



File Code: 2430; 2400
Route To:

Date: March 17, 2017

Subject: Decision Notice of SBA Structural Change

To: Klamath National Forest Interested Parties

The USDA's Forest Service policy provides for re-computation of the small business share of national forest timber sale offerings when the structure of timber firms change as provided in the Small Business Timber Sale Set-Aside program. We have, after consultation with the Small Business Administration, determined that a structural change did take place in the Klamath Market Area, Klamath National Forest. This change was explained in my letter of January 31, 2017.

Five letters were received in response to my January 31, 2017 letter and prior to the March 2, 2017 deadline for comments. All of the letters were in agreement with the USDA's Forest Service's determination that structural change occurred. One letter commented that the "Forest Supervisor's timing decision is not to be used as a precedent for future actions. Generally, a mill closure occurs at the time of the closure announcement and subsequent actions such as selling equipment are simply actions that implement the closure decision."

The Forest Service determined the change occurred in November of 2016 when Rough & Ready auctioned off their equipment. According to Forest Service Handbook, 2409.18, 91.22b, "Forest Supervisors may recognize structural change or may act upon recommendation of their subordinate staff when conditions for structural change appear to have occurred." Rough & Ready Lumber, in consultation with the Small Business Administration, met the Forest Service Handbook direction when they auctioned the equipment and it was apparent the mill would no longer be operational.

The time period to be included in the purchase and harvest data for the re-computation will be the three-year period April 1, 2017 through March 31, 2020. A re-computation for a structural change will begin on April 1, 2020 to establish the small business share.

The normally scheduled re-computation, October 1, 2020, will be skipped. Forest Service Handbook direction states "When a re-computation for a structural change would occur within a year of a scheduled re-computation (before or after), skip the scheduled re-computation."

The decision that a structural change occurred may be appealed under 36 CFR Part 223.118(f). The appeal deciding official is the Regional Forester, Pacific Southwest Region, 1323 Club Drive, Vallejo, CA 94592. Only those timber sale purchasers or representatives who submitted written comments on this notice may appeal my decision. The content of Notice of Appeal must include reasons for the appeal and must be postmarked by April 14, 2017, which is 20 business days from the date of this notice of decision. Appeal procedure information may be obtained from any of the people listed below.



The Forest Service administers the Small Business Timber Sale Set-Aside Program under provisions outlined in Forest Service Manual 2439. You may obtain information on the structural change from the Forest Supervisor or the Small Business Administration Representative.

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