



File Code: 2430
Route To: 2430

Date: June 12, 2020

Subject: SBA Shasta Market Area Decision Notice Share Percentage

To: Shasta-Trinity National Forest Timber Purchasers and Interested Parties

In my letter of April 30, 2020 you were notified of the proposed small business share for the Shasta Market Area of the Shasta-Trinity National Forest following recomputation due to structural change. The share was recomputed after consultation with the Small Business Administration and in accordance with procedures governing the SBA program as outlined in Forest Service Handbook FSH 2409.18, Chapter 90. Comments were solicited from qualifying timber sale purchasers and interested parties. A thirty-day review and comment period was provided to give you an opportunity to address the proposed share and the information used in the analysis.

Four written responses were received with three in agreement to the recomputed share and one comment in disagreement. In addition there was a response received late that will not be considered as defined in 36 CFR 223.118(c).

Comment in disagreement states:

"The Forest Service Handbook 2409.18, Chapter 90, section 91.22b - Structural Change Recomputation in Region 1 - 6; states, "Compute the small business shares following a structural change in the same manner as a 5 year scheduled recomputation using 3 years of data instead of 5 years." The above referenced section, Chapter 90, section 91.22 - 5 year Recomputation in Regions 1 - 9, states; "Recompute the small business market area share percentage by dividing the total small business sawlog purchases by the total sawlog volume purchased over the applicable time period." The worksheet attached to your letter shows Gray Fox Pit MP (604 CCF) and North McBride Pit MP (12,792 CCF) "Delivered to" Wheelabrators (sic). Wheelabrator is a wood fired power plant, and to our knowledge; does not have the capability of converting sawlogs into lumber, timbers or veneer, rather they produce wood chips to be used for wood fired power generation. We believe the combined volume of these 2 timber sales (13,396 CCF) should therefore be excluded from the worksheet calculations. Excluding this volume will bring the new market share to 27% rather than the proposed 20%.

The Forest used the Forest Service Handbook direction and determined that proper crediting of these two sales was applied. The direction for crediting the volume in FSH 2409.18, Chapter 90, Section 92.11b *Non Manufacturer Purchases of Open Sales* states "Use information in Block 16b of the Bid for Advertised Timber to credit sawtimber volume from open timber sales purchased by non-manufacturers (section 92.12)". Section 92.12 *Non-Manufactures*, indicates to "credit non-manufacturer purchases to the size class on the semi-analysis at time of bid and recomputations using historical procedures within the Market Area". The purchaser for "Gray Fox Pit MP and North McBride Pit MP is a small non-manufacturer and was credited to large business based on the historical procedures. Unlike the requirements under a Set-A-Side, SBA sale, requiring delivery to a manufacturer with the capability of converting sawlogs into lumber, timbers or veneer there is no direction to change how the sawtimber volume sold is credited on **open sales** based upon the capabilities of the manufacturer.



Pursuant to the provisions of the Small Business Timber Sale Set-Aside Program, I have considered the comments received and have made my decision for the final share. It is my decision to establish the small business share for the Shasta Market Area at 20% with no surplus or deficit volume carried forward. This decision becomes effective for the period beginning April 1, 2020.

This decision is subject to administrative appeal under 36 CFR 223.118 which governs the appeal process for small business timber sale program share recomputations. As defined in 36 CFR 223.118(c), only those timber sale purchasers, or their representatives, who are affected by the recomputation of the small business share of timber sales **and** who submitted predecisional written comments may appeal the final decision made by the Forest Supervisor. If comments were submitted only through an association to which a purchaser belongs, the timber sale purchaser may not individually appeal the decision.

This decision may be appealed pursuant to 36 CFR 223.118 by filing a written notice of appeal in duplicate to:

Regional Forester
Pacific Southwest Region
ATTN: Tim Howard
1323 Club Drive
Vallejo, CA 94592

Any written Notice of Appeal of this decision must be fully consistent with 36 CFR 223.118(f), Content of Notice of Appeal, must include reasons for appeal and must be submitted within 20 days from the date of this notice of decision.

The Forest Service administers the Small Business Timber Sale Program under provisions outlined in Forest Service Manual FSM 2439 and the Timber Sale Preparation Handbook, FSH 2409.18, Chapter 90. You may obtain information on the structural change recomputation and appeal procedures from the Forest Supervisor's Office or the Small Business Administration Representative:

Forest Supervisor, Shasta-Trinity National Forest
Attn: Laurie Magliano
3644 Avtech Parkway
Redding, CA 96002
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SBA Timber Programs
Attn: John Bagaason, Industrial Specialist
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SCOTT RUSSELL
Forest Supervisor