



# **FOREST SERVICE HANDBOOK ALASKA REGION (R10) JUNEAU, ALASKA TIMBER APPRAISAL HANDBOOK CHAPTER 30 - STANDARD RATES**

**Supplement No.:** 2409.22-2018-3

**Effective Date:** 11/26/2018

**Duration:** This supplement expires 5 years from the effective date unless superseded or removed earlier.

**Approved:** /s/ Jeremiah C. Ingersoll  
(For) Regional Forester

**Date Approved:** 11/26/2018

**Posting Instructions:** Handbook supplements are numbered consecutively by Handbook number and calendar year. Post by document; remove the entire document and replace it with this supplement. Retain this transmittal as the first page(s) of this document.

**Last Change:** N/A

**New Document:** 2409.22-2018-3, 3 Pages

**Superseded Document(s):**

**Digest:**

30 – Provides direction for standard rate sales, previously included in R10 FSH 2409.22\_100 (Residual Value Appraisals).

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## 30 – Standard Rates

Small sales (less than 500 net MBF) that do not justify a detailed Residual Value appraisal may be advertised using standard rates (Forest or Regional). Regional standard rates are provided in R10 FSM 2431 a&b (Exhibit 01).

The Region 10 Residual Value Appraisal (R10-RV) shall be used on small sales with high costs (i.e., cable logging, road construction, water transportation, salvage, and young growth) not permissible for standard rate sales. Refer to R10 FSH 2409.22\_10 for direction on residual value appraisals. Since the objective (WO FSM 2420.1) is to bring advertised values close to bid values, R10-RV should be used if it is more likely to achieve advertised/bid ratios closer (than standard rates) to 70-85%.

The Tongass National Forest is responsible for updating Tongass Forest standard rates annually (WO FSM 2431.04b). The Tongass standard rate database shall only include old growth small sales (less than 500 net MBF) and shall not include bids from RV sales nor small sales with high costs or different conditions, including cable or helicopter logging cost, road development cost, water transportation cost, young growth, or salvage.

Standard rates shall be established from a sufficient sample, at least ten standard rate sales (or three years if less than 10) that are \$2,000+ advertised value and <500 net MBF. When Forests (i.e., Chugach) do not have a sufficient number of sales, the product standard rate is simply the volume-weighted average of winning bids. A rollback factor is applied to adjust the volume-weighted average value downward to encourage sufficient competition. Guidelines for rollback factors are provided in WO FSH 2409.18\_45.32.

When Forests (i.e., Tongass) have species with clearly different values and levels of competition, the standard rates are calculated for each species (volume-weighted average of winning bids by species). Advertised/bid ratios have improved when higher roll-back factors (15-25%) are applied to species experiencing higher competition and lower roll-back factors (0-10%) are applied to species with lower competition. Bid competition for each species can be measured by a volume-weighted average advertised/bid ratio.

Chugach Forest standard rates are provided in R10 FSM 2431 a&b (Exhibit 01). The Chugach standard rate database (maintained and updated annually by Regional Valuation Staff) shall only include decked commercial firewood sales that are \$2,000+ advertised value, <500 net MBF, and advertised at Forest standard rates. Regional Valuation Staff can assist with appropriate rates for other commercial product sales.

Standard rate sale purchasers shall pay export premiums (\$40/MBF) to export hemlock and spruce sawlog volume.