

POLICY STATEMENT for the
LAKEVIEW FEDERAL SUSTAINED-YIELD UNIT
AS AMENDED ON (2/18/92)

I. General Objectives

The objective of the Act of March 29, 1944 (58 Stat. 132;16 USC 583-583i), is to maintain a stable community or communities primarily dependent upon the sale of timber or other forest products from federally owned or administered forest land. This policy statement is designed to facilitate the accomplishment of this objective for the communities of Lakeview and Paisley. A further objective is to annually harvest the full sustained-yield production (Allowable Sale Quantity [ASQ]¹ and non-chargeable volume²) from the Federal Sustained Yield Unit (Page 3, Section V). The ASQ is developed through the Fremont National Forest Land and Resource Management Plan (Plan)³. This policy statement only directs where and how the available ASQ and non-chargeable volume is to be processed. The Lakeview Federal Sustained-Yield Unit was established by the Chief of the Forest Service, on October 10, 1950, hereinafter called the Unit. Applicable provisions to effectuate this policy statement will be included, as conditions of sale, in timber-sale agreements for the sale of National Forest timber in the Unit.

II. Limits of Manufacturing Area

All timber sold for commercial use from National Forest System lands within the Unit, except as otherwise provided, will be required to be manufactured within (a) the Lakeview community, which is defined as the town of Lakeview and the adjacent area within a radius of six miles of the Lake County Courthouse; or, (b) the Paisley community, which is defined as the town of Paisley and the adjacent area within three miles of the center of town.

Exceptions to the foregoing manufacturing restriction will be made by the Forest Supervisor only: (1) to meet serious emergencies requiring the removal and utilization of timber at rates which are in excess of the capacity of manufacturing facilities in the Lakeview and Paisley communities; (2) to permit the removal and use of timber from rights-of-way over National Forest System lands granted to operators whose plants are situated outside of the Lakeview and Paisley communities; (3) to facilitate the economic harvesting of isolated tracts or of small amounts of timber closely associated with privately owned timber; (4) to make timber available, in amounts not exceeding five percent of the timber available for cutting during any period, for small mills within or near the Unit when primary manufacture at such points is cost efficient; (5) to remove material or species unsuitable for sawlogs⁴ which may be utilized as pulp, or products other than sawlogs, for which no market exists within the manufacturing area; (6) to remove dead timber resulting from fire, windthrow, insects, diseases, or other causes when following usual sale procedures would result in a significant loss to the Government through deterioration of the timber involved; (7) to consummate exchanges of land which do not reduce the amount of timber available for sale in the Unit; (8) to remove timber that has been previously offered for sale within the Unit and upon which no qualified bids were received; provided that no such sale will be offered outside the Unit until the appraisal has been reviewed by the Forest Supervisor; and, (9) to provide for the primary manufacture of wood chips or other products from young timber stands, or from normal logging residues within the Unit boundary but

¹ Net live timber (timber meets utilization standards of timber sale contract).

² Dead timber (timber meets utilization standards of timber sale contract) and other timber not in ASQ which may be live.

³ See Appendix II A(3)

⁴ Material which does not meet utilization standards of the timber sale contract.

outside the designated manufacturing area when primary manufacturing at such location is cost efficient.

III. Definition of Manufacture. Further Manufacture. and Remanufacture

1) Manufacture

The term "manufacture" as used herein is defined as the primary or first stage processing of logs by sawmills, veneer plants, and whole log chipping facilities.

In sawmills, first stage processing will be the manufacture of rough green lumber produced at the green chain.

In veneer plants, first stage processing is considered to be the production of green veneer ready for shipping.

First stage processing for whole log chipping facilities is considered to be the production of green wood chips ready for transport.

The following forest products will be excluded from the foregoing manufacturing stipulation:

- Christmas trees,
- Pine cones, forest greens, etc.,
- Resin-bearing material (stumps),
- Fuelwood, posts, poles, pilings, house logs, and similar other products.

2) Further Manufacture

The term "further manufacture" is the processing of lumber pursuant to Appendix II-C.

3) Remanufacture

The term "remanufacture" is the processing of products beyond further manufacture and beyond the production of green veneer, chips, sawdust, bark, and other such materials.

IV. Sale of Timber

Timber will be offered for competitive sale from the National Forest System lands in the Unit in accordance with Forest Service directives and the provisions of applicable laws and the regulations of the Secretary of Agriculture.

In addition to the normal requirements for purchasers of National Forest timber and unless the Forest Supervisor authorizes other action pursuant to the Unit Policy Statement; timber from National Forest lands within the Unit shall be sold only to bidders who: (1) agree to comply with the Unit Policy Statement and, (2) make a satisfactory showing of ability to meet the conditions in the Unit Policy Statement.

Such showing will be made when the bidder has:

- (1) Demonstrated from the previous calendar year's actual accomplishments that all Unit Policy Statement requirements have been met; or,
- (2) A written agreement, which is acceptable to the Forest Service with a Unit concern to meet these requirements; or,
- (3) Plans accepted by the Forest Service to meet these requirements.

The sale program for the Unit will be designed to obtain active competition for the purchase of the timber and efficient logging and manufacturing operations of varying sizes.

Unless approval by the Regional Forester is given in advance, purchasers who have been awarded sales within the Unit shall not bid on, or otherwise become involved in, other offerings of National Forest timber outside the Unit for primary manufacture within the Unit or within the Lakeview or Paisley communities.

National Forest timber will continue to be available in sufficient amounts to satisfy the needs of bona fide settlers, miners, residents, farmers, and prospectors for minerals, for personal and domestic use, in accordance with existing laws, regulations, and Forest Service policies.

V. Rate of Cutting

The ASQ and nonchargeable timber volume of National Forest timber in the Unit, which govern the average amount of timber that may be sold annually, will be stated in the Plan currently in effect. The Forest Service (with public involvement) can, at anytime, revise the Plan. Harvest volumes include ASQ and nonchargeable timber sale volume. Events such as a national emergency, a major conflagration, an extremely damaging insect or disease attack, or other disaster of severe consequence, or periodic resource surveys which produce new resource information will normally warrant the amendment or revision of the Plan if needed⁵.

VI. Unit Manufacture, Further Manufacture, and Remanufacture

The economic stability of the dependent communities of Lakeview and Paisley will be furthered by the greatest reduction and utilization of waste in the woods and at manufacturing plants, as well as by Unit manufacture, further manufacture, and remanufacture of the products of primary processing.

To this end, each purchaser of National Forest timber from the Unit is required to further manufacture their lumber products in the Unit to the greatest practical degree⁶. All material that can be remanufactured within the Unit will be available for sale at competitive prices⁷ to other Unit processing concerns. Such material, when offered but not purchased, may be shipped out of the Unit.

Further manufacturing and remanufacturing of primarily processed veneer, whole log chipping products, and other wood fiber (non-lumber) products is encouraged within the Unit.

⁵ Refers to the National Forest Management Act (NFMA).

⁶ See Appendix II C.

⁷ See Appendix II A(2).

in conducting timber harvesting activities and related road construction work, and in Unit manufacturing and further manufacturing operations, local labor and local contractors will be employed by Unit purchasers insofar as practicable⁶.

VII. Accomplishment of Objectives

All purchasers are required to provide the information described in Appendix I.

A review will be accomplished:

- (1) Normally, during the Forest Planning Process, or more often if needed, the Forest Service will analyze the results obtained through the application of these policies in the management of the National Forest timber resource to determine whether or not the objectives of the Unit are being attained.
- (2) When the closure of all the manufacturing facilities occurs for a period of six months or more in either Lakeview or Paisley. In case of such closure, it will be considered prima facie evidence that the objectives of the Policy Statement are not being met.

Each analysis will include, but will not be limited to:

- (1) Plan output offerings and harvest during the analysis period.
- (2) The efficiency of operating practices being employed both in woods and processing plants and the degree to which new plant facilities are provided to keep the wood utilization program for the Lakeview Unit in step with technical advances made by the pine industry elsewhere.
- (3) Waste utilization in the woods and in manufacturing and remanufacturing plants in the Lakeview and Paisley communities.
- (4) The extent to which National Forest timber from the Unit is further manufactured and remanufactured in the Lakeview and Paisley communities.
- (5) The extent to which local labor is employed.
- (6) Whether any changes are desirable in the exceptions listed in the second paragraph of Section II of this Policy Statement.

If it appears that the objectives of the Unit are not being substantially achieved, an advisory public hearing will be held to consider proposals to correct the unsatisfactory conditions. If such hearing fails to develop practical ways and means of adjusting this program to more fully meet the objectives contemplated by the Act of March 29, 1944 (58 Stat. 132; 16 USC 583-5831), the declaration establishing the Unit may be revoked. If it is determined that objectives of the Unit are satisfactory, the program outlined in this Policy Statement may be continued without interruption or substantive change.

⁶ See Appendix II B (1 and 2).

Appendix to the Lakeview Federal
Sustained-Yield Unit
Policy Statement

Appendix I

Monitoring

The purchaser of National Forest timber from the Unit shall provide appropriate records annually, the accuracy of which has been certified by a Certified Public Accountant. This is to enable the Forest Service to accurately analyze the following:

- (1) Primary manufacturing accomplishment in thousands of board feet MLT (Mill Lumber Tally) for lumber, square feet 3/8 inch basis for veneer, and bone dry units for whole log chips by species.
- (2) Further manufacturing accomplishments by MLT volume processed by species and grade:
 - a) surfaced(S2S)/dry
 - b) rough/dry
 - c) rough/green
 - d) other condition
- (3) Volume of material remanufactured by Unit purchasers including chips from all residues.
- (4) Volume of material by species and grade sold in the Unit for remanufacturing.
- (5) Volume of chips produced from other than whole logs in bone dry units and volume of hog fuel in bone dry tons⁵.
- (6) Percentage of the local labor force working in logging, road construction, manufacturing, and further manufacturing. This includes labor working for contractors, subcontractors, or other agents.
- (7) Number of local contractors employed. The number of non-local contractors employed.
- (8) Documented reasons for use of non-local labor and for use of each non-local contractor.

In addition, records documenting both the availability and the sale of products or materials will be maintained by Unit purchasers and will be provided to the Forest Service upon request.

⁵ Chips: Bone dry unit is 2,400 pounds, dry basis. Hog Fuel: Bone dry ton is 2,000 pounds, dry basis.

Appendix II

A. Glossary of Terms

- (1) Local - Labor or contractors that have a continuing operating headquarters (home or office) within Lake County or within 35 miles (air miles) of the Lake County Courthouse.
- (2) Competitive Price - Price that a seller, willing but not compelled to sell, would take and a purchaser, willing but not compelled to buy would pay. In cases of dispute brought to the Forest Service for resolution the following will be used as guides: Prices not to exceed 105 percent of the prices paid for similar materials sold by Unit mills from previous week's transaction or, in the event that the record of such recent transactions are inadequate, transaction evidence as currently published in Random Lengths or similar publications will be used.
- (3) Plan - Fremont National Forest Land and Resource Management Plan (1989) and as amended or revised.

B. Unless otherwise agree to "practicable" means:

- (1) Timber Harvesting - Available and capable to complete the project at no more than Forest Service appraised estimates plus the pro rata share of the appraised profit and risk estimate and at standards and specifications set forth in the timber sale contract.
- (2) Road Construction - Available and capable to complete the project at no more than Forest Service appraised estimates plus the pro rata share of the appraised profit and risk estimate and at standards and specifications set forth in the timber sale contract.

C. Definitions of the minimum requirements for further manufacturing to the "greatest practical degree":

- (1) For ponderosa pine, white pine, and sugar pine:

<u>Grade</u>	<u>Degree of Manufacturing</u>	
Moulding Stock	Dry	100%
All Shop	Dry	100%
	Surfaced (S2S)	90%
All Other Grades	Dry	95%
	Surfaced (S2S)	95%
- (2) For white fir and lodgepole pine:

All Grades	Surfaced(S2S)/dry	90%
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- (3) For incense cedar or structural grade timbers:

	Rough Green	100%
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- (4) Railroad Ties:

All Grades and Species	Rough Green	100% ¹⁰
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¹⁰Not more than 10% of any species except lodgepole pine will be manufactured into railroad ties.

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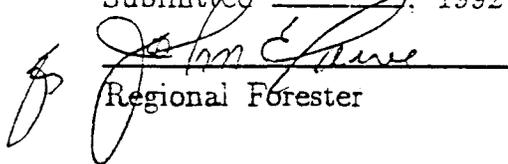
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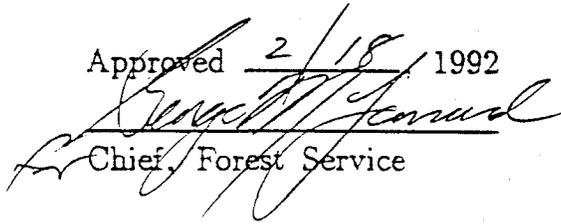
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Approved as Amended in 1992

Submitted 12-23, 1992


Regional Forester

Approved 2/18, 1992


Chief, Forest Service