

United States Department of the Interior

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Instruction Memorandum No. UT 2009-028
(Expires: 09/30/2010)

To: AFOs
Attn: Forestry Program Leads, Zone Foresters

From: State Director

Subject: Procedures for Permitting the Sale of Special Forest Products, Forest Product Special Stipulations and Minimum Price List.

Program Area: Forestry

Purpose: This instruction Memorandum (IM) establishes minimum prices for Timber and Special Forest Products and Other Forest & Woodland Vegetative Materials and provides Special Stipulations for Forest Product Sales and provides information on Free Use of forest products for BLM Utah (BLM). Minimum Price Lists are included. The minimum pricing schedule includes prices for Timber (sawtimber and pulp wood), Special Forest Products (biomass, fuel wood, posts, poles and Christmas trees, and other wood products), and other Forest and Woodland Vegetative Materials (wildlings, boughs, cones, Pinyon Nuts, etc) The minimum price list displays both hundred cubic feet (CCF) and thousand board feet (MBF) pricing schemes along with associated conversion factors. Advertised and negotiated sales involving sawtimber should be made using the MBF unit of measure. This Instruction Memorandum (IM) also establishes a standard BLM Utah Forest Product Sales Special Provisions to be included with each personal Use Vegetative Material Negotiated Cash Sale Contract. Procedures for permitting the sale of special forest products include instructions to be used when preparing contracts for vegetative sales. In addition, direction is given for managing the 9120 Road Maintenance Account.

Policy/Action: All forest products have value and will be sold at no less than their appraised price or minimum product price as shown on the Forest/Vegetative Minimum Price List, whichever is greater. (See Attachment 1, January 2009 Forest/Vegetative Minimum Price List.) Product prices listed should be considered as minimum values only and may be adjusted upward if local market data justifies an increase. The Forest/Vegetative Minimum Price List will be updated annually.

Field Offices should refer to specific guidance in Resource Management Plans concerning sale areas, and species offered for sale (disposal). Wilderness areas, wilderness study areas, campgrounds, and other specially designated lands are usually excluded from most vegetation removal (pine nuts and other seed collection may be allowed). The sale of Special Forest Products also must be consistent with the applicable Resource Management Plan and the National Environmental Policy Act including issues concerning Threatened and Endangered Species and Cultural Resource clearances.

Forest products may be sold utilizing the following approved forms.

5450-1	Contract for cash sale of Vegetative Products
5450-3	Contract for the Sale of Timber – Lump Sum Sale
5450-4	Contract for the Sale of Timber – Scale Sale
5450-5	Vegetative or Mineral Negotiated Cash Sale Contract

If U.S. Forest Service (USFS) and BLM are selling joint permits the Form FS-2400-1/BLM 5450-24, Forest Products Removal, and Cash Sale Receipt (Director-approved form), may be used to sell a variety of special forest products. Offices that sell both BLM and USFS special forest products should use this permit and follow the directions in WO IM-2003-261 when using this joint permit. In any case where the value of the product being sold on BLM lands exceeds \$2,500 the joint form is not valid and the 5450-1 or 5450-3 should be utilized.

The prices shown in the attachment are minimum prices and no attempt has been made to establish a maximum price. Districts and Field Offices may set higher rates at the discretion of the Authorized Officer for that office and in accordance with approved appraisal methods. In all cases where forest or vegetative products are sold on BLM lands, a fair market value should be derived and utilized to determine the value of products sold and amount to be collected from the purchaser. Fair market value may be determined, as required by regulation, using any of the accepted appraisal methods listed below. Where fair market value is less than the minimum product price shown on the attached list, the product must be sold for no less than the minimum product price. Authorized Officers may use the minimum price listing schedule as a basis to sell forest products when no market data exists to conduct an appraisal. Appraisal information must be documented in the official case file for the project if one exists.

Acceptable Appraisal Methods:

- 1) A comparative product sales analysis, or
- 2) A residual value analysis, whereby costs of obtaining and transporting the product to the market place are subtracted from the selling price at the market, including profit and risk.

The Authorized Officer may determine when it is appropriate to collect road maintenance fees on sales of forest or vegetative products, including biomass, when using Form 5450-5. Generally, road maintenance fees only apply with the issuance of **commercial permits** and **should only be applied to personal use when determined appropriate by the Authorized Officer**. The collection of road maintenance fees is discouraged for personal use permitting; however, exceptions may include instances where specific areas of public use permitting results in significant road use and impact. When collected, the road maintenance fee will be charged in excess of the product charge and the minimum road maintenance fee will be 20 percent of the total value of the product(s) being sold. For example if the contract is for 100 cords of firewood valued at \$1000, then \$200 would be added for road maintenance fees and the total contract price would be \$1200. Fees collected for road maintenance will be deposited to the 9120 account for that Field Office. The 9120 Road Maintenance Sub-activity funds that are derived from the sale of forest products, are only to be used for the repair, maintenance, or closing of roads that service forest product harvest areas.

Free use of forest products will only be allowed to nonprofit organizations and governmental units, as authorized by the District or Field Office Manager or Forestry Lead. (43 CFR 5510.0-3.b) Free use permits issued to governmental units must be used for a nonprofit public project. (43 CFR 5511.3-6) Free use permits issued to nonprofit organizations have a dollar limit of \$100 worth of vegetative materials during any one calendar year. (43 CFR 5511.3-7.)

Free use may be permitted for Native American non-commercial traditional use of forest and woodland products for the collection of herbs, medicines, traditional use items, or items necessary for traditional, religious, or ceremonial purposes, as consistent with land use plans and forest action plans.

Timeframe: This IM is effective upon receipt. All forest and vegetative products sold on BLM lands must follow the guidelines specified above.

Budget Impact: There is minimal budget impact from this IM.

Background: No statewide minimum price list IM for Utah BLM currently exists. This IM reflects minimum prices and offers additional guidance in the sale and/or permitting of removal of vegetative products from BLM lands. The IM will improve issuance consistency within the state.

Directives/Manuals/Handbooks Affected: 43 CFR Subpart 5400 – Sales of Forest Products and 43 CFR 8365.1-5 Property and Resources. This instruction memorandum provides for establishment of a minimum acceptable price schedule for commonly used forest products from BLM Utah lands.

Coordination: This IM was created with input from the Washington Office, National Operations Center, Wyoming State Office, Oregon State Office and Colorado State Office. Offices are encouraged to coordinate with local USFS and Utah State offices to ensure consistency of pricing wherever possible.

Contact: If you have any questions about this guidance and/or implementation and procedure issues, please contact Aaron Wilkerson, Utah State Office Forestry Program Lead, at (801) 539-4077.

Signed by:
Jeff Rawson
Acting State Director

Authenticated by:
Rosie Geren
Records Manager

Attachments:

- January 2009 Forest/Vegetative Minimum Price List (2pp.)
- Procedures for permitting the sales of Special Forest Products (2pp.)
- Forest Product Personal Use Cutting Permit Special Provisions (2pp.)