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Under section 6 of the *Private Woodlot Sustainability Act*, the Lieutenant-Governor in Council makes the following Regulation:

Citation

1 This Regulation may be cited as the *Timber Royalty Adjustment Regulation – Private Woodlot Sustainability Act*.

Definitions

2 The following definitions apply in this Regulation.

“Act” means the *Private Woodlot Sustainability Act. (Loi)*

“average monthly price” means, with respect to a species or group of species of timber, the monthly price or the average of the weekly prices for a month, as the case may be, published by a price reporting agency in a publication for the product that is manufactured from the species or group of species of timber and that is listed in column 5 of Schedule A. (*prix mensuel moyen*)

“inflation-adjusted monthly price” means a price calculated in accordance with section 4. (*prix mensuel ajusté en fonction de l’inflation*)

“price reporting agency” means a price reporting agency listed in column 3 of Schedule A. (*organisme d’information sur les prix*)

“publication” means a publication listed in column 4 of Schedule A. (*publication*)

“species or group of species of timber” means a species or group of species of timber in a class of timber listed in column 2 of Schedule A. (*espèce ou groupe d’espèces de bois*)

“timber” means timber as defined in the *Crown Lands and Forests Act. (bois)*

Average monthly price

3(1) If an average monthly price is not a multiple of one dollar, it shall be rounded to the nearest multiple of one dollar or, if it is equidistant from two consecutive multiples, to the higher multiple.

3(2) If an average monthly price is expressed in U.S. dollars, it shall be converted into Canadian dollars using the Bank of Canada’s average exchange rate for that month.

3(3) The average monthly price of mixed hardwood and poplar in the pulpwood class of timber differs depending on which of the following products is manufactured from the mixed hardwood or poplar:

- (a) dissolving pulp;
- (b) corrugating medium;
- (c) medium density fibreboard; or
- (d) lumber or pallets.

3(4) The average monthly price of mixed hardwood in the pulpwood class of timber that is used to manufacture lumber or pallets and the average monthly price of poplar in the sawlogs or pulpwood class of timber that is used to manufacture lumber or pallets are calculated by taking the average of the weekly prices for a month published by a price reporting agency in a publication of the following products:

- (a) Pallet lumber 4/4 x 4"-6"-8";
- (b) Pallet cants 4 x 4 and 4 x 6 cants;
- (c) Railroad ties 7 x 9 Crossties; and
- (d) Railroad ties 7 x 9 Switchties.

Inflation-adjusted monthly price

4(1) The inflation-adjusted monthly price of a species or group of species of timber is calculated by taking the average of the adjusted monthly prices calculated in accordance with subsection (2) for that species or group of species of timber.

4(2) The adjusted monthly price of a species or group of species of timber is calculated by adjusting, for each month during the period beginning January 1, 2008, and ending December 31, 2022, the average monthly price of the species or group of species of timber to reflect changes in any or all the following indexes and documents published by Statistics Canada, using December 2022 as the base month:

- (a) Electric power selling price index, monthly – Electric power selling price over 5000 kw (New Brunswick);
- (b) Wholesale services price index, monthly – Petroleum and petroleum products merchant wholesalers (Canada);
- (c) Raw materials price index, monthly – Logs and bolts, and pulpwood (Canada);
- (d) Industrial product price index, by product, monthly – Wood chips (Canada);
- (e) Machinery and equipment price index, by industry of purchase, quarterly – Wood product manufacturing and paper manufacturing (Canada);
- (f) Average hourly earnings for employees paid by the hour, by industry, monthly, unadjusted for seasonality – Manufacturing (New Brunswick – all employees); and
- (g) Employee wages by industry, monthly, unadjusted for seasonality – Forestry, fishing, mining, quarrying, oil and gas (New Brunswick).

4(3) The fiftieth and ninetieth percentiles of inflation-adjusted monthly prices are prescribed in columns 6 and 7 of Schedule A for the purposes of calculating the royalty adjustment.

Royalty adjustment calculation

5 For the purposes of section 5 of the Act, the royalty adjustment for a species or group of species of timber shall be calculated on a monthly basis by using the following formula:

$$A = B \times [(C - D) \div (E - D)]$$

where

A is the royalty adjustment;

B is the fair market value of the species or group of species of timber prescribed in Schedule A of New Brunswick Regulation 86-160 under the *Crown Lands and Forests Act*;

C is the average monthly price;

D is the fiftieth percentile of the inflation-adjusted monthly price; and

E is the ninetieth percentile of the inflation-adjusted monthly price.

Maximum royalty adjustment

6 The royalty adjustment for a species or group of species of timber may not be greater than its fair market value as prescribed in Schedule A of New Brunswick Regulation 86-160 under the *Crown Lands and Forests Act*.

Minimum royalty adjustment

7 If the formula in section 5 produces a royalty adjustment that is less than \$0.75/m³, the royalty adjustment shall be deemed to be \$0.75/m³.

Fixed royalty adjustments

8(1) The royalty adjustment for the following species or group of species of timber is deemed to be \$0.75/m³:

- (a) red pine in the poles and pilings class of timber; and
- (b) any softwood species other than white pine, spruce, fir, jack pine or cedar in the sawlogs class of timber.

8(2) The royalty adjustment for every species or group of species of timber in the following classes of timber is deemed to be \$0/m³:

- (a) fuelwood;
- (b) forest biomass;
- (c) weir stakes;
- (d) top poles;
- (e) weir brush; and
- (f) tips and branch material.

SCHEDULE A

Column 1 Class of Timber	Column 2 Species or Groups of Species of Timber	Column 3 Price reporting agency	Column 4 Publication	Column 5 Product information	Column 6 Inflation- adjusted monthly price (fiftieth percentile)	Column 7 Inflation- adjusted monthly price (ninetieth percentile)
sawlogs	mixed hardwood	Hardwood Publishing Co., Inc.	Hardwood Review Forecasting	Northern Index	\$2,152/ thousand board feet	\$2,670/ thousand board feet
	poplar	Hardwood Publishing Co., Inc.	Hardwood Review	Pallet lumber 4/4 x 4"-6"-8" Pallet cants 4 x 4 and 4 x 6 cants Railroad ties 7 x 9 Crossties Railroad ties 7 x 9 Switchties	\$792/thousand board feet	\$932/thousand board feet
	white pine	Random Lengths Publications, Inc.	Random Lengths Weekly	Board Lumber Group Composite	\$1,017/ thousand board feet	\$1,424/ thousand board feet
	spruce, fir and jack pine	Random Lengths Publications, Inc.	Random Lengths Weekly	Eastern S-P-F Lumber Group Composite	\$637/thousand board feet	\$974/thousand board feet
	cedar	Random Lengths Publications, Inc.	Random Lengths Weekly	Western Red Cedar 2 x 4 Std & Btr AG 8-ft FOB Mill	\$1,542/ thousand board feet	\$2,514/ thousand board feet
studwood	spruce, fir and jack pine	Random Lengths Publications, Inc.	Random Lengths Weekly	Eastern S-P-F Lumber Group Composite	\$637/thousand board feet	\$974/thousand board feet
	cedar	Random Lengths Publications, Inc.	Random Lengths Weekly	Western Red Cedar 2 x 4 Std & Btr AG 8-ft FOB Mill	\$1,542/ thousand board feet	\$2,514/ thousand board feet
pulpwood	mixed softwood	RISI Inc.	PPI Pulp & Paper Week	Northern (Canadian) Bleached softwood kraft	\$1,377/tonne	\$2,110/tonne
	mixed hardwood	RISI Inc.	World Dissolving Pulp Monitor	Hardwood Viscose Pulp, Delivered to China	\$1,225/tonne	\$1,620/tonne
		RISI Inc.	PPI Pulp & Paper Week	Semichemical Corrugating Medium, 26 lb, Open Market, US East	\$1,022 \$/short ton	\$1,376/short ton
		Random Lengths Publications, Inc.	Random Lengths Weekly	Medium Density Fiberboard (East) 3/4" FOB Mill	\$897/thousand square feet	\$1,063/ thousand square feet
		Hardwood Publishing Co., Inc.	Hardwood Review	Pallet lumber 4/4 x 4"-6"-8" Pallet cants 4 x 4 and 4 x 6 cants Railroad ties 7 x 9 Crossties Railroad ties 7 x 9 Switchties	\$792/thousand board feet	\$932/thousand board feet
	poplar	RISI Inc.	World Dissolving Pulp Monitor	Hardwood Viscose Pulp, Delivered to China	\$1,231/tonne	\$1,600/tonne
	RISI Inc.	PPI Pulp & Paper Week	Semichemical Corrugating Medium, 26 lb, Open Market, US East	\$1,022 \$/short ton	\$1,376/short ton	

		Random Lengths Publications, Inc.	Random Lengths Weekly	Medium Density Fiberboard (East) 3/4" FOB Mill	\$897/thousand square feet	\$1,063/thousand square feet
		Hardwood Publishing Co., Inc.	Hardwood Review	Pallet lumber 4/4 x 4"-6"-8" Pallet cants 4 x 4 and 4 x 6 cants Railroad ties 7 x 9 Crossties Railroad ties 7 x 9 Switchties	\$792/thousand board feet	\$932/thousand board feet
shinglewood	cedar	Random Lengths Publications, Inc.	Random Lengths Weekly	Western Red Cedar Shingles #1 R&R FOB Mill	\$194/square	\$270/square
Oriented Strand Board	mixed softwood	Random Lengths Publications, Inc.	Random Lengths Weekly	Oriented Strand Board (Eastern Canada) – 7/16-inch	\$316/thousand square feet	\$696/thousand square feet
	mixed hardwood	Random Lengths Publications, Inc.	Random Lengths Weekly	Oriented Strand Board (Eastern Canada) – 7/16-inch	\$316/thousand square feet	\$696/thousand square feet
	poplar	Random Lengths Publications, Inc.	Random Lengths Weekly	Oriented Strand Board (Eastern Canada) – 7/16-inch	\$316/thousand square feet	\$696/thousand square feet

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