                                          |

### 7.4.2 Market Stumpage Price Equation

Using the variables defined in section 7.4.1, the selling price calculated in section 7.3.2 and the equation below, calculate the market stumpage price (MSP).

$$\begin{aligned} \text{MSP} = & [44.1590 + 0.1895 * \text{SP/CPIF} - 0.9615 * \text{DC/CPIF} + 0.1747 * (\text{VOL}/1000) \\ & - 0.1327 * \text{S\%} + 9.0319 * \ln(\text{VPT}) + 0.009378 * \text{VPH} - 12.7571 * \\ & (\text{BWDN\%}/100) - 7.7502 * (\text{CY\%}/100) - 35.8595 * (\text{HP\%}/100) - 9.7689 * \\ & (\text{HORSE\%}/100) - 21.9802 * (\text{BURN\%}/100) - 2.0871 * \text{CYCLE} - 7.8954 * \\ & \text{HECE} + 29.5252 * (\text{WH\%}/100) - 7.9152 * \text{Z9} - 5.4166 * \text{SAL} - 0.5179 * \\ & (1/\text{VPT})] * \text{CPIF} \end{aligned}$$

For the above equation the following definitions apply:

1. If the percentage of hemlock, balsam and cedar volume in the cutting authority is greater than or equal to 50 percent of the total net cruise coniferous volume, then HECE = 1, otherwise enter 0.
2. If the selling price zone is Fort Nelson Peace (9) then Z9 = 1, otherwise enter 0.
3. If the total net cruise coniferous volume is greater than 50 000, then VOL = 50 000.
4. If horse or helicopter log appraisals, then VPT = 0.5490.
5. Where for salvage (SAL):
  - a. greater than one-third of the net cruise volume for the cutting authority has been physically damaged by ice storm, blowdown, fire, snow press, or
  - b. greater than one-third of the net cruise volume for the cutting authority has been attacked by mountain pine beetle, or other forest pests, that will result in the death of the attacked trees within one year, as determined by the district manager. Salvage (SAL) shall be = 1, or
  - c. except as provided in subsection 5 (a) and (b) SAL shall be = 0.

## 7.5 MPS Stumpage Rate

### 7.5.1 MPS Upset Stumpage Rate

1. Subject to subsections (2) (3) (4) (5) and (6) for timber sale licences advertised on or after December 2, 2005, the MPS upset stumpage rate is determined by the Timber Sales Manager by multiplying the upset stumpage rate calculated in section 7.5.2 by the green log fraction.

The green log fraction is determined as follows:

$$\frac{\text{District Grade Code (blank) volume (m}^3\text{)*}}{\text{District Grade Code (blank) volume (m}^3\text{)*} + \text{District Grade 3 volume (m}^3\text{)*}}$$

\* The volumes are determined from the billing history records of the Revenue Branch for BCTS auctions in each forest district for the six-month ending November 30, 2005.

2. Where applications for a timber sale licence with an upset stumpage rate determined under section 7.5.1 (1) have been invited but no applications have been received, the upset stumpage rate shall be equal to the variable cost per cubic metre of preparing the timber for sale when that is requested by the BC Timber Sales manager.
3. Where the director of BC Timber Sales does not anticipate that applications for a timber sale licence with an upset stumpage rate determined under section 7.5.1 (1) will be received because of market conditions, the upset stumpage rate shall be equal to the variable cost per cubic metre of preparing the timber for sale when that is requested by the BC Timber Sales manager.
4. The upset stumpage rate for timber that has been decked for over three years, as determined by the BC Timber Sales manager, shall be equal to the prescribed minimum stumpage rate when that is requested by the BC Timber Sales manager. The deck shall be auctioned by bonus offer.
5. The upset stumpage rate for timber sale licences with a minimum deciduous content of seventy percent of the net cruise volume, will be the greater of:
  - i. The variable cost per cubic metre of preparing the timber for sale, or
  - ii. 
$$\$/\text{m}^3 = \frac{0.70 [(NCV \text{ deciduous (m}^3\text{)} \times 0.50 (\$/\text{m}^3)) + (NCV \text{ coniferous (m}^3\text{)} \times 40.78 (\$/\text{m}^3))]}{TNCV (\text{m}^3)}$$

where: NCV = net cruise volume (cubic metres)

TNCV = Net cruise volume deciduous + net cruise volume  
coniferous

6. The upset stumpage rate for a cutting authority issued under section 47.6 (3) of the Forest Act shall be the market stumpage price for that cutting authority.
7. The variable cost per cubic metre of preparing the timber for sale shall be calculated by the BC Timber Sales manager.
8. Notwithstanding anything contained in this section the upset stumpage rate must not be lower than the prescribed minimum rate.

### 7.5.2 Upset Stumpage Rate Calculation

The upset stumpage rate (USR) is calculated by multiplying the Market Stumpage Price (MSP) by the difference between 1 and the discount factor (DF) as follows:

$$\text{USR} = \text{MSP} * (1 - \text{DF})$$

Where:

USR = Upset stumpage rate  
MSP = Market Stumpage Price as defined in Section 7.4.2  
DF = 0.00 if section 7.5.1 (5) or (6) applies, otherwise DF = 0.30

### 7.5.3 Prescribed Minimum Stumpage Rate

The minimum stumpage rate is prescribed by the minimum stumpage rate regulation (BC Regulation 354/87). The current minimum stumpage rate is \$0.25 per cubic metre.

### 7.5.4 Total MPS Stumpage Rate

The total stumpage rate is the upset stumpage rate determined under section 7.5.1(1), 7.5.1(2), 7.5.1(3) or 7.5.2 plus any bonus bid and applies to coniferous logs of Grade Code (blank) and Grade 3 unless the upset was calculated under section 7.5.1(5), then the total stumpage rate applies to coniferous and deciduous logs of Grade Code (blank) and Grade 3.

This page is intentionally left blank.

# Appendices

---

## Appendix I Equipment and Labour Rates

(Cost Base July 1, 2001)

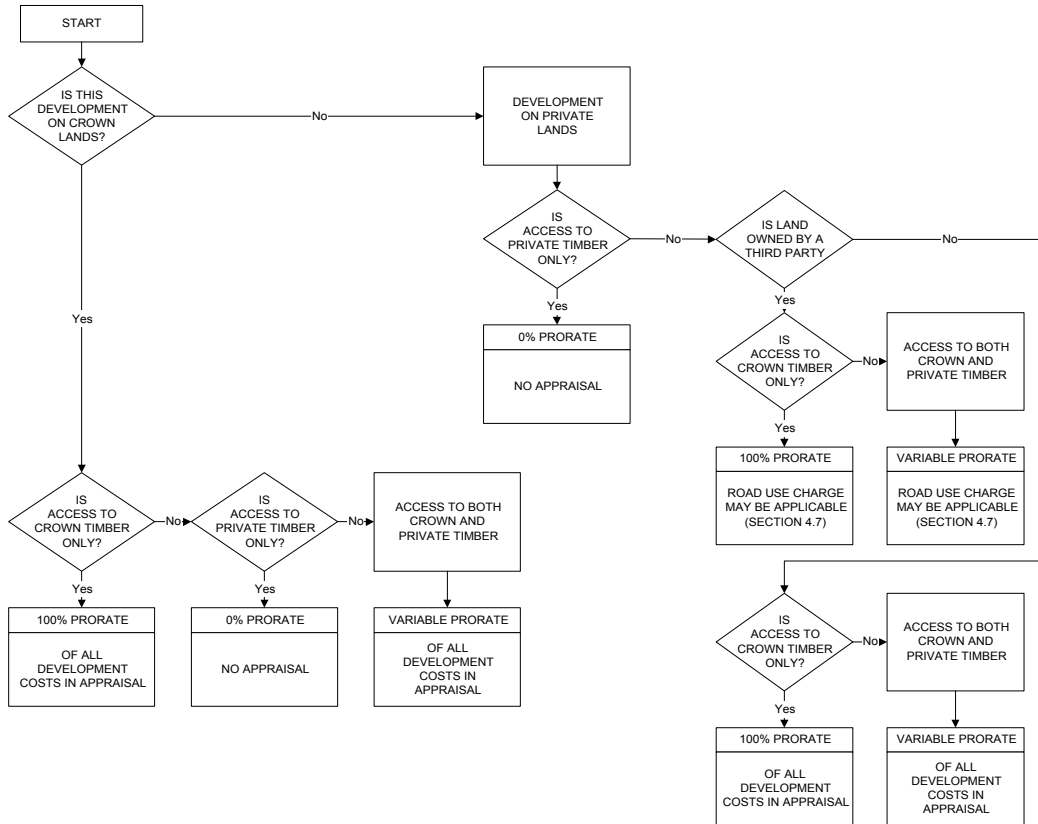
| MACHINE DESCRIPTION                             | TYPICAL MODEL                              | \$/HOUR |
|-------------------------------------------------|--------------------------------------------|---------|
| Crawler Tractor                                 | Cat D9R, Komatsu D275/355                  | 249.10  |
| Crawler Tractor                                 | Cat D9N (years: 1993 thru 1997)            | 236.20  |
| Crawler Tractor                                 | Cat D8N, Komatsu D155AX-3                  | 186.25  |
| Crawler Tractor                                 | Cat D7R, Liebherr PR742, Fiat Allis FD255  | 151.65  |
| Crawler Tractor                                 | Cat D6M, Fiat Allis FD175, Komatsu D58E    | 129.10  |
| Crawler Tractor                                 | Cat D5C, JD 650G                           | 98.35   |
| Rock Drill (includes labour)                    | Compressor: 750 cfm on tank chassis        | 206.01  |
| Grader                                          | Cat 14H, Komatsu GD750                     | 112.90  |
| Front End Loader (Gravel)                       | Cat 970F, Komatsu WA450-3, Case 921        | 140.65  |
| Front End Loader (Logs)                         | Cat 972G, Kawasaki 90Z, Volvo L180C/D      | 163.15  |
| Hydraulic Excavator incl. Brush Guard & Thumb   | Hitachi EX400-3, Komatsu PC400LC           | 238.70  |
| Hydraulic Excavator incl. Brush Guard & Thumb   | Cat 330BL, Case 9050B, Link Belt 4300Q     | 196.41  |
| Hydraulic Excavator incl. Brush Guard & Thumb   | Hitachi EX300LC, Kobelco SK300LC           | 173.14  |
| Hydraulic Excavator incl. Brush Guard & Thumb   | Cat 325BL, Hitachi EX270LC, JD 270LC       | 158.62  |
| Hydraulic Excavator incl. Brush Guard & Thumb   | Cat 322BL, Komatsu PC220LC-6, JD 230LC     | 146.58  |
| Hydraulic Excavator incl. Brush Guard & Thumb   | Cat 320BL, Hitachi EX200LC-5, JD 200LC     | 136.90  |
| Gradall                                         | Gradall G1000, XL5200                      | 158.50  |
| Logging Truck (Highway)                         | All Triaxle                                | 90.60   |
| Logging Truck (Off Highway)                     | All (note: 1998 rate trended forward)      | 138.21  |
| Self Loading Log Truck                          | Highway log truck + 4.5 t deck crane       | 103.80  |
| Gravel Truck                                    | 10.7 m <sup>3</sup>                        | 78.93   |
| Gravel Truck Articulated (labour included)      | 25 - 29 tonne: Cat D30C/D, Terex 2766/3066 | 123.65  |
| Lowbed                                          | 5 axle unit: tandem tractor and lowbed     | 81.50   |
| Lowbed                                          | 150 tonne (same as Off-Hwy Truck)          | 138.21  |
| Concrete Mix Truck                              | 6.1 m <sup>3</sup>                         | 87.60   |
| Concrete Vibrator (labour not included)         | 5 m <sup>3</sup>                           | 4.18    |
| Concrete Mixer (labour not included)            | 0.17 m <sup>3</sup>                        | 6.66    |
| Crane - Truck Mounted                           | 18 tonne                                   | 93.70   |
| Soft Track Skidder                              | KMC 2100/2400                              | 137.75  |
| Rubber Tired Skidder                            | Cat 515, Clark H-66-G, JD 548-G            | 94.60   |
| Vibrator Compactor                              | Cat 515 plus 2.7 t to 3.6 t roller         | 107.15  |
| Tractor and Grid Roller                         | Cat 515 plus grid roller                   | 108.05  |
| Labourer                                        | Includes 40% payroll loading               | 30.16   |
| Roadman                                         | Includes 40% payroll loading               | 30.41   |
| Crib/Culvert Maker, Powderman                   | Includes 40% payroll loading               | 31.93   |
| Landingman                                      | Includes 40% payroll loading               | 32.35   |
| Rockdriller & Powderman (for load & blast only) | Includes 40% payroll loading               | 69.53   |
| Bridgeman                                       | Includes 40% payroll loading               | 38.35   |
| Powersaw (labour not included)                  | All                                        | 4.70    |
| Faller, including powersaw cost                 | Includes 40% payroll loading               | 58.59   |

Sources:

Cost surveys, B.C. Road Builders & Heavy Construction Association, Equipment Rental Rate Guide (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 machine rate includes labour for the operator (all found). There are no additions,
- Crew transportation, supervision, and camp/cookhouse costs, where applicable, are included in the standard phase costs of the manual. No additions are required, however, those licensees that incur camp costs (a camp is defined as a permanent structure(s) where capital costs were incurred to establish the camp that must have a cookhouse and a bunkhouse) and recovers the said camp costs from the contractor, and credits an account, in the books of the licensee; is permitted an additive of \$50.00 per “person day” for staying at the camp; and
- Use of equipment rates not listed in this appendix must be approved by the Regional Timber Pricing Co-ordinator.

## Appendix II Development Cost Allocation



Crown Timber = Appraised timber including appraised Timber Licences

Private Timber = Non-appraised timber

Variable Prorate = A tributary-volume type prorate between appraised and non-appraised timber

### Appendix III Relative Soil Moisture to Absolute Soil Moisture Conversion Table

| Region | BEC  |         | Relative Soil Moisture Regime Class (from field guide) |    |    |    |      |    |    |   |
|--------|------|---------|--------------------------------------------------------|----|----|----|------|----|----|---|
|        | Zone | Subzone | 0                                                      | 1  | 2  | 3  | 4    | 5  | 6  | 7 |
| SIR    | BG   | xh1     | ED                                                     | ED | ED | ED | ED   | SD | M  | W |
| SIR    | BG   | xh2     | ED                                                     | ED | ED | ED | ED   | SD | M  | W |
| SIR    | BG   | xh3     | ED                                                     | ED | ED | ED | ED   | SD | M  | W |
| SIR    | BG   | xw1     | ED                                                     | ED | ED | ED | ED   | SD | M  | W |
| SIR    | BG   | xw2     | ED                                                     | ED | ED | ED | ED   | SD | M  | W |
| SIR    | ESSF | dc1     | VD                                                     | MD | MD | SD | SD/F | M  | VM | W |
| SIR    | ESSF | dc1     | VD                                                     | MD | MD | SD | SD/F | M  | VM | W |
| SIR    | ESSF | dc2     | VD                                                     | MD | MD | SD | SD/F | M  | VM | W |
| SIR    | ESSF | dc2     | VD                                                     | MD | MD | SD | SD/F | M  | VM | W |
| SIR    | ESSF | dk      | VD                                                     | MD | MD | SD | SD/F | M  | VM | W |
| SIR    | ESSF | dv      | VD                                                     | MD | MD | SD | SD/F | M  | VM | W |
| SIR    | ESSF | mw      | VD                                                     | MD | MD | SD | F    | M  | VM | W |
| SIR    | ESSF | vc      | MD                                                     | SD | SD | F  | M    | VM | VM | W |
| SIR    | ESSF | vc      | MD                                                     | SD | SD | F  | M    | VM | VM | W |
| SIR    | ESSF | vv      | MD                                                     | SD | SD | F  | M    | VM | VM | W |
| SIR    | ESSF | wc1     | MD                                                     | MD | SD | F  | M    | M  | VM | W |
| SIR    | ESSF | wc1     | MD                                                     | MD | SD | F  | M    | M  | VM | W |
| SIR    | ESSF | wc2     | MD                                                     | MD | SD | F  | M    | M  | VM | W |
| SIR    | ESSF | wc2     | MD                                                     | MD | SD | F  | M    | M  | VM | W |
| SIR    | ESSF | wc3     | MD                                                     | MD | SD | F  | M    | M  | VM | W |
| SIR    | ESSF | wc4     | MD                                                     | MD | SD | F  | M    | M  | VM | W |
| SIR    | ESSF | wc4     | MD                                                     | MD | SD | F  | M    | M  | VM | W |
| SIR    | ESSF | wk1     | MD                                                     | MD | SD | F  | M    | M  | VM | W |
| SIR    | ESSF | wm      | MD                                                     | MD | SD | F  | F    | M  | VM | W |
| SIR    | ESSF | xc      | VD                                                     | VD | MD | MD | SD   | M  | VM | W |
| SIR    | ESSF | xv      | VD                                                     | VD | MD | MD | SD   | F  | M  | W |
| SIR    | ICH  | dk      | VD                                                     | VD | VD | MD | SD   | M  | VM | W |
| SIR    | ICH  | mk1     | VD                                                     | MD | MD | SD | F    | M  | VM | W |
| SIR    | ICH  | mk1     | VD                                                     | MD | MD | SD | F    | M  | VM | W |

| Region | BEC  |         | Relative Soil Moisture Regime Class (from field guide) |    |    |    |    |    |    |   |
|--------|------|---------|--------------------------------------------------------|----|----|----|----|----|----|---|
|        | Zone | Subzone | 0                                                      | 1  | 2  | 3  | 4  | 5  | 6  | 7 |
| SIR    | ICH  | mk2     | VD                                                     | MD | MD | SD | F  | M  | VM | W |
| SIR    | ICH  | mk3     | VD                                                     | MD | MD | SD | F  | M  | VM | W |
| SIR    | ICH  | mw1     | VD                                                     | MD | MD | SD | F  | M  | VM | W |
| SIR    | ICH  | mw2     | VD                                                     | MD | MD | SD | F  | M  | VM | W |
| SIR    | ICH  | mw2     | VD                                                     | MD | MD | SD | F  | M  | VM | W |
| SIR    | ICH  | mw3     | VD                                                     | MD | MD | SD | F  | M  | VM | W |
| SIR    | ICH  | mw3     | VD                                                     | MD | MD | SD | F  | M  | VM | W |
| SIR    | ICH  | vk1     | MD                                                     | MD | SD | F  | M  | M  | VM | W |
| SIR    | ICH  | vk1     | MD                                                     | MD | SD | F  | M  | M  | VM | W |
| SIR    | ICH  | wk1     | VD                                                     | MD | SD | F  | F  | M  | VM | W |
| SIR    | ICH  | wk1     | VD                                                     | MD | SD | F  | F  | M  | VM | W |
| SIR    | ICH  | wk2     | VD                                                     | MD | SD | F  | F  | M  | VM | W |
| SIR    | ICH  | wk4     | VD                                                     | MD | SD | F  | F  | M  | VM | W |
| SIR    | ICH  | xw      | VD                                                     | VD | VD | MD | SD | M  | VM | W |
| SIR    | IDF  | dk1     | ED                                                     | VD | VD | VD | MD | F  | M  | W |
| SIR    | IDF  | dk2     | ED                                                     | VD | VD | VD | MD | F  | M  | W |
| SIR    | IDF  | dk3     | ED                                                     | VD | VD | VD | MD | F  | M  | W |
| SIR    | IDF  | dk4     | ED                                                     | VD | VD | VD | MD | F  | M  | W |
| SIR    | IDF  | dm1     | ED                                                     | VD | VD | VD | MD | F  | M  | W |
| SIR    | IDF  | dm1     | ED                                                     | VD | VD | VD | MD | F  | M  | W |
| SIR    | IDF  | dm2     | ED                                                     | VD | VD | VD | MD | F  | M  | W |
| SIR    | IDF  | mw1     | VD                                                     | VD | VD | MD | SD | F  | VM | W |
| SIR    | IDF  | mw2     | VD                                                     | VD | VD | MD | SD | F  | VM | W |
| SIR    | IDF  | mw2     | VD                                                     | VD | VD | MD | SD | F  | VM | W |
| SIR    | IDF  | u       | ED                                                     | VD | VD | MD | MD | F  | VM | W |
| SIR    | IDF  | ww      | VD                                                     | VD | VD | MD | SD | F  | M  | W |
| SIR    | IDF  | xh1     | ED                                                     | ED | VD | VD | MD | SD | M  | W |
| SIR    | IDF  | xh1     | ED                                                     | ED | VD | VD | MD | SD | M  | W |
| SIR    | IDF  | xh2     | ED                                                     | ED | VD | VD | MD | SD | M  | W |
| SIR    | IDF  | xm      | ED                                                     | ED | VD | VD | MD | SD | M  | W |

| Region | BEC  |         | Relative Soil Moisture Regime Class (from field guide) |    |    |    |    |    |      |   |
|--------|------|---------|--------------------------------------------------------|----|----|----|----|----|------|---|
|        | Zone | Subzone | 0                                                      | 1  | 2  | 3  | 4  | 5  | 6    | 7 |
| SIR    | IDF  | xw      | ED                                                     | ED | VD | VD | MD | SD | M    | W |
| SIR    | IDF  | xw      | ED                                                     | ED | VD | VD | MD | SD | M    | W |
| SIR    | MS   | dc      | VD                                                     | VD | VD | MD | SD | M  | VM   | W |
| SIR    | MS   | dk      | VD                                                     | VD | VD | MD | SD | M  | VM   | W |
| SIR    | MS   | dm1     | VD                                                     | VD | VD | MD | SD | M  | VM   | W |
| SIR    | MS   | dm1     | VD                                                     | VD | VD | MD | SD | M  | VM   | W |
| SIR    | MS   | dm2     | VD                                                     | VD | VD | MD | SD | M  | VM   | W |
| SIR    | MS   | xk      | VD                                                     | VD | VD | VD | MD | F  | M    | W |
| SIR    | MS   | xk      | VD                                                     | VD | VD | VD | MD | F  | M    | W |
| SIR    | MS   | xv      | VD                                                     | VD | VD | MD | SD | F  | VM   | W |
| SIR    | PP   | dh1     | ED                                                     | ED | ED | VD | VD | SD | M    | W |
| SIR    | PP   | dh2     | ED                                                     | ED | ED | VD | VD | SD | M    | W |
| SIR    | PP   | xh1     | ED                                                     | ED | ED | ED | VD | SD | M    | W |
| SIR    | PP   | xh2     | ED                                                     | ED | ED | ED | VD | SD | M    | W |
| SIR    | SBPS | dc      | ED                                                     | ED | VD | MD | SD | F  | M-VM | W |
| SIR    | SBPS | mc      | VD                                                     | VD | VD | MD | SD | F  | M-VM | W |
| SIR    | SBPS | mk      | ED                                                     | VD | VD | MD | SD | F  | M-VM | W |
| SIR    | SBPS | xc      | ED                                                     | ED | VD | VD | MD | SD | M    | W |
| SIR    | SBS  | dw1     | VD                                                     | MD | MD | SD | SD | F  | M    | W |
| SIR    | SBS  | dw2     | VD                                                     | MD | MD | SD | SD | F  | M    | W |
| SIR    | SBS  | mc1     | VD                                                     | MD | MD | SD | F  | M  | VM   | W |
| SIR    | SBS  | mc2     | VD                                                     | MD | MD | SD | F  | M  | VM   | W |
| SIR    | SBS  | mh      | VD                                                     | MD | MD | SD | SD | M  | VM   | W |
| SIR    | SBS  | mm      | VD                                                     | MD | MD | SD | F  | M  | VM   | W |
| SIR    | SBS  | mw      | VD                                                     | MD | MD | SD | F  | M  | VM   | W |
| SIR    | SBS  | wk1     | VD                                                     | MD | SD | F  | F  | M  | VM   | W |
| NIR    | BWBS | dk1     | VD                                                     | MD | MD | SD | SD | F  | M-VM | W |
| NIR    | BWBS | dk1     | VD                                                     | MD | MD | SD | SD | F  | M-VM | W |
| NIR    | BWBS | dk2     | VD                                                     | MD | MD | SD | SD | F  | M-VM | W |
| NIR    | BWBS | dk2     | VD                                                     | MD | MD | SD | SD | F  | M-VM | W |

| Region | BEC  |         | Relative Soil Moisture Regime Class (from field guide) |    |    |    |   |    |    |   |
|--------|------|---------|--------------------------------------------------------|----|----|----|---|----|----|---|
|        | Zone | Subzone | 0                                                      | 1  | 2  | 3  | 4 | 5  | 6  | 7 |
| NIR    | BWBS | mw1     | VD                                                     | MD | MD | SD | F | M  | VM | W |
| NIR    | BWBS | mw2     | VD                                                     | MD | MD | SD | F | M  | VM | W |
| NIR    | BWBS | wk1     | VD                                                     | MD | SD | SD | F | M  | VM | W |
| NIR    | BWBS | wk2     | VD                                                     | MD | SD | SD | F | M  | VM | W |
| NIR    | BWBS | wk3     | VD                                                     | MD | SD | SD | F | M  | VM | W |
| NIR    | CWH  | vh2     | SD                                                     | SD | F  | F  | M | VM | W  | W |
| NIR    | CWH  | vm1     | MD                                                     | SD | SD | F  | F | M  | VM | W |
| NIR    | CWH  | vm2     | MD                                                     | SD | SD | F  | F | M  | VM | W |
| NIR    | CWH  | wm      | SD                                                     | SD | SD | F  | F | M  | VM | W |
| NIR    | CWH  | ws1     | VD                                                     | MD | MD | SD | F | M  | VM | W |
| NIR    | CWH  | ws2     | VD                                                     | MD | MD | SD | F | M  | VM | W |
| NIR    | ESSF | mc      | VD                                                     | MD | SD | SD | F | M  | VM | W |
| NIR    | ESSF | mk      | VD                                                     | MD | MD | SD | F | M  | VM | W |
| NIR    | ESSF | mm1     | VD                                                     | MD | MD | SD | F | M  | VM | W |
| NIR    | ESSF | mv1     | VD                                                     | MD | SD | SD | F | M  | VM | W |
| NIR    | ESSF | mv2     | VD                                                     | MD | SD | SD | F | M  | VM | W |
| NIR    | ESSF | mv3     | VD                                                     | MD | SD | SD | F | M  | VM | W |
| NIR    | ESSF | mv4     | VD                                                     | MD | SD | SD | F | M  | VM | W |
| NIR    | ESSF | wc2     | MD                                                     | MD | SD | F  | M | M  | VM | W |
| NIR    | ESSF | wc3     | MD                                                     | MD | SD | F  | M | M  | VM | W |
| NIR    | ESSF | wk1     | MD                                                     | MD | SD | F  | M | M  | VM | W |
| NIR    | ESSF | wk2     | MD                                                     | MD | SD | F  | M | M  | VM | W |
| NIR    | ESSF | wv      | MD                                                     | SD | SD | F  | F | M  | VM | W |
| NIR    | ICH  | mc1     | VD                                                     | MD | SD | SD | F | M  | MV | W |
| NIR    | ICH  | mc1a    | VD                                                     | MD | SD | SD | F | M  | MV | W |
| NIR    | ICH  | mc2     | VD                                                     | MD | SD | SD | F | M  | MV | W |
| NIR    | ICH  | mm      | VD                                                     | MD | MD | SD | F | M  | VM | W |
| NIR    | ICH  | vc      | MD                                                     | SD | SD | F  | M | M  | VM | W |
| NIR    | ICH  | vk2     | MD                                                     | SD | SD | F  | M | M  | VM | W |
| NIR    | ICH  | wc      | MD                                                     | MD | SD | F  | F | M  | VM | W |

| Region | BEC  |         | Relative Soil Moisture Regime Class (from field guide) |    |    |    |    |    |      |   |
|--------|------|---------|--------------------------------------------------------|----|----|----|----|----|------|---|
|        | Zone | Subzone | 0                                                      | 1  | 2  | 3  | 4  | 5  | 6    | 7 |
| NIR    | ICH  | wk1     | VD                                                     | MD | SD | F  | F  | M  | VM   | W |
| NIR    | ICH  | wk3     | VD                                                     | MD | SD | F  | F  | M  | VM   | W |
| NIR    | ICH  | wk4     | VD                                                     | MD | SD | F  | F  | M  | VM   | W |
| NIR    | MH   | mm1     | SD                                                     | SD | F  | F  | F  | M  | VM   | W |
| NIR    | MH   | mm2     | SD                                                     | SD | F  | F  | F  | M  | VM   | W |
| NIR    | MH   | wh      | SD                                                     | SD | F  | F  | F  | M  | VM   | W |
| NIR    | SBPS | mc      | VD                                                     | VD | VD | MD | SD | F  | M-VM | W |
| NIR    | SBPS | mc      | VD                                                     | VD | VD | MD | SD | F  | M-VM | W |
| NIR    | SBS  | dh      | VD                                                     | MD | MD | SD | SD | F  | M    | W |
| NIR    | SBS  | dk      | VD                                                     | MD | MD | SD | SD | F  | M-VM | W |
| NIR    | SBS  | dk      | VD                                                     | MD | MD | SD | SD | F  | M-VM | W |
| NIR    | SBS  | dw1     | VD                                                     | MD | MD | SD | SD | F  | M    | W |
| NIR    | SBS  | dw2     | VD                                                     | MD | MD | SD | SD | F  | M    | W |
| NIR    | SBS  | dw3     | VD                                                     | MD | MD | SD | SD | F  | M    | W |
| NIR    | SBS  | mc2     | VD                                                     | MD | MD | SD | F  | M  | VM   | W |
| NIR    | SBS  | mc2     | VD                                                     | MD | MD | SD | F  | M  | VM   | W |
| NIR    | SBS  | mc3     | VD                                                     | MD | MD | SD | F  | M  | VM   | W |
| NIR    | SBS  | mh      | VD                                                     | MD | MD | SD | SD | M  | VM   | W |
| NIR    | SBS  | mk1     | VD                                                     | MD | MD | SD | F  | M  | VM   | W |
| NIR    | SBS  | mk2     | VD                                                     | MD | MD | SD | F  | M  | VM   | W |
| NIR    | SBS  | mw      | VD                                                     | MD | MD | SD | F  | M  | VM   | W |
| NIR    | SBS  | vk      | MD                                                     | SD | SD | F  | M  | M  | VM   | W |
| NIR    | SBS  | wk1     | VD                                                     | MD | SD | F  | F  | M  | VM   | W |
| NIR    | SBS  | wk2     | VD                                                     | MD | SD | F  | F  | M  | VM   | W |
| NIR    | SBS  | wk3     | VD                                                     | MD | SD | F  | F  | M  | VM   | W |
| CFR    | CDF  | mm      | VD                                                     | VD | MD | MD | MD | SD | F    | W |
| CFR    | CWH  | dm      | VD                                                     | MD | MD | SD | F  | M  | VM   | W |
| CFR    | CWH  | ds1     | VD                                                     | MD | MD | SD | F  | M  | VM   | W |
| CFR    | CWH  | ds2     | VD                                                     | MD | MD | SD | F  | M  | VM   | W |
| CFR    | CWH  | mm1     | MD                                                     | SD | SD | F  | F  | M  | VM   | W |
| CFR    | CWH  | mm2     | MD                                                     | SD | SD | F  | F  | M  | VM   | W |

| Region | BEC  |         | Relative Soil Moisture Regime Class (from field guide) |    |    |    |    |    |    |   |
|--------|------|---------|--------------------------------------------------------|----|----|----|----|----|----|---|
|        | Zone | Subzone | 0                                                      | 1  | 2  | 3  | 4  | 5  | 6  | 7 |
| CFR    | CWH  | ms1     | VD                                                     | MD | MD | SD | F  | M  | VM | W |
| CFR    | CWH  | ms2     | VD                                                     | MD | MD | SD | F  | M  | VM | W |
| CFR    | CWH  | vh1     | SD                                                     | SD | F  | F  | M  | VM | W  | W |
| CFR    | CWH  | vh2     | SD                                                     | SD | F  | F  | M  | VM | W  | W |
| CFR    | CWH  | vm1     | MD                                                     | SD | SD | F  | F  | M  | VM | W |
| CFR    | CWH  | vm2     | MD                                                     | SD | SD | F  | F  | M  | VM | W |
| CFR    | CWH  | wh1     | SD                                                     | SD | SD | F  | F  | M  | VM | W |
| CFR    | CWH  | wh2     | SD                                                     | SD | SD | F  | F  | M  | VM | W |
| CFR    | CWH  | ws2     | VD                                                     | MD | MD | SD | F  | M  | VM | W |
| CFR    | CWH  | xm      | VD                                                     | MD | MD | SD | F  | M  | VM | W |
| CFR    | ESSF | mw      | VD                                                     | MD | MD | SD | F  | M  | VM | W |
| CFR    | IDF  | ww      | VD                                                     | VD | VD | MD | SD | F  | M  | W |
| CFR    | MH   | mm1     | SD                                                     | SD | F  | F  | F  | M  | VM | W |
| CFR    | MH   | mm2     | SD                                                     | SD | F  | F  | F  | M  | VM | W |
| CFR    | MH   | wh      | SD                                                     | SD | F  | F  | F  | M  | VM | W |

NOTES: ED = Extremely Dry (0, extreme xeric)

VD = Very Dry (1, xeric)

MD = Moderately Dry (2, sub-xeric)

SD = Slightly Dry (3, sub-mesic)

F = Fresh (4, mesic)

M = Moist (5, sub-hygic)

VM = Very Moist (6, hygric)

W = Wet (7, sub-hydric)

## Appendix IV Map Content

The map(s) submitted with the appraisal data submission must be at a scale of 1:5000 or 1:10000. Additional maps at other scales may be included as required. At a minimum the map(s) shall indicate the following information:

- a. Cutting permit block boundaries.
- b. Retention areas within the cutting permit blocks.
- c. Delineation of biogeoclimatic zone, subzone and variant areas.
- d. Delineation of areas by harvest method (ground, cable, or helicopter, etc.) and partial cut percent.
- e. Delineation of areas that are the subject of specified operations cost estimates (e.g., skidder swing, root disease control).
- f. The geographic midpoint of each cutblock and common junction of the permit.
- g. Existing roads.
- h. Roads to be built by type (operational, block, winter) including sections to be gravelled and or sections that are “wet” (as defined in this manual).
- i. Location of roads/structures that are the subject of detailed engineered estimates.
- j. Location and type of other development such as remedial fencing, cattleguards and pipeline crossings.
- k. Map Scale indicated using a graphic bar scale.

The map may include other information considered relevant to the appraisal.

For reappraisal data submissions, reference may be made to the original map submitted. Any change to the harvest plan or area of harvest due to a “changed circumstance (section 2.3.2.1) during the term of the cutting authority must be mapped and promptly submitted to the district.

As part of the initial appraisal data submission the map(s) may be submitted in electronic format. At least two copies shall be submitted to the district in paper form prior to the cutting permit being approved.

## Appendix V Seismic Clearance Line Definitions

Regarding the seismic clearing rates in Table 6-4, the following definitions apply:

### Minimal Impact Line

For minimal impact lines, very little vegetation is to be cut other than what is required to create a walking trail for foot access. Standing trees are left unharmed while some shrubs may be cut. Hazard trees may be removed for safety reasons.

### Low Impact Seismic (LIS)

The objective of low impact seismic is to create a narrow, continuously meandering line. This method reduces the line-of-sight by avoiding large standing trees (meandering avoidance), and leaves the soil and ground cover generally undisturbed. The following criteria apply:

- Average line construction width of 4.0 m (meandering avoidance or less that can be hand or mechanically cut), as determined in the oil and gas commission's Geophysical Final Plan Cover Sheet, and
- Minimizing line-of-sight for wildlife management, to a maximum of 200 m, and
- Avoidance of standing timber up to 7.0 cubic metres per hectare.

### Conventional (Straight)

A conventional seismic line is a straight line that is mechanically cut, and ranges in width up to 7.0 m.

For wildlife management purposes, the maximum line of sight must not exceed 400 m in length (or as specified by approval condition). Animal blinds or moose blinds, are typically used on a conventional (straight) cut line to break up the line-of-sight and to allow wildlife refuge from predators. A mechanically cut conventional line provides little protection for forest or wildlife values, so its use in Crown land areas is somewhat restricted.

Only those sections of the geophysical program meeting the minimal or low impact criteria will receive the fifty percent reduction.

# Index

---

## A

Adjustable Stumpage Rates, 6-10  
 Adjustments, 2-7  
     CVP, 1-8  
     MPS, 7-3  
 Administration and Other Costs, 4-45  
 Administration Levy, 6-11  
 AMVs for Small Log Cutting Authorities, 3-2  
 AMVs for Small Log Licences, 3-2  
 Applicable Licences, 4-2  
 Applicable Volume, 4-6  
 Appraisal LRF, 3-11  
 Appraisals  
     New MPS, 7-3  
     New MPS Reappraisals, 7-3  
 Area, 4-5  
 Average Cost Estimates, 4-7  
 Average Stumpage Rate, 1-7

## B

Barge/Ferry, 4-40  
 Barge/Ferry Not Used for Truck Haul, 4-40  
 Basic Silviculture, 4-47  
 BCTS, 6-10  
 Benefits, 4-2, 4-51  
 Biogeoclimatic Zone, 4-26  
 Blasting, 4-13  
 Block Roads, 4-13  
 Bonus Bid, 1-7, 5-8  
 Boom, 4-39  
 Borrow Pit, 4-19  
 Boulders, 4-13  
 Breakage, 4-5

Bridges, 4-22

## C

Calculating the Interior Composite Index (ICI), 5-5  
 Calculating the Interior Target Rate, 5-5  
 Calculating the Target Rate, 5-5  
 Calculation of Total Species End Product Selling Price, 3-10  
 Camp, 4-39  
 Canadian Lumber Standard/American Lumber Standard, 3-2  
 Cattle Guards, 4-21  
 Charges as a Share of Road Maintenance, 4-44  
 Charges Other Than for Road Maintenance, 4-44  
 Chip Value, 3-11  
 Chip Yield, 3-11  
 Chip Yield Derivation, 3-8  
 Chip Yield Factors, 3-9  
 Chips, 4-51  
 Clear Cut, 4-31  
 Clearing, 4-12  
 Combined Product Recovery Factors, 3-7  
 Comparative Cruising, 4-5  
 Conventions and Terms of Reference, 1-2  
 Converting Indexes From 1997=100 Base to 1992=100 Base, 5-5  
 Corduroy, 4-22  
 Cost Trend, 4-56  
 Cost Trend Factors, 4-56  
 Crib Back Fills, 4-19  
 Cruise Data, 4-4  
 Cruising Manual, 4-4  
 Culverts, 4-12, 4-17  
 Cutting Authority, 1-4  
 Cutting Authority Document, 4-3  
 Cycle Time, 4-35

## D

Dead/Live Useless Snags, 4-33  
 Debris Disposal, 4-12  
 Decay, 4-5

Decked Timber, 6-9  
Depreciation, 4-2, 4-51  
Detailed Engineering Cost Estimates, 4-6, 4-7  
Determination of Stud Log Percent, 3-9  
Development Costs, 4-6  
Development Costs on Private Land, 4-10  
Development Levy, 6-11  
Dewater, 4-38  
Dewater and Reload, 4-39  
Distance to Support Centre, 4-27  
Ditch Construction, 4-12  
Drain Structure Cost Estimates, 4-7  
Drainage Structures, 4-17  
Drilling, 4-13  
Dump, 4-39

## E

Effective Date, 4-56  
End Haul Construction, 4-22  
Existing Roads and Structures, 4-10  
Extended Road Amortization, 4-11

## F

Fences, 4-21  
Fire Damage, 4-33  
Fixed Stumpage Rates, 6-10  
*Forest Act*, 1-2  
Forest Development Plan, 4-3  
Forest District Specific, 6-14  
Forest Service *Cruising Manual*, 4-33  
Forest Service Roads, 4-44  
Free-Growing Stocking Standards, 4-47  
Fuel, 4-2, 4-51  
Full Appraisal, 2-2

## G

Geo-tech Fabric, 4-22  
Grade 4 Hemlock AMVs, 3-3  
Gravel, 4-19  
Gross Volume, 4-28  
Ground Skidding, 4-25, 4-31  
Grubbing, 4-12

## H

Haul Method, 4-36  
Heli Yarding Distance, 4-29  
Helicopter, 4-25  
Helicopter Logging, 4-30  
Highway Haul, 4-37  
Highway Hauling, 4-36  
Horse, 4-25  
Horse Logging, 4-31

## I

Indicated Stumpage Rate, 1-7, 5-8  
Installation, 4-19  
Insurance, 4-2, 4-51  
Interior Appraisal Data Submission, 4-4  
Interior Base Rate, 1-7, 5-8  
Interior Mean Value Index, 5-8  
Interior Target Rate, 1-7, 5-5  
Interior, Area of Application, 1-3  
Isolated Cutting Authorities, 4-28

## L

Landings, 4-12  
Least Total Harvesting Cost Estimate, 4-2  
Licensee, 2-3  
Log Bridges, 4-19  
Low Volume Additive, 4-46  
LRF Update Add-ons, 3-7  
Lumber, 4-51  
Lumber Market Values, 1-7  
Lumber Recovery Factors, 3-6

## M

Main Service Road, 4-6  
Maintenance, 4-2, 4-51  
Manufacturing Cost Differential, 3-10  
Manufacturing Costs, 1-2  
Market Pricing System, 7-2  
Material Costs, 4-12  
Mean Value Index, 1-7  
Minimum Stumpage Rate, 1-7  
Miscellaneous Stumpage Rates, 1-7, 6-12  
Moving Assistance, 4-2

MPS Stumpage Rate, 7-10

## N

New Construction, 4-7

New Construction, 4-22

Non-adjusting Stumpage Rates, 6-10

## O

Off-Highway Haul, 4-37

Off-Highway Hauling, 4-36

Operating Cost, 1-7, 5-3

Operational Road, 4-12

Order, 2-2

Other Land Use Charges, 4-44

Other Roads, 4-44

Overhead, 4-2

Overhead Cable Logging, 4-25, 4-32

Overland Construction, 4-22

Overtime, 4-2, 4-51

## P

Partial Cut Variables, 4-26

Partial Cutting, 4-27

Percent (%) Stud AMV, 3-9

Percent Blowdown, 4-26

Percent Rock, 4-13

Percentage of the Indicated Stumpage Rate,  
1-7

Permitted Roads, 4-44

Pipe Line Rights-of-Way, 6-14

Pipeline Crossings, 4-21

Point of Appraisal, 4-35

Prescribed Minimum Stumpage Rate, 7-11

Primary Haul, 4-37

Profit and Risk Margins, 4-2

## R

Railway, 4-39

Railway Transportation, 4-39

Random Lumber, 3-2

Random Lumber AMVs, 3-3

Reappraisal, 2-2

Reconstruction, 4-22

Reconstruction and Replacement, 4-8

Reload, 4-38

Repair, 4-2, 4-51

Request for Approval for a Road Use  
Charge, 4-44

Reserve Stumpage Rate, 1-7

Retaining Walls, 4-22

Right-of-way Felling, 4-12

Rip Rap, 4-19

Road Type, 4-12

Road Use Charges, 4-44

Roads, 4-6

Rock, 4-13

Rock Drilling, 4-19

Root Disease Control, 4-3

Routine Road Maintenance Cost Estimate,  
4-41

## S

Secondary Haul, 4-38

Section Length, 4-12

Sector Times, 4-36

Selling Price, 1-7, 5-3

Shipping Differential, 3-10

Side Slopes, 4-22

Silviculture Levy, 6-11

Silviculture Prescription, 4-3

Site Preparation, 4-19

Skidder Swinging, 4-3

Skyline, 4-32

Skyline Yarding Distance, 4-29

Slope, 4-26

Small Log, 3-2

Small Tree Dummy Variable, 4-28

Small Tree Volume, 4-28

Snow and Ice Roads, 4-15

Snow/Ice Road (WINTER), 4-12

Soil Moisture Regime (SMR), 4-14

Special Structures, 4-22

Stabilizing Material, 4-19

Stripping, 4-12

Stud Lumber, 3-2, 3-3

Stump Removal, 4-12

Subgrade Construction, 4-12

Subgrade Cost Estimate, 4-14

Supplies, 4-2, 4-51

Supply and Delivery, 4-19

## **T**

Tabular Cost Estimates, 4-6

Tally Sheets, 4-4

Total Coniferous Volume of greater than  
2 000 m<sup>3</sup> to 5000 m<sup>3</sup>, 6-3

Total Coniferous Volume of Less than 2000  
m<sup>3</sup> or less, 6-3

Total Merchantable, 4-5

Total MPS Stumpage Rate, 7-11

Total Net Cruise Volume, 4-5

Total Stumpage Rate, 1-7

Tow, 4-39

Tributary Cutting Authority, 4-6

Truck Hauling, 4-19

Truck to Rail Transfer, 4-39

Turnout Construction, 4-12

## **U**

Uphill Side Slope, 4-13

Upset Stumpage Rate, 1-7, 5-8

Upset Stumpage Rate Calculation, 7-11

## **V**

Value Index, 1-7, 5-2, 5-8

Volume per Hectare, 4-5

Volume Per Hectare, 4-26

Volume per Tree, 4-28

## **W**

Wages, 4-2, 4-51

Waste, 4-5