

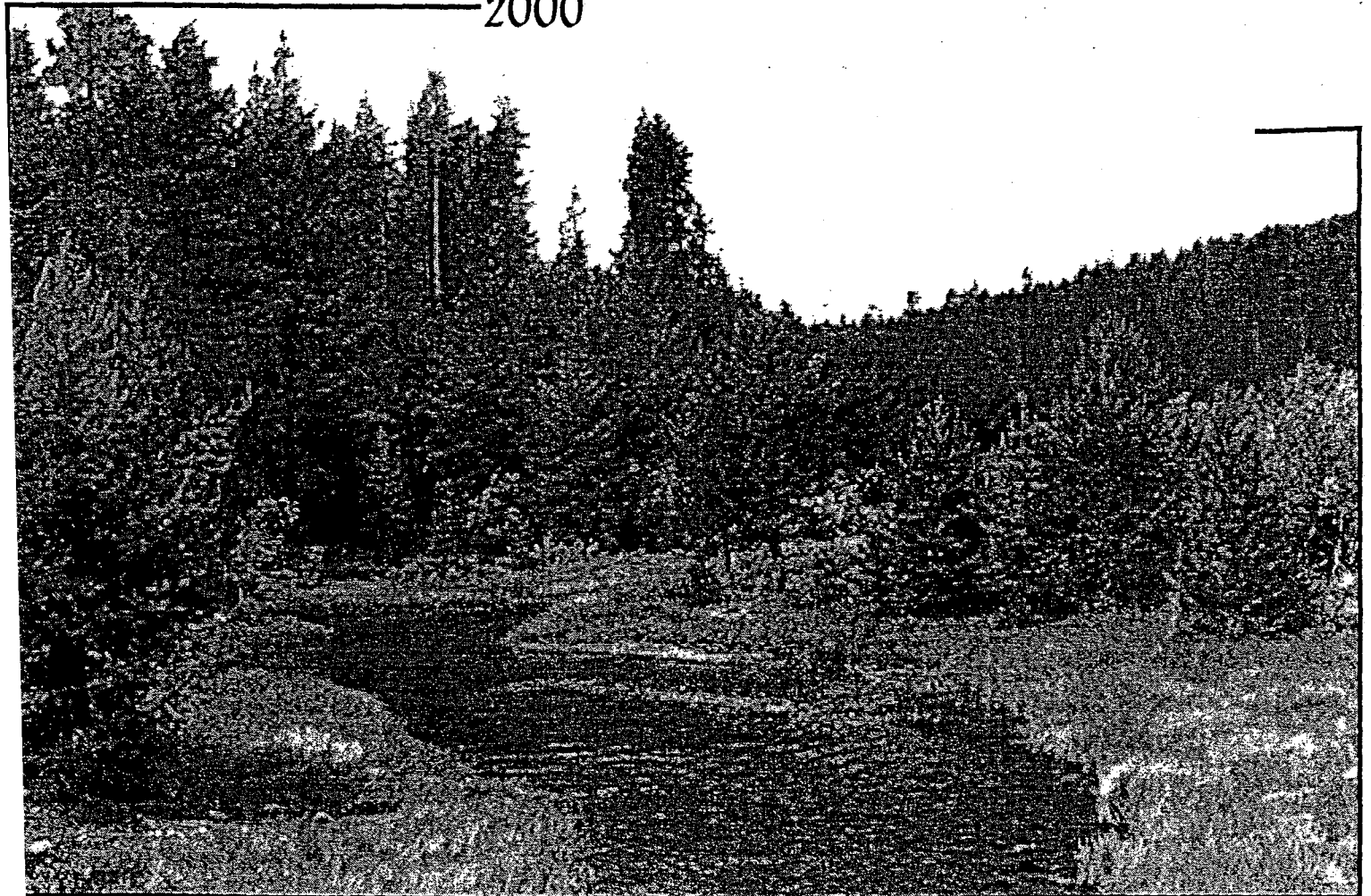
Policy Statement

Lakeview Federal Sustained Yield Unit

Fremont National Forest



2000



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**POLICY STATEMENT for the
LAKEVIEW FEDERAL SUSTAINED YIELD UNIT
as AMENDED on (01/11/01)**

I. Introduction

This policy statement sets forth policy based upon the over-arching goals of community stability and ecosystem health within the area of the Lakeview Federal Sustained Yield Unit. Specifically, this document revises the policy on the Lakeview Federal Sustained Yield Unit, authorized by 16 USC 583b that provides for community stability through the harvest of forest products.. In addition, this document sets forth goals concerning ecosystem health and community stability through the use of ecosystem management contracts, as authorized by existing law and consistent with the Fremont National Forest Plan. For purposes of clarity, those goals and policies set forth within this document that are not specifically authorized under the Sustained Yield Forest Management Act apply to the Unit Area but not to the Unit itself which has specific purposes set forth in 16 U.S.C. 583b.

II. Purpose of Unit & Goals of the Unit Area

A. The general purposes of the Sustained Yield Forest Management Act of March 29, 1944 (58 Stat. 132; 16 USC 583-583i), are to promote the stability of forest communities through continuous supplies of timber, to provide continuous supplies of forest products, and to "secure the benefits of forests in maintenance of water supply, regulation of stream flow, prevention of soil erosion, amelioration of climate and preservation of wildlife." Previous policy statements for the Lakeview Federal Sustained Yield Unit were designed to facilitate the accomplishment of this objective for the communities of Lakeview and Paisley. A further objective was to annually harvest the full sustained-yield production (Allowable Sale Quantity [ASQ] and non-chargeable volume) from the Federal Sustained Yield Unit. The Chief of the Forest Service established the Lakeview Federal Sustained Yield Unit on October 10, 1950.

The specific purpose of the Lakeview Federal Sustained Yield Unit, authorized by 16 USC 583b, and hereinafter referred to as the Lakeview Federal Stewardship Unit, is to maintain community stability through the non-competitive sale of timber or forest products from federally owned or administered federal land. This revised policy statement reiterates the need to promote community stability and employment through the forest products industry. Applicable provisions to effectuate this policy statement will still be included, as conditions of sale, in timber-sale agreements for the sale of National Forest timber in the Unit. The policy for the Unit is set forth in sections III-VII.

B. The Unit was established in recognition of the important interrelationship between the Fremont National Forest and the local communities of Lakeview and Paisley to promote their economic stability. However, the understanding of this relationship has broadened greatly. This policy recognizes that the forest must be treated with a new respect and that sustainability requires holistic solutions. It also acknowledges that community economic stability is dependent on a healthy forest and that the responsibility for creating and maintaining this health requires new relationships and collaboration, with commitments from everyone to work toward ecological, social, and economic sustainability. Accordingly, in addition to addressing policy related to the

sustained yield unit, this policy statement includes goals and monitoring criteria intended to promote a sustainable forest ecosystem within the Unit Area.

Consistent with all applicable laws, policies, and plans the Forest Service will seek to achieve the following goals within the Unit:

1. Sustain and restore a healthy, diverse, and resilient forest ecosystem that can accommodate human and natural disturbances.
2. Sustain and restore the land's capacity to absorb, store, and distribute quality water.
3. Provide opportunities for people to realize their material, spiritual, and recreational values and relationships with the forest.

III. Limits of Manufacture Area

All timber sold for commercial use from National Forest System land 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 restrictions 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 land granted to operators whose plants are situated outside of the Lakeview and Paisley communities; (3) to facilitate the economic harvesting of isolated tracts 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 sawlogs¹ 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 outside the designated manufacturing area when primary manufacturing at such location is cost efficient.

¹ Material that does not meet utilization standards of the timber sale contract.

IV. 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 products at the green chain.

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 stipulations:

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

1) Further Manufacture

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

2) 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.

V. 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 actions pursuant to this Unit Policy Statement, timber from National Forest lands within the Unit shall be sold only to bidders who: (1) agree to comply with sections three (III) through seven (VII) of this 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 previous calendar year's actual accomplishments that all Unit Policy Statement requirements have been met; or,
- 2) A written agreement with a Unit operator which is acceptable to the Forest Service 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 with the Unit or within the Lakeview or Paisley communities.

National Forest timber will continue to be available in sufficient amounts to satisfy the needs 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.

VI. Rate of Cutting

The rate of cutting will be determined through ecosystem analysis at the watershed scale (watershed analysis) and site-specific analysis of proposed actions intended to promote ecological and watershed health, consistent with the Forest Plan. Timber resources will be produced within the capability of sustainable ecosystems to achieve the purpose and goals of this policy statement.

VII. Unit Manufacture, Further Manufacture, and Remanufacture

The economic stability of the 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. Additionally, increasing the value of wood products to the greatest extent possible before leaving the community will further enhance the economic stability of Lakeview and Paisley.

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 degree². All material that can be remanufactured within the Unit will be available for sale at competitive prices³ 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 are encouraged within the Unit.

In conducting timber harvesting activities, related road construction work, and in Unit manufacturing and further manufacturing operations, local labor and local contractors will be employed by Unit purchasers in so far as practical⁴.

VIII. Unit Review and Monitoring

² See Appendix II C.

³ See Appendix II A (2).

⁴ See Appendix II B (1 and 2).

A review of the Unit and Unit Area will be accomplished during the Forest Planning Process. In addition, a Unit review will be undertaken when closure of all manufacturing facilities occurs in both Lakeview and Paisley. The Forest Service will analyze progress toward achieving the purpose and goals set forth in Section II of this policy statement as outlined below in subparts A and B. The results obtained from the analysis of the application of these policies in the management of the National Forest will indicate whether or not the objectives of the Unit and Unit Area are being attained.

A. Unit Review

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

Each Unit review will include, but will not be limited to:

- 1) Output offerings and harvest during the analysis period.
- 2) The extent to which Unit purchasers buy Unit sale offerings.
- 3) The extent to which National Forest timber from the Unit is further manufactured and remanufactured in the Lakeview and Paisley communities.
- 4) The extent to which local labor is employed.

B. Review of Unit Area

Each Unit Area review will include, but will not be limited to:

- 1) The extent to which management activities sustain and restore a healthy, diverse and resilient forest ecosystem that can accommodate human and natural disturbances including progress toward:
 - Restoring stand-maintenance fire regimes where they historically occurred.
 - Maintaining and restoring habitat for focal species.
 - Sustaining and restoring a healthy soil ecology.
 - Restoring forest conditions that approximate historical species composition and stand ages.
 - Eliminating, where possible, and controlling the spread of invasive, non-native species (especially noxious weeds).
- 2) The extent to which management activities sustain and restore the land's capacity to absorb, store and distribute quality water including progress toward:
 - Managing upland vegetation to maintain and restore water and moisture absorption, retention and release capacity over time.
 - Reducing road density and improving remaining roads to minimize impacts on water quality and flow.
 - Maintaining and improving aquatic and riparian habitat for native species.
 - Lowering stream temperature and sediment loads.

- Improving biophysical structure of soils.
- 3) The extent to which management provides opportunities for people to realize their material, recreational and spiritual values and relationships with the forest including:
- Providing opportunities for firms and individuals to realize economic benefits from innovative contractual mechanisms and technologies focused on linking stewardship activities and community well-being.
 - Analyzing earnings and benefits of workers and businesses contracted to implement ecosystem management.
 - Designing contracts to promote opportunities for year-round, long-duration, stable employment.
 - Designing contracts for services and sales of products to be accessible and attractive as possible to local firms and individuals to the extent permitted by existing authorities and where it will help management objectives.
 - Designing product sales and service contracts to promote local participation of vendors and purchasers by offering sales and contracts that are diverse in size, type, term length, and seasonal distribution.
 - Promoting a local business environment that can take advantage of the products and services of ecosystem management (e.g. small diameter and under-utilized species).
 - Protecting and maintaining areas of cultural significance within the forest.
 - Improving opportunities for people to fish, hunt, and view nature.
 - Promoting environmentally responsible recreation.

If it appears that the purpose of the Unit is not being substantially achieved, a public hearing will be held to consider proposals to correct the unsatisfactory conditions. If such hearing fails to identify reasonable approaches to meet the purpose of the Unit contemplated by the Act of March 29, 1944 (58 Stat. 132; 16 USC 583b), the declaration establishing the Unit may be revoked. If it is determined that the purpose of the Unit is being met, the program outlined in the Policy Statement may be continued without interruption or substantive change. The goals for the Unit Area may be reviewed and revised in accordance with the collaborative processes set forth in the Fremont National Forest Plan.

**Appendices 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 logs 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 tons¹.
- 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 material will be maintained by Unit purchasers and will be provided to the Forest Service upon request.

¹ 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 of contractors that have a continuing operating headquarters (home or office) within Lake County or within 35 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 material sold by Unit mills from previous week's transaction or, in the event that the record of such recent transaction 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 "practical" 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 requirement 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)	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%¹

Or

5) For all species, 5 man-hours per 1000 board feet.

Submitted: *Bilda Dug - Davis* 12 Jan 01
for Regional Forester *RL* Date

Approved: *Mike Dambb* 12/01/01
Chief ² Date

¹ Not more than 10% of any species except lodgepole pine will be manufactured into railroad ties.