BRITISH COLUMBIA
The Best Place on Earth

Ministry of Forests and Range Pricing Branch

MEMORANDUM

File: 195-30/IAPP
Ref: 126108

October 20, 2010

BY EMAIL

To: Madeline Maley, A/Regional Executive Director, Southern Interior Region
Greg Rawlings, A/Regional Executive Director, Northern Interior Region

Re: Errata No. 3 – October 1, 2010 *Interior Appraisal Manual*

The purpose of this memo is to advise you that changes from Amendment No 1 were inadvertently omitted in Amendment No 2. If you have printed the July 1, 2010 Interior Appraisal Manual and have been updating it with the amendments, remove pages 6-15, 6-16, 6-17, 6-18, 6-19 and 6-20, which are common to Amendment No.1 and No. 2 and replace them with the attached.

If you printed the Interior Appraisal Manual effective Oct 1, 2010, please reprint the full revised version posted on the Pricing Branch website.

Grant Loeb
Manager
Timber Pricing

Attachment
pc: Interior Appraisal Advisory Committee

6.6 Miscellaneous Stumpage Rates

1. Unless otherwise specified in this manual, the stumpage rates, at the time of scale for timber harvested for the purposes described, in the districts listed, in the forest district specific section of Table 6-6 are as prescribed in that table. This table does not apply to cruise based cutting authorities.

Table 6-6 Miscellaneous Stumpage Rates

All Interior Forest Regions

Species	Code [1]	Product	Reserve Stumpage Rate
All Species	SB	Shake & Shingle Bolts, Blocks and Blanks.	$5.30/m^3
All Species	SK	Shakes	$6.00/m^3
Cedar	PR	Posts & Rails (Split and Round)	$3.00/m^3
All other Species	PR	Posts & Rails (Split and Round)	$1.20/m^3
All Species	MT	Mining Timbers	$3.00/m^3
All Species	FW	Firewood	$0.50/m^3
Yew		All	$0.25/m^3
All Species	CH	Wood chips from post-harvest material where a waste assessment has been made [2]	$0.25/m^3
All Species	HF	Hogged tree material from post-harvest material where a waste assessment has been made [2]	$0.25/m^3
All Species		Grades 4 and 6, except where the upset stumpage rate is determined under section 6.2.1(1)(a) and (b) and 5.1.1(5)(a) and (b)	$0.25/m^3
Deciduous Species		All, except grades 4 and 6 and except where the upset stumpage rate is calculated under section 6.2.1(1)(a) and (b) and 5.1.1(5)(a) and (b)	$0.50/m^3
All Species	SS	Stakes & Sticks.	$1.20/m^3
All Species	XM	Christmas Tree: under 3m 3-5 m over 5 m	$0.20/each $1.00/each $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^3
All Species		Marine Beachcomb	$0.70/m^3
All Coniferous		For logs harvested from the following Research Forests: Alex Fraser (UBC), Aleza Lake (UBC and UNBC), College of New Caledonia (CNC), and Fort St. James (UNBC)	$0.25/m^3
All Species		Firmwood Reject	NIL

[1] Special Forest Product as identified in section 94(3) of the *Act* and described in the *Scaling Manual*.

[2] Where the post harvest material is removed under a different tenure from the original cruise based cutting authority, a waste assessment is not required.

Forest District Specific

Description of Activity	Forest District	Reserve Stumpage Rate
New Crown land area disturbed for mining exploration trails, seismic lines[1], gas or oil well sites and right-of-way to well sites. [2]	Rocky Mountain Peace Ft. Nelson Mackenzie	$1,600/ha $913/ha $836/ha $898/ha

[1] The corresponding district reserve stumpage rate from the above table is adjusted according to the category of line clearing as follows:

Category 1 - no adjustment
Category 2 - 1/2 of the reserve stumpage rate
Category 3 - 1/3 of the reserve stumpage rate

The gross area for each category reported as new line on either; the Oil and Gas Commission's Geophysical Final Plan cover sheet or an As Cleared Plan is multiplied by the reserve stumpage rate as adjusted above (refer to Appendix V for category definitions).

[2] For pipe line rights-of-way a stumpage rate must be determined by using the above rates for cutting authorities containing 2 000 m^3 or less, of merchantable coniferous volume. For pipe line rights-of-way cutting authorities greater than 2 000 m^3 see section 6.7.

6.6.1 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.

6.7 Linear Tenures

1. For this section:

   "Linear tenures" means a licence to cut issued for:

   - A right-of-way to a mine site, or
   - A mining exploration trail in a district other than Fort Nelson, Peace, Mackenzie, Rocky Mountain, or
   - A pipeline right-of-way where the volume of timber on the cutting authority area is greater than 2 000 cubic metres, or
   - A pipeline right-of-way where the volume is 2 000 m3 or less in a district other than Fort Nelson, Peace, Mackenzie, or Rocky Mountain, or
   - A hydro transmission line, or
   - A highway right-of-way for a road administered by the *Ministry of Transportation*, or
   - A forestry licence to cut issued under section 47.6(3) of the *Act* in conjunction with a BCTS road development contract, or
   - A fence line or protection of a fence line administered by the ministry under the *Range Act*.

   "Licensee" means the licensee who has been issued a linear tenure.

2. The stumpage rate for a linear tenure shall be the stumpage rate prescribed in Table 6-3 for the smaller of the area of the Forest District, Timber Supply Area or Region in which the entire cutting authority area for the linear tenure is located.

3. The costs of roads constructed on the cutting authority area for a linear tenure are only eligible for inclusion as part of the development cost estimate in the licensee's first fully appraised tributary cutting authority area if those costs were not used in a full appraisal under subsection (4) of this section.

4. a. Notwithstanding any other subsection in this section the stumpage rate for a linear tenure may be determined through a full appraisal.

   b. Where the stumpage rate is determined in accordance with this subsection, the cruise data that is used in the appraisal may be from the cruise of a comparable cutting authority as per section 1.5.1.

5. A stumpage rate determined under this section shall be fixed for the term of the linear tenure and all extensions.

6.8 Controlled Recreation Areas (CRAs)

1. The sawlog stumpage rate for coniferous timber harvested under any cutting authority issued for a cutting authority area within a CRA is the stumpage rate approved by the Director for each quarter.

2. The stumpage rate determined under subsection (1) is redetermined on the anniversary date of the cutting authority in accordance with this section.

3. Notwithstanding any other subsection in this section, the stumpage rate may be determined through a full appraisal in accordance with chapters 1, 2, 3, 4 and 5.

6.9 Cruise Based Stumpage Calculations

1. Pursuant to section 106 of the *Forest Act*, and subject to subsection 2 of this section, the amount of stumpage payable on Crown timber will be calculated using information provided by a cruise of the timber before it is cut where the timber is authorized for harvest:

   a. Under a cutting authority issued or entered into prior to June 1, 2010 where:

      i. the stumpage rate is adjustable,

      ii. the net merchantable coniferous volume of timber on the cutting authority area is comprised of 35% or more red and grey Mountain Pine Beetle (MPB) attacked Lodgepole pine, and

      iii. timber harvesting has not started on the cutting authority, or,

   b. Under a cutting authority issued or entered into on or after June 1, 2010 where:

      i. the stumpage rate is adjustable,

      ii. The licensee applied for a cutting permit and submitted an appraisal data submission to the District Manager before June 1, 2010, and,

      iii. The net merchantable coniferous volume of timber on the cutting authority area is comprised of 35% or more red and grey MPB attacked Lodgepole pine, or,

   c. Under a cutting authority issued or entered into on or after June 1, 2010 where:

      i. the stumpage rate is adjustable,

      ii. the licensee submitted an appraisal data submission to the District Manager on or after June 1, 2010, and

      iii. the net merchantable coniferous volume in each cutblock within the cutting authority area is comprised of 35% or more red and grey MPB attacked Lodgepole pine, or,

   d. Under a timber sale licence with a fixed stumpage rate, which meets the criteria set out in the Memorandum of Understanding between the former Revenue Branch and BC Timber Sales dated January 6, 2010 as it may be amended from time to time, and the calculation of the stumpage payable using information provided by a cruise is approved by the Executive Director, Field Operations, or

   e. Except as provided in subsection 5 of this section, under a cutting authority for which a timber mark listed in Table 6-7 has been issued and timber harvesting has not started.

2. Except as provided in subsections (3) and (4) of this section and section 5.1.3(4), the stumpage rate effective July 1, 2010 for a cutting authority where the stumpage payable is cruise based shall be calculated as stand as a whole in accordance with the following:

   a. the stumpage rate is determined using chapters 1, 2, 3, 4 and 5 of this manual,

   b. the stumpage rate determined under paragraph (a) of this subsection shall apply to the net merchantable volume on the cutting authority area.

3. Except as provided in subsections (4) and (5) of this section, if, after a reappraisal under section 2.2.3 of this manual:

   a. the net merchantable coniferous volume in each cutblock within the cutting authority area is comprised of 35% or more red and grey MPB attacked Lodgepole pine, and

   b. timber harvesting has not yet started on the cutting authority area,

   The stumpage payable may be cruise based.

4. Where a timber sale licence was entered into under section 21 of the *Act* as that section was before it was repealed that provides for cutting permits and included a bonus bid, the stumpage payable will remain scale based.

5. Where a non-replaceable forest licence (NRFL) or a forestry licence-to-cut (FLTC) was advertised on the basis of competition, and the successful bidder's bonus bid only applied to the sawlog portion of the volume advertised, the stumpage payable for cutting permits issued under these licences shall remain scale based.

6. Where the sawlog volume of a cutting authority was advertised on the basis of competition and

   a. The cutting authority was issued prior to June 1, 2010, and

   b. The stumpage payable is cruise based,

   The bonus bid shall be prorated by the person who determines the stumpage rate using Tables 4-6 or 4-7 of this manual as per section 4.6.