

# **INDIAN FOREST MANAGEMENT HANDBOOK**

**53 IAM 3-H**



# **CONTRACT SALES OF FOREST PRODUCTS**

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June 10, 2004 Release #3  
Replaces: 53BIAM Supplement 3 & Timber Sale Records Handbook

53 IAM 3-H

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**CHAPTER 1 - INTRODUCTION**

1.1. **Purpose.** This handbook is designed to provide the user with the necessary information, procedures, and processes to prepare and administer a contract sale of Indian trust forest products. The user should also refer to 25 CFR Part 163, General Forestry Regulations; The BIA Forestry Collections and Distribution Handbook; and 53 IAM Chapter 3, Contract Sales of Forest Products for additional guidance on statutory, regulatory, and policy requirements for forest product sales.

1.2. **Policy.** The following policies apply to all Indian forest lands managed by the Secretary:

- **To harvest forest products under an approved Forest Management Plan** that is consistent with established tribal goals and objectives, and with a tribal Integrated Resource Management Plan, (if one exists), through the application of sound silvicultural and economic principles on a sustained yield basis.
- **To sell forest products through contracts** to serve the best interest of the Indian owners. All forest product sales with an estimated stumpage value exceeding \$15,000 will be sold using contract forms approved by the Secretary, unless a special form for a particular sale or class of sales is approved by the Secretary. At the discretion of the Approving Officer, a contract may be required for the sale of forest products with an estimated stumpage value that is less than \$15,000.
- **To accurately determine and record the volume and value** of forest products harvested by ownership, and to ensure that all required contract payments and disbursements are made.
- **To maintain sufficient records to document compliance** with contract requirements and to otherwise record factual information relating to the purchaser's performance under the contract.
- **To encourage participation** of tribal enterprises and individual Indians in the harvest of forest products.
- **To promote self-sustaining communities**, value added industries, tribal jobs and labor.

1.3. **Scope.** This Handbook volume deals with the practices and procedures of forestry contract sales of forest products on Indian lands. Regardless of the means of program execution, the appropriate Federal official shall assure that the practices and procedures prescribed herein are followed. Compact tribes may not be required (refer to the Tribe's Compact) to abide by the practices and procedures contained in this Handbook volume, but may use the Handbook volume as a guiding document.

1.4. **Terminology.** Besides this volume, definitions are available within 25 CFR 163 and timber contract Part B. The following terms have been included to assist in working with this volume of the handbook. Terminology should be used consistently at all locations to maintain clarity when describing the accounting and contract actions being undertaken.

A. **Advance Deposit.** Contract-required deposits in advance of cutting, which the purchaser furnishes to maintain an operating balance against which the value of timber/forest products to be cut/removed will be charged.

B. **Advance Payment.** Non-refundable partial payments (up to 25% of the stumpage value calculated at the bid price), paid within 30 days of the date of sale approval and before cutting begins. Required on allotted and restricted Indian forest land, and optional on tribal land. Regulations and the contracts describe these payments.

C. **Bond.** A performance bond that may be in the form of a corporate surety bond, cash bond, negotiable U.S.

Government securities, or irrevocable letter of credit (25 CFR § 163.21). An Assigned Savings Account or a Tribal Holding Account may also be an acceptable form of bond, if procedures have been approved by the Approving Officer. Acceptable forms of bond are defined in the sale advertisement. Accountable to the extent they must be closed, and either confiscated (partially or entirely) or returned formally at contract expiration.

D. Damage Payments. Used to cover deficiencies in cutting requirements and are divided into two categories - liquidated damages and actual damages. Potential liquidated damages are described in the contract or advertisement. Actual damages may be charged against the purchaser if he fails to satisfactorily complete all obligations under the contract.

E. Forest Management Deductions. A percentage of the gross proceeds from the sale of forest products harvested from Indian land, which is collected by the Secretary pursuant to 25 USC § 413. Assessed against all sales of timber with a value of \$5,001.00 or more. Formerly referred to as "Administrative Fees" or "10%".

F. Forest Management Deductions Percentage to be Withheld. The rate is usually 10% or the actual percentage in effect on November 28, 1990; except that tribes may request an increase in the rate, a decrease of the rate to not less than 1%, or request a waiver of the deduction.

G. Gross Proceeds. The value in money or money's worth of consideration furnished by the purchaser of forest products purchased under a contract, permit, or other sale document. Forestry project costs included in stumpage payments are not part of gross proceeds.

H. Penalty Scale. Scaling of unauthorized cutting of timber or damage to the reserve stand, unauthorized movement of forest products, or the cutting of high stumps.

I. Rate. The contract stumpage rate paid per unit of measure.

J. Scale Certificate. A report prepared by a Third Party Scaling Organization (Scaling Bureau), which accumulates and summarizes information from scale sheets. The Certificate implies that the Scaling Bureau certifies the information as being correct.

K. Scale Sheet. The log scale paper record of forest product measured and recorded, usually for a single truckload.

L. Special Deposit. A temporary account for the deposit of trust funds that cannot be credited to the rightful account holders within thirty (30) days.

M. Stumpage. One of the four primary forestry accountable money items. These funds are the gross value of payment available to the landowner AFTER forestry project funds are deducted and BEFORE Forest Management Deductions are deducted.

N. Timber Measurement Unit. Defines the unit of measure of each Forest Product removed under contract. These include thousand board feet (MBF), cords, tons, lineal foot, etc.

O. Truck Ticket. A card (ticket), which is part of an accountable book of tickets, used to monitor transportation of forest products from the woods to the scaling point. Each ticket is independently monitored on a separate list to assure log loads were measured. These are directly associated with a Scale Sheet. Timber sale accountants may be responsible for this accountability process.

P. Waste or Pickup Scale. Scale of merchantable material produced for scale but for which the owners are entitled to compensation. This is usually for designated material left in the woods or at the landing.

1.5. **Frequently Asked Questions (FAQs).** The most commonly asked questions include:

- A. Why do we need a handbook? To provide procedures; inform decision makers; teach/train employees in forest product harvest methods and procedures; provide consistency; provide accountability; and document the harvest program for the beneficial Indian owners and the historical record.
- B. Do I need to replace existing handbooks? This handbook supersedes Supplement 3 of 53 BIAM and the information regarding the contract sale of forest products contained in the Timber Sale Records Handbook (Release 53-18, April 21, 1966). The handbook complies with current statutes, regulations, and policy and does not automatically replace other handbooks that are also in compliance. This handbook is to be used as a guide.
- C. What is sustained yield management? Sustained yield means the yield of forest products that a forest can produce continuously at a given intensity of management (25 CFR 163.1). Sustained yield management is the management of a forest property for continuous production with the aim of achieving, at the earliest practicable time, an approximate balance between net growth and harvest, either by annual or somewhat longer periods. (Society of American Foresters – 1958).
- D. What are forest products? Forest products are marketable products removed from Indian forests, such as: timber; timber products, including lumber, lath, crating, ties, bolts, logs, pulpwood, fuelwood, posts, poles, and split products; bark; Christmas trees; stays; branches; firewood; berries; mosses; pinyon nuts; roots; acorns; syrups; wild rice; mushrooms, and herbs; other marketable material; and gravel which is extracted from and utilized on, Indian forest land. (25 CFR §163.1)
- E. How are forest products measured? The basis of volume determination for forest products sold shall be the Scribner Decimal C log rules, cubic volume, lineal measurement, piece count, weight, cord, or such other form of measurement the Secretary authorizes. (25 CFR §163.22(a)).
- F. Why are forest products sold? To meet the economic and forest management objectives of the beneficial Indian owners as documented in an approved Forest Management Plan/Integrated Resources Management Plan.
- G. Why does the BIA have to approve contracts? It is required by 25 CFR §163.20.
- H. Who approves timber sale contracts? All contracts must be approved by the Secretary or designee as required by 25 CFR §163.20. This individual is referred to as the Approving Officer.
- I. What are the acceptable types of timber contract forms? Timber Contract for the Sale of Predetermined Volumes, Timber Contract for the Sale of Estimated Volumes; and Subsidiary Allotment Timber Contract (See Chapter 3 Illustrations.)
- J. What is the relationship between a logging plan and the contract? Under Timber Sale Contract Standard Provision B.8.1, the Superintendent may require the timber sale contract “Purchaser” to present seasonal plans of logging operations for approval before operations begin.
- K. How are the Indian Trust owners involved with the sale of forest products? Indian trust owners can request a sale and must approve the sale by resolution (if sale area is tribally held), or Power of Attorney if the sale area is allotted (Sole owners sign the sale document and do not need a power of attorney). Tribes and individual allottees or allottee associations provide management input into the Forest Management Plan (FMP), Integrated Resources Management Plan (IRMP), or Timber Harvesting Policy Statement.
- L. Is trust owner approval needed to process a timber sale? Yes, but in emergency situations when action is necessary to prevent the loss of value from fire, insects, disease, blowdown, or other natural catastrophes, the government may institute a sale without owner approval.

M. When are we authorized to sell timber with fee interests? When the fee ownership is an undivided interest in a trust property. The government can never sell timber that is held entirely by fee (unrestricted) owner(s). One exception is when the fee owner is a tribe and the fee parcel is contained within or adjacent to a trust logging unit. This may be done if the tribe desires the fee parcel be included in the sale. In mixed fee/trust ownerships, approval must be obtained from a majority of the restricted (trust) interest in order to sell forest products. Fee owners may be contacted, if known, but fee ownership approval is not required in mixed fee/trust ownerships. Fee ownership is included in the sale of forest products where a majority of the trust ownership is in approval.

N. How is the majority interest determined when securing approval to sell trust forest products? Only the restricted interests are considered in determining if a majority interest (greater than 50% of the restricted interest) has been obtained.

O. How do allottees provide consent for the sale of forest products from their allotment? Allottees may provide sale approval through self-representation by signing the contract or may authorize the Approving Officer to act as their representative by signing a Power of Attorney for Sale of Allotment Timber form (BIA Form 5315). (Illustration 1). In the latter case, the Approving Officer signs the contract as “seller.”

P. What are restricted interests? Restricted interests are interests in land in which: the title is held by a tribe or individual Indians and are subject to federal restrictions against alienation or encumbrance; or, the title is held in trust by the United States for the benefit of the tribe or individual Indians. These ownerships are not subject to local or state property taxes. Income generated from these properties is not subject to income taxes, although any interest of \$10 or more in a year is subject to income tax.

Q. What are unrestricted interests? Unrestricted interest is interest in land for which title is held by the owners without federal restrictions or encumbrance. Unrestricted interests are subject to local government taxes and regulations. In addition, any money generated from the unrestricted interest is subject to income tax.

R. What is an advance payment and why is it required? Advance payments are non-refundable partial payments (up to 25% of the stumpage value calculated at the bid price) paid to the beneficial owner(s) within 30 days of the date of sale approval and before cutting begins (25 CFR §163.1). Advance payments are required on allotted and restricted Indian forest land. Advance payments are optional on tribal land.

S. What is an advance deposit and why is it required? Advance deposits are contract-required deposits in advance of cutting that the purchaser furnishes to maintain an operating balance against which the value of timber/forest products to be cut/removed will be charged. Indian Tribal Forest Enterprises may be exempted from the requirement to make advance deposits with the approval of the Secretary.

T. How are the values of forest products determined? Forest product values are determined through an appraisal documented in a Forest Officer’s Report. Appraisals can be estimates of value by species and product and can be obtained through transactional evidence from similar sales, residual value analysis, or other approved methods.

U. Why is there a part A and part B to the Timber Sale Contract? Part A of the contract contains the sale specific information and requirements of the parties to the contract. Part B contains standard provisions that apply to all contract sales of forest products, unless superseded by special provisions in Part A.

V. Must forest product transactions comply with environmental laws? Yes, forest product transactions must comply with all applicable federal and tribal environmental laws.

W. Do all forest product sales need to be advertised? No. Sales of forest products can be made without advertisement when the conditions and requirements of 25 CFR §163.16 are met.

X. Why are Forest Management Deductions collected? 25 CFR §163.25 requires the collection of forest management deductions for the sale of forest products with a total value of at least \$5,001. At the request of a tribe and approval of the Secretary, the forest management deduction percentage may be increased or decreased, or the requirement for collection may be waived. These funds are available to the tribes for use in managing and protecting Indian forest land.

Y. What is an Indian tribal forest enterprise? A tribal business initiated and organized by the reservation's recognized tribal government. (25 CFR §163.13). Indian Tribal Forest Enterprises may be exempted from certain requirements or qualify for exceptions.

Z. How do we verify that tribal enterprise payments have been made to the tribal government? Enterprises pay for forest products in the same way as other purchasers as outlined in 25 CFR §163.22, unless special instructions are authorized by the Secretary as described in 25 CFR §163.13(d). In all cases, the method must provide written verification that all required deposits, payments, and disbursements have been made.

AA. What's the difference between contracts for the sale of forest products and resource leases? A contract for the sale of forest products transfers ownership of the timber products to the contractor/purchaser upon payment and removal of the products; while a resource lease grants the right to possession of Indian land for a specified purpose and duration. (25 CFR §162.101)

AB. What form should be used for the sale of non-timber forest products? Non-timber forest products are usually handled using the Paid Permit BIA-5331 form or other form approved by the Secretary.

AC. Do BIA Power of Attorney for Sale of Allotment Timber forms have to be used to secure allottee authorization? Yes, unless allottees sign the contract or another form approved by the Secretary is used.

AD. Can non-Federal officials approve contract for the sale of forest products documents that deal with Trust resources? No.

**CHAPTER 2 - SALE PREPARATION**

2.1. **General.** Proposed timber sales will conform to the general harvest schedule set forth in the forest management plan. Owner approval shall be obtained before any sale activity begins (notwithstanding 25 CFR §163.14 (b)). Consideration of National Environmental Policy Act (NEPA), National Historic Preservation Act (NHPA), Endangered Species Act (ESA), and other federal and tribal laws and regulations must be given consideration throughout the sale preparation process. Refer to “Forestry Business Process for Removal of Forest Products” (Illustration 2) for a summary of the BIA steps, forms/reports used, collection/distribution actions, OTFM responsibilities, and business rules.

2.2. **Review of Forest Management Plan.** The first step in the process is to review the Forest Management Plan and any other higher-level plans for the area proposed for treatment/harvest. Deviations from the forest management plan progression will be documented. Forest resource objectives and restrictions should be obtained from the plan and overall resource priorities should be determined. If an integrated resource management plan exists, the resource values and their priorities will be identified.

Management direction may be in the following categories:

- Timber Management
- Wildlife
- Aesthetics
- Threatened and Endangered Species
- Fuels Management
- Cultural

Normally, the forest resource objectives in these plans are broad in scope. From these forest resource objectives, stand-level resource objectives must be developed and refined. This allows an appropriate, site-specific silvicultural system to be chosen.

2.3. **Stand Examination/ Sale Reconnaissance.** Aerial photographs should be pre-stratified to identify units potentially suitable for different silvicultural systems and/or treatments. Proposed treatment units will be based on species composition, stand structure, soils and ecosystem units, and possibly other pre-existing site-specific information.

Aerial photograph stratification is the initial process to check existing stand structure, cutting unit boundary locations, road access, potential ecosystem units and slope stability, and to verify product merchantability. Within and outside the proposed logging unit boundary, the following types of units need to be stratified and/or identified:

- Environmental units (forest cover, physiography and landforms)
- Physical features (man-made structures, gullies, watercourses and natural barriers)
- Resource features (for example, riparian reserve zones or riparian management zones).

Aerial photos of different strata in the area may indicate the potential for using different silvicultural systems, by providing visual evidence of differences in stand structure, broad forest cover types (tree species composition), and variations in stand height and density.

After photos and maps are studied and appropriate stand/strata boundaries are determined, the logging unit should be examined on the ground to collect information necessary to prepare sound silvicultural prescriptions. The intensity and amount of data collected will depend on the complexity of the stand/strata. Any broad management objectives

outlined in a higher-level plan may also dictate the intensity of the exam. In general, the following site and stand level data should be collected:

SITE DATA	STAND /STRATA DATA
Geology and Landform	Trees species composition
Soils	Stocking levels/Volume
Hydrology and Watershed	Age/structure
Habitat Type	Stand health
Site Quality	Growth Rates
Archeological Features	Forest fuel loading

Table 1. Suggested categories for data collection

Walk-through exams may be all that is necessary in some instances. Stands requiring more intense data collection may be examined using variable or fixed plot sampling techniques. Refer to 53 IAM Chapter 8 (Forest Inventory and Monitoring) and Volume 8.

**2.4. Preparation of Silviculture Prescriptions.** 25 CFR 163.11 states “The harvest of forest products from Indian forest land will be accomplished under the principles of sustained yield management and will not be authorized until practical methods of harvest based on sound economic and silvicultural and other forest management principles have been prescribed.” In order to assure uniformity and quality of forest management on Indian forest lands, silvicultural prescriptions shall be required for all treatments that will affect the present and/or long-term character of a forest stand. These include commercial harvesting, reforestation, pre-commercial thinning, fuels treatments, etc. Refer to 53 IAM Chapter 9 (Silviculture) and Volume 9.

**2.5. Environmental and Cultural Resources Requirements.** The potential environmental and cultural resource impacts of the proposed sale must be understood and documented in compliance with the requirements of the National Environmental Policy Act (as amended), the Endangered Species Act, the National Historic Preservation Act, and other applicable statutes. Consultation with the applicable Federal Agency is mandated if threatened or endangered species may be impacted by the proposed action. All consultation requirements will be secured prior to executing the contract. Environmental reviews may go beyond the requirements of federal law to address concerns identified by the Tribe or to meet requirements of a Forest Management Plan.

Environmental reviews include consideration of potential impacts to cultural resources. Such resources may be known to exist in an area, or may be identified through routine archeological investigations if required.

Under the National Environmental Policy Act, the following environmental document formats are used:

- A. **Environmental Impact Statement (EIS).** Reserved for federal actions that will have a significant impact. This process involves extensive study and public involvement and publication in the Federal Register. In general, BIA/Tribal timber sales and sales programs are designed such that an EIS is not necessary.
- B. **Environmental Assessment (EA).** This document details the proposed project and its goals, objectives and concerns, outlines a reasonable range of alternatives to implement the project, details the impacts of the

alternatives, and then recommends an alternative that best achieves the goals and objectives while minimizing impacts. It is accompanied by a Finding of No Significant Impact (FONSI), executed by the Approving Officer, summarizing the selected alternative and certifying that the project complies with environmental law, and that an EIS is not required.

An EA may address a single timber sale, or multiple sales. If a proposed sale is similar to a past action, the documentation effort may be reduced by writing a FONSI that is “tiered” to the EA for that past action. On a larger scale, a Programmatic Environmental Assessment (PEA) may be used to document the anticipated activities of an entire sales program (or a portion thereof) for several years into the future. An EA may also be written to support a Forest Management Plan. In either case, the specifics of individual proposed actions may be documented in a FONSI tiered to the underlying EA.

C. **Categorical Exclusion (CE).** A list of BIA actions that qualify for this format may be found in 516 DM 6, or in final rules established in the Federal Register. Certain types of proposed activities may proceed after completion of the Categorical Exclusion Checklist (Illustration 3). The following BIA forestry actions are hereby designated as categorical exclusions unless the action qualifies as an exception under Appendix 2 of 516 DM 2 (Illustration 4). It is important to remember that an EA must be prepared (the project may not be categorically excluded) if any boxes on the Categorical Exclusion Checklist are marked “yes”.

- (1). Approval of free-use cutting, without permit, to Indian owners for on-reservation personal use of forest products, not to exceed 2,500 feet board measure when cutting will not adversely affect associated resources such as riparian zones, areas of special significance, etc.
- (2). Approval and issuance of cutting permits for forest products not to exceed \$5,000 in value.
- (3). Approval and issuance of paid timber cutting permits or contracts for products valued at less than \$25,000 when in compliance with policies and guidelines established by a current management plan addressed in earlier NEPA analysis.
- (4). Approval of annual logging plans when in compliance with policies and guidelines established by a current management plan addressed in earlier NEPA analysis.
- (5). Approval of Fire Management Planning Analysis detailing emergency fire suppression activities.
- (6). Approval of emergency forest and range rehabilitation plans when limited to environmental stabilization on less than 10,000 acres and not including approval of salvage sales of damaged timber.
- (7). Approval of forest stand improvement projects of less than 2000 acres when in compliance with policies and guidelines established by a current management plan addressed in earlier NEPA analysis.
- (8). Approval of timber management access skid trail and logging road construction when consistent with policies and guidelines established by a current management plan addressed in earlier NEPA analysis.
- (9). Approval of prescribed burning plans of less than 2000 acres when in compliance with policies and guidelines established by a current management plan addressed in earlier NEPA analysis.
- (10). Approval of forestation projects with native species and associated protection and site preparation activities on less than 2000 acres when consistent with policies and guidelines established by a current management plan addressed in earlier NEPA analysis.
- (11). Data gathering activities such as inventories, soil and range surveys, timber cruising, geological,

archeological, paleontological and cadastral surveys.

(12). Hazardous fuels reduction activities using prescribed fire not to exceed 4,500 acres.

(13). Hazardous fuels reduction using mechanical methods for crushing, piling, thinning, pruning, cutting, chipping, mulching, and mowing, not to exceed 1,000 acres.

## **2.6. Cruise of the Proposed Sale of Forest Products.**

A. A silvicultural prescription shall be prepared for each sale prior to cruising. Refer to 53 IAM Chapter 9 (Silviculture) and *Indian Forest Management Handbook* Volume 9 for guidance.

B. A cruise will locate and estimate the quantity of merchantable forest products on a given area according to species, size, products, quality, and other characteristics necessary to provide specific data to be set forth in the Forest Officer's Report.

C. Acceptable methods of cruising will be used in accordance with procedures established by the Region. Accuracy standards will be in accordance with criteria established in 53 IAM Chapter 8 (Inventory and Monitoring) and Volume 8. **SAMPLING ERROR:** The sampling error for the volume and value to be cut on predetermined sales shall not exceed five percent (5%) in terms of one standard deviation (the 67 percent confidence limit). For estimated volume sales, sampling errors should be established that take timber values, logging and unit development costs into consideration. In the case of estimated volume sales, the sampling error in basal area or cut volume and value for the entire sample or individual strata utilized for separate appraisal purposes within sales, shall not exceed 15 percent (15%) in terms of one standard deviation.

2.7. **Complete Field Layout.** Mark or identify sale and cutting boundaries, road and landing locations, and timber to be harvested and/or reserved.

2.8. **Forest Officer's Report.** A complete report setting forth all pertinent information of the proposed sale of forest products will be prepared by the office having jurisdiction. Reports will be prepared and assembled in general form and content as follows and in accordance with specific instructions issued by the Region.

### **A. Narrative.**

(1). **Introduction.** The introduction is a brief statement that should include:

- (a). General location of the sale area;
- (b). Objectives to be accomplished by the sale;
- (c). An overview of the forest products market;
- (d). The time frame to be applied to the sale.

(2). **Description of the Area.**

- (a). Number of acres in the proposed logging unit, by type of logging required.
- (b). Number of acres by ownership.
- (c). Legal description of the sale area;

- (d). Brief history of previous logging activity on the sale and adjoining area;
  - (e). Other significant historical uses and resource values that may be affected by the sale of timber;
  - (f). Physical features of the unit, e.g., slope, aspect, types of terrain; and
  - (g). Soils analysis data, productivity classes, habitat types, etc., when pertinent.
- (3). Silvicultural Method. This section should include the following and/or may refer to an attached detailed silvicultural prescription:
- (a). Individual stands, their individual management prescription, or silvicultural system in sufficient detail to describe the current conditions and end goal desired.
  - (b). Harvesting restrictions, harvesting methods, and any other multiple resource concerns or directives.
  - (c). Slash and/or fuels treatments, reforestation objectives and stocking control, site preparation, thinning, and other forest development considerations as part of the silvicultural systems to be employed.
  - (d). A detailed description of how timber will be designated for harvest.
- (4). Management Plan and Sustained Yield Objective. Briefly state how the proposed timber sale fits into the overall reservation Forest Management Plan, which would include how the harvest volume contributes to the Allowable Annual Cut.
- (5). Reforestation and Thinning. This section should include:
- (a). A description of the measures, including anticipated funding source, to be employed that will accomplish thinning and ensure future regeneration of the timber stand, including "back-up" procedures in the event of insufficient stocking resulting from natural regeneration and plantation failures.
  - (b). A description of measures to be taken to prevent the increase in reforestation and thinning backlog acres.
- (6). Other Land and Use Values. This is a discussion of the proposed sale and the contract provisions developed to protect, enhance, or mitigate the impact on other values, such as; recreation, water quality and quantity, range, wildlife, fisheries, aesthetic, cultural, and other traditional values of the forest.
- (7). Timber Sale Access. This includes:
- (a). Access Routes. Describe how to access the timber sale from a known manufacturing facility to a road intersection on the timber sale. This intersection should be the point used for calculating average hauling costs for appraisal purposes. Estimate distances for each type of road class and use names of towns, highways, main and secondary logging roads when describing access to the timber sale. Also may include a haul route map.
  - (b). Road Maintenance.

(i). Periodic Maintenance. Usually required throughout the duration of logging operations. This maintenance must be kept current with operations, and must be performed prior to seasonal shutdowns, major runoff periods, or as directed by the Officer in Charge. Include the estimated miles of periodic maintenance for appraisal purposes. Road names and numbers may also be listed. Periodic maintenance may include:

- Keeping the road surface in a smooth, rut-free condition by blading as needed with a grader.
- Removing any slides, rocks, or trees that fall onto the road surface or into the ditch.
- Maintaining functional ditches and other drainage and erosion control structures.
- Cleaning cattle guards.
- Other maintenance as designated by the Officer in Charge.

(ii). Final Maintenance. Required on all logging roads at the end of the sale, unless otherwise directed by the Officer in Charge. Include the estimated miles of final maintenance for appraisal purposes. This may include:

- Removing berms.
- Adding access barriers for road closure.
- Blading fine materials back onto the road surface.
- Filling in ruts and mud holes.
- Blading the road surface.
- Cleaning erosion control structures and cattle guards.

(c). Road Reconstruction. Generally includes activities normally described as improvement and/or betterment of existing roadways. List the miles of roads that will be reconstructed for appraisal purposes and indicate on the contract exhibit map where the road reconstruction will take place.

(d). Road Construction. Building a road where none previously existed. In cases where high-standard roads are to be constructed under the contract, a more detailed description is required in this section or may be referenced as an exhibit to the FOR. List the estimated miles of construction for appraisal purposes and indicate on the contract exhibit map where the road construction will take place.

(e). Road Improvements. Other miscellaneous requirements to enhance road use and safety may include, but are not limited to:

- Installation of cattle guards.
- Installation of signs.
- Dust abatement activities.
- Road closure and abandonment.
- Seeding.
- Bridges.
- Rolling dips.

(f). Access Limitations. Describe terrain, environmental protection, weather, or other limitations that may affect either logging operations or season length. The description should clearly discuss any unusual restrictions or constraints that would limit purchaser access or activity.

(8). Method of Cruise.

- (a). Describe cruise methods and measuring devices used (including Basal Area Factors used when prism cruised); number of sample points or strips; distance between points and strips; log or tree grade rules used; number and method of selecting ratio and grade trees by species; minimum merchantability standards; how the logging unit acreages were obtained; and the statistical accuracy of cruise data, for applicable cruises. A sample cruise map illustrating the cruise design may be attached as an exhibit to the FOR. The narrative should be complete enough for the reader to mentally reconstruct the cruising action.
- (b). If areas within the logging unit are designated as “inoperable”, “excluded,” or “restricted-use;” give the basis for this determination.
- (c). Address the method employed to calculate the estimated sale volume, i.e., computer program, hand calculation, or other identified means.
- (9). Appraisal Summary. Use a standard form that at a minimum, includes species, products, volume and recommended rates.
- (10). Consent of Owners.
- (a). This section should detail the approval obtained and/or the procedure that will be used in obtaining owner consent. The supporting tribal resolution and/or the summary of allottee concurrence should be included as an appendix to the report.
- (b). A summary of approval, disapproval, and non-response should be documented for each allotment with:
- (i). The percent trust/non-trust ownership;
  - (ii). The percent trust/non-trust ownership approval, disapproval, and non-response;
  - (iii). The percent trust ownership signed for by the Superintendent;
  - (iv). Evidence of the effort to obtain the consent of all owners. This may include: name of owner, date power-of-attorney sent to owner by certified letter, date owner response returned from owner, and owner concurrence (yes/no).
- (11). Form of Contract. Identify the contract form(s) to be used. Discuss the intent of specific contract provisions, which change previous practice or add new, unusual, or special clauses not routinely used in contracts; and provide a brief explanation. The proposed Part A of the Timber Sale Contract is to be attached to the report.
- (12). Advertisement and Prospectus. Refer to prior sale formats and, in general, adhere rigidly to the wording of standard sentences. See Chapter 4 of this Volume for complete Advertising and Bidding procedures. Copies of the advertisement and prospectus should be attached to the report.
- (13). Map Exhibits. Include the following maps as exhibits to each Forest officer's Report.
- (a). Logging Unit Map (Contract Exhibit A)
  - (b). Road or Transportation Map (optional)

- (c). Soils Map (optional)
  - (d). Cruise Design Map (optional)
  - (e). Other maps, e.g., Fuels Management, Other Resource Values, vicinity, etc., may be inserted when applicable.
- (14). Appendices to the FOR.
- (a). Forest Products Cruise Data
  - (b). Tribal Resolution/Powers of Attorney
  - (c). Draft Contract
  - (d). Advertisement
  - (e). Prospectus
  - (f). Environmental Document
  - (g). Other appendices as needed.

B. Appraisal. The appraised value will normally be the selling value of the timber products less the cost of production, and it will include an allowance for profit and risk. The appraisal and elements thereof will be based on the current conditions in similar timber stands and manufacturing facilities in the local area or region and the specific facts and conditions of each timber sale. Alternative appraisal methods such as transaction evidence or other techniques may be used as authorized by the Regional Director.

The appraisal is considered trust information and should not be released to a bidder, purchaser, or the general public. A copy of the FOR (less the appraisal), like the Abstract of Bids, is public information and can be released to anyone who requests a copy.

**CHAPTER 3 – CONTRACT PREPARATION**

3.1. **General.** Form BIA-5324, Timber Contract for the Sale of Estimated Volumes (Illustration 5) is used for sales of timber in which the actual volumes used as a basis for payment are determined by a scale or other measurement of the products after cutting. Form BIA-5326, Subsidiary Allotment Timber Contract (Illustration 6) is used for the sale of estimated volumes of timber on allotments within a unit covered by a Master Contract executed on Form BIA-5324. Form BIA-5327, Timber Contract for the Sale of Predetermined Volumes (Illustration 7) is used for sales in which the volumes have been determined prior to the sale.

The proposed Timber Contract, Part A, is set forth in its entirety as a part of the Forest Officer's Report for review and approval as to form and content by the Approving Officer. The provisions of Part A should carefully consider the content contained in Form BIA-5323 Timber Sale Contract part B Standard Provisions (Illustration 8), and duplication or diminishment of the general powers contained in Part B should be avoided.

Part A provisions which amend or replace Standard Provisions in Part B should clearly state that intent. The forms are designed to be completed by insertions. Cross out are not normally an acceptable method of changing the form except where standard options so require. Substantive departures from fundamental requirements of the contract forms must be supported in the narrative of the Forest Officer's Report. Such departures require the approval of the Secretary.

Upon notice to proceed with advertisement, the contract content is fixed and can be amended or changed only with the consent of the officer who authorized the advertisement. After advertisement has started, significant amendment or change requires issuance of an amended advertisement or a withdrawal of the advertisement.

**3.2. Completion of Contract Part A, Form BIA-5324 (Estimated Volumes).**

The contract may be a Master Contract when it covers tribal and allotted timber or covers a group of allotments. When the tribal or allotment box is checked, the contract is entirely tribal or a single allotment.

Insert the proper identification (contract number). A sequential contract number obtained from the register at the local office shall be used.

A. Authority (A1). Provided on the contract form.

B. Parties to the Contract (A2).

(1). Seller. When executed as a Master Contract covering both tribal and allotment timber or a Tribal Contract, the name of the Indian tribe, followed by "as represented by the duly authorized tribal representatives," is inserted as the Seller. In cases of exceptions, where tribal organic documents state otherwise, instructions from the Regional Director should be obtained.

When executed as a Master Contract covering a group of allotments, the statement "the owners of trust allotments listed herein on Page 1a," is inserted as the Seller. The attached Page 1a, is headed by the statement, "The owners of the following trust allotments constitute the 'Seller', provided a separate contract is entered into on the approved form." The allotments are then listed by allotment number and the name of the original allottee. At the bottom of the page, note Page 1a of Form BIA-5324 or Form BIA-5327, as appropriate.

When executed as a single Allotment Contract, the name of the original allottee, if living, is shown as the seller. In the case of heirship allotments, the statement "owner (s) of (the original allottee name and number)" is inserted as the seller.

(2). Purchaser. Insert name of the purchaser and the city and state in which the principal office or place of business is located. Insure that the name inserted as purchaser is the same as on bid proposal and signature page, including subsidiary contracts.

C. Bureau of Indian Affairs Representatives (A3). Insert the title and location of each representative. The Approving Officer entry is set by delegation of authority. See 10 BIAM 3.1. The Superintendent is the Superintendent or other officer delegated the authority to carry out the responsibilities of the Superintendent under the contract.

D. Timber Sold (A4). The second paragraph should be crossed-out or deleted when the form is not executed as a Master Contract.

E. Contract Dates (A5). The contract year is designated by insertion of a year period giving the starting and ending dates. The dates for the purchaser to cut and pay for all designated timber and the contract expiration date are inserted in the spaces provided. Sufficient time beyond the date of completion for cutting and paying should be provided for completion of other contract obligations.

F. Unit Description (A6). The location of the logging unit is usually the actual legal description or it can be described as "all" or "portions of" specified sections, townships, ranges, and reference meridians. A logging unit map delineating the sale area and showing other pertinent information shall be attached as "Exhibit A" to the contract.

The total acreage within the unit boundaries including alienated lands is shown under the column "Area Within Unit Boundary." The "Area to be Logged" column lists only the acreage of accessible Indian trust lands on which timber will be designated for cutting.

G. Estimated Volumes (A7). The designated timber entries must agree with the advertisement. Both the species and product are specified in the first column by phrases such as "Ponderosa pine sawlogs," "Aspen pulpwood," or other appropriate designations. It is appropriate to include "and other species" with one of the designated species to cover the possible occurrence of species not observed or listed but intended for cutting.

When species and products are included for which an estimated volume has not been determined, they are entered below the totaled estimated volume.

The unit column may show MBF for sawlogs, "Cord" for pulpwood, and other appropriate designations for the products listed. The unit used is the one on which stumpage rate is based.

The estimated volume column shows those volumes from the Forest Officer's Report and from the advertisement. When product volumes have not been estimated, the word "undetermined" is entered in the column. These undetermined species and products are not used to determine the successful high bidder of an advertised sale.

H. Payment for Timber (A8). The general requirements for timber payments are contained in Section B 4.0 of the Timber Sale Contract Standard Provisions. The minimum advance deposit shall be at least ten percent of the value of the contract minimum annual cut, based on the contract stumpage rates. An alternative method for establishing the amount of the minimum advance deposit is to ascertain the operations plan of the purchaser and compute the amount of the minimum advance deposit by multiplying the average volume of monthly production during the purchaser's usual or average planned season of operations by the bid rate. Another alternative method for determining the minimum advance deposit would be to divide the total estimated sale value by the authorized operational months of the contract. The Approving Officer may waive the advance deposit requirement for Tribal Enterprises purchasing Tribal trust timber.

The minimum balance in the advance deposit account is ordinarily one-fourth to one-third of the minimum deposit itself. It is expressed as a dollar figure.

Advance payments for allotted timber are required pursuant to 25 CFR §163.23. Any departure from this practice will require approval by the Secretary.

I. Stumpage Rates (A9).

(1). Designated Timber [A9(a)]. The Species, Products and Unit entries should correspond to those in Section A7(a). The entries in the Bid Rate Per Unit column are the rates accepted by the Approving Officer as a result of advertisement or negotiation for the sale of the timber.

When alternative pages 3, 3a, and 3b are used, "quarterly" or "monthly" is entered in the space provided to correspond with the period established in Section A9(d).

The Minimum Rate Per Unit established for each species and product in the Forest Officer's Report is inserted in the column provided. These are values below which rates shall not be reduced by periodic determination of stumpage rates. In general, minimum rates will not be less than 50 percent of the appraised rates, as determined by the Approving Officer. No minimum rates are entered for species and products that are not subject to periodic determination. Species and products that are not subject to periodic determination of stumpage rates are entered on the blank lines provided. If there are no species and products in this category, the word "None" is inserted.

(2). Additional Timber [A9(b)]. Entries are for species and products not included under designated timber and removable under reasons stated in Section A7(b) only. Grouping of the species and products may be made when the stumpage values are approximately equal. The term "and other species" may be used in conjunction with a designated species. If there are no species and products in this category, the word "None" is inserted.

(3). Liquidated Damages for High Stumps [A9(c)]. The rate per stump should, at a minimum, reflect the loss in stumpage value for the highest valued designated species and product.

(4). Periodic Determination of Stumpage Rates. Provisions for the periodic adjustment of bid stumpage rates must be included in all contracts that provide for cutting periods longer than two years, unless exceptions are approved by the Regional Director.

The period established for periodic determination of stumpage rates and the date of beginning of the first period are entered in the blank spaces provided. In the following columns, each species of designated timber shown in A7(a) and A9(a) is listed with the corresponding index to be used in the periodic determination of stumpage rates. The Corresponding Base Index Prices to be entered are those of the period used in the stumpage appraisal.

The percent of the difference between the Base Index prices and appropriate index prices to be applied as adjustment is established by the Approving Officer.

J. Performance Bond (A10). Enter the amount pursuant to 25 CFR §163.21. Larger bonding requirements may be required to cover the cost of unusual contract requirements that exceed the normal performance bond, at the discretion of the Approving Officer. Performance bonds may or may not be required for tribal enterprises.

K. Merchantability (A11). Species and products entries must correspond to those in Section A7(a). The specifications are intended to reflect the lower limits of utilization that can be attained. They must also agree with the appropriate scaling rules as defined in section A14.

L. Designating Timber for Cutting (A12). The statement should be a clear expression of the types of trees to be cut and the method by which they are designated for harvest. Regional Director may provide guidelines for designating timber for cutting.

M. Cutting Schedule (A13). This defines the minimum and maximum annual volumes to be cut. Undetermined volumes as shown in A7(a) should not be included as part of the scheduled cut.

N. Scaling (A14). Detail any scaling provision to be applied in lieu of or supplementing Part B of the Standard Provisions. Items could include the National Log Scaling Handbook, types of truck tickets, scaling locations, etc. If none, enter "refer to Standard Provisions." The required scaling rules and method of revision should be defined in this section. Check scaling standards should also be defined.

O. Slash and Cull Tree Disposal (A15). Refer to Part B Standard Provisions or specify any supplemental or modifying requirements to the appropriate item of the Standard Provisions.

P. Road Construction and Maintenance (A16). Detail any provision to be applied in lieu of or supplementing Part B of the Standard Provisions. If none, enter "refer to Standard Provisions." Describe in detail road maintenance and construction requirements, improvements and specifications. Items should include miles of road to be constructed by road class, maintenance schedule, construction specifications, drainage and erosion control measures, etc. Include appropriate definitions. Road locations and any other improvements or requirements shall be designated on Exhibit A, Sale Map. An Exhibit B, Road Specifications, may be prepared which contains detailed illustrations and specifications for road requirements.

Q. Special Provisions (A17). The entries in this section as well as those of A14, A15, and A16, must be carefully controlled to avoid duplication and conflict with other statements of the contract or with the Standard Provisions. Any deviations from the Standard Provisions should be noted in the appropriate section of Part A. Care must be taken that the general powers of the contract are not diminished by needless over specification.

R. Effective Date (A18). Self-explanatory.

S. Signatures. The checklist page shows signature, arrangement and distribution of timber contract and supporting documents. (See Section 3.6)

The contract documents shall be completed in three originals. Each party to the document shall manually affix a signature where required to all three originals and the Approving Officer is the last to sign the document. Additional copies of the contract documents may be reproduced as needed. See the checklist in section 3.6.

(1). Purchaser. When the purchaser is a corporation, the name of the firm is shown on the first line, followed by the signature and title of the officer authorized to enter into the contract for the corporation. The certification must also be completed and signed by the appropriate officer of the corporation, verifying the authority of the corporate officer to enter into the contract.

Certified copies of articles of incorporation and bylaws accompanied by a resolution by the board of directors to enter into the timber contract and authorizing certain officers to sign necessary papers must be obtained or be on file in the Bureau's records. When the articles of incorporation and bylaws are already on file, the file reference should be inserted on an additional page following the signature page of the timber contract Part A utilizing the certification below:

*A certified copy of the Articles of Incorporation and Bylaws of the \_\_\_\_\_ Corporation is on file at the Agency or \_\_\_\_\_ Regional Office. Said document may be found with Contract No. \_\_\_\_\_ in File No. of the Branch of \_\_\_\_\_.*

Date: \_\_\_\_\_\_\_\_\_\_  
*Certifying Officer*

This certification will eliminate the necessity of requiring an additional copy of such articles of incorporation and bylaws being furnished by the corporation.

If the approving officer has personal knowledge that a corporation is both financially responsible and authorized to conduct business in the state in which the timber sale is located, he or she is authorized, at his or her discretion, to waive all requirements for articles of incorporation and bylaws, provided the authorized corporate official certifies to the following:

I, \_\_\_\_\_ of \_\_\_\_\_ Incorporated (or Corporation),  
certify that said corporation is duly qualified to conduct business within the State of \_\_\_\_\_ in  
which this contract is to be performed.

\_\_\_\_\_  
*Signature*

When the purchaser is an individual or a partnership, the name of the firm is shown on the first line followed by the signature of the individual or partners. The signatures are witnessed by two individuals in the spaces provided and their addresses added. The date of the purchaser's signing is entered as provided.

(2). Seller. If the seller is a sole owner allottee and has not executed a power of attorney, he/she signs as the seller. The date of the seller's signing is entered below the signature. Two witnesses sign the spaces provided and include their addresses.

If the seller is more than one allottee, then they may execute a power of attorney authorizing the Superintendent to act for them or they may sign and date the contract, which ever is appropriate. In the first case, the superintendent signs as the seller and the date is entered on the "Date" line.

If the seller is a tribe, then the authorized tribal representative completes the tribal "Resolution" information section and signs the document above their title. There are two signature lines in case the tribe requires two signatures.

If the seller is a combination of a tribe and allottees, then the tribe would sign in the appropriate location, and either the allottees or superintendent would sign as explained above.

(3). Approving Officer. The Secretary or designated Bureau Official, as delegated by the Secretary, must approve the contract by signing the contract above his/her title and entering the date of approval.

3.3. **Completion of Subsidiary Allotment Timber Contract, Form BIA-5326.** See Illustration 6. This form will be used for the sale of estimated volumes of timber on allotments within a unit covered by a Master Contract executed on Form BIA-5324. The "Master" box in the upper right hand corner of page 1 shall be checked.

A. Authority (Item 1). Enter the Master Contract number in the space provided.

B. Parties to the Contract (Item 2). For the Seller, the name of the original allottee, if living, is shown. In the case of heirship allotments, the statement "owner (s) of (the original allottee name and number)" is inserted as the seller. For the Purchaser, insert name of the purchaser and the city and state in which the principal office or place of business is located. Insure that the name inserted as purchaser is the same as on the Master Contract and signature page.

C. Superintendent (Item 3). The Superintendent or other officer delegated the authority to carry out the responsibilities under the contract.

D. Timber Sold (Item 4). This information is derived from the Master Contract and the species, products, and estimated volumes are specific to the allotment covered by the subsidiary contract. The stumpage rates in effect under the Master Contract also apply under the subsidiary contract.

E. Allotment Description (Item 5). The description of the allotment should be shown by legal subdivisions. The name of the original allottee, the act or treaty which authorized the allotting of the land, and the statute reference, should be inserted. Acreage figures to be inserted are self-explanatory.

F. Terms and Conditions (Item 6). Self-explanatory.

G. Special Provisions (Item 7). Provisions can be included here for any unique requirement that may be necessary on the individual allotment. The entries in this section must be carefully controlled to avoid duplication and conflict with the Special Provisions or Standard Provisions in the Master Contract.

H. Effective Date (Item 8). Self-explanatory. The effective date cannot be earlier than the approval date on the Master Contract.

I. Signature Page.

(1). Purchaser. When the purchaser is a corporation, the name of the firm is shown on the first line, followed by the signature and title of the officer authorized to enter into the contract for the corporation. The certification (bottom of the page) must also be completed and signed by the appropriate officer of the corporation, verifying the authority of the corporate officer to enter into the contract, unless the corporate officers executing the Master Contract have not changed.

When the purchaser is an individual or a partnership, the name of the firm is shown on the first line followed by the signature of the individual or partners. The signatures are witnessed by two individuals in the spaces provided and their addresses added. The date of the purchaser's signing is entered as provided.

(2). Seller. If the seller is a sole owner allottee and has not executed a power of attorney, he/she signs as the seller. The date of the seller's signing is entered below the signature. Two witnesses sign the spaces provided and include their addresses.

If the seller is more than one allottee, then they may execute a power of attorney authorizing the Superintendent to act for them or they may sign and date the contract, which ever is appropriate. If the allottee has executed a power of attorney authorizing the superintendent to act for him, then the Seller section is left blank.

(3). Approval. If the allottee(s) has authorized the Superintendent to act for him, then the statement, "Signed as authorized representative of Seller and Approval" is left intact. If the allottee signed as the Seller, then the statement is crossed out and the superintendent signs and dates the document.

**3.4. Completion of Contract Part A, Form BIA-5327 (Predetermined Volumes)**. Illustration 7. This form will be used for sales in which the volumes have been determined prior to the sale by tree measurement, log scale, or other method. The form may be used for the sale of either tribal or allotment timber, for combinations of tribal and allotment timber, or for the sale of timber from two or more allotments which are to be handled as a unit. Mark either the tribal box, the allotment box, or both, as appropriate in the upper right corner of page 1, Form BIA-5327.

Predetermined volume sales differ from sales of estimated volumes in that the actual contracted volume and value of timber is known for each ownership when the contract is executed. In predetermined volume sales, consent must be obtained from the majority of the trust ownership of each allotment prior to advertisement, and no allotments may be included in the sale at a later date as may be done in estimated volume sales.

Unless there are peculiar circumstances which make the procedure undesirable in particular sales, timber on both tribal and allotted lands, or timber on two or more allotments, may be sold under one contract executed on Form BIA-5327 without the use of subsidiary allotment contracts. In sales of both tribal and allotment timber, the tribe and the various allottees act jointly as the seller, and, in the sale of timber from two or more allotments, the allottees act jointly as the seller.

A. Authority (A1). Already provided on the form.

B. Parties to the Contract (A2). When the form is executed as a contract covering only tribal timber, the name of the Indian tribe should be inserted in the first blank as the seller, followed by: "as represented by the duly authorized tribal representatives."

When executed as a single Allotment Contract, the name of the original allottee, if living, is shown as the seller. In the case of heirship allotments, the statement "owner(s) of (the original allottee name and number)" is inserted as the seller. When the owner or owners have executed a power of attorney on Form BIA-5315, the contract should read: "owner(s) of (the original allottee name and number), as represented by the Superintendent, hereinafter called the seller."

When the contract covers both tribal and allotment timber, the seller should be identified as: the (name of tribe), as represented by the duly authorized tribal representatives, and the owners of (identify each allotment by name and number), as represented by the Superintendent, hereinafter called the Seller."

When the contract covers timber on two or more allotments, this section should read: "the owners of (identify each allotment by name and number), hereinafter called the Seller, . . ." When the owners have executed powers of attorney prior to advertisement of the sale, as should ordinarily be the case in predetermined volume sales, the contract should read, "the owners of (identify each allotment by name and number) as represented by the Superintendent, hereafter called the Seller."

C. Bureau of Indian Affairs Representatives (A3). Insert the title and location of each representative. The Approving Officer and Superintendent entries are set by delegation of authority. See 10 BIAM 3.1.

D. Timber Sold (A4). The contract includes all timber on the sale area defined in contract Sections A4(a) and A4(b).

(1). Designated Timber (a). This section includes all of the timber comprising the volumes determined prior to the sale. The method by which the volumes were determined should be inserted in Section A10, such as "tree measurement, "actual count" or "log scale." The data entered in the table includes only the timber designated and measured prior to the sale. Unless timber of a particular species is being sold on the basis of more than one product, only the species of timber needs to be shown. The purchaser is obligated to pay the total purchase prices shown in this section, regardless of the actual volume of timber harvested under the contract.

In contracts covering combinations of tribal and allotment timber or timber from two or more allotments, a summary should be prepared showing the volume and value by species for each separate ownership. The summary may be shown in the table in contract Section A4(a) or in the Special Provisions section (A13), depending on the space required. If the summary is shown in Section A13, a note should be typed below

the table in A4(a): "See Section A13 for volumes and values by ownerships."

When the installment payment method is specified in contract Section A7(b), the volume and value of designated timber should be shown by species and by ownership for each cutting block, either in Section A4(a) or in Section A13.

(2). Additional Timber (b). This is timber that must be cut in addition to designated volumes, which is not included in the designated timber price. The purchaser will normally be charged for the value of the additional timber cut as described in A7.

E. Contract Dates (A5). The contract year is designated by insertion of a year period giving the starting and ending dates. The dates for the purchaser to cut and pay for all designated timber and the contract expiration date are inserted in the spaces provided. Sufficient time beyond the date of completion for cutting and paying should be provided for completion of other contract obligations.

F. Unit Description (A6). The location of the logging unit is usually the actual legal description or it can be described as "all" or "portions of" specified sections, townships, ranges, and reference meridians. A logging unit map delineating the sale area and showing other pertinent information shall be attached as "Exhibit A" to the contract.

The total acreage within the unit boundaries including alienated lands is shown under the column "Area Within Unit Boundary." The "Area to be Logged" column lists only the acreage of accessible Indian trust lands on which timber will be designated for cutting.

G. Payment for Timber (A7). The general requirements for timber payments are contained in Section B 4 of the Standard Provisions. Enter the appropriate payment type in the space provided.

(1). Payment Type (a)

(a). Single Payment. This subsection provides for the payment of the full purchase price on or before approval of the contract. If a single payment is considered to be so great a financial burden that competition may be significantly reduced, consideration should be given to allowing installment payments.

(b). Installment Payments. When this payment method is used, timber will be released for cutting in blocks of known volume and value. No block will be released until payment for that block has been received in full. The Contract requires the purchaser to make payments in such amounts and at such times as called for by the Superintendent. Ordinarily, each installment payment will cover the exact value of the timber in the block to be released.

Under the installment payment option, the advance payments must be collected in accordance with B4.2 on all allotment timber not already paid for in full. The amount of the advance payments will be credited against subsequent installment payments on blocks that include the allotments.

Payments under this section are not advance deposits, and no refunds or reduction in the size of the payments may be made under any conditions.

(2). Payment for Additional Timber (b). Insert the appraised stumpage rates for timber which may be cut pursuant to contract Section A4(b). The product should be specified if the volume is to be determined by log scale or other measurement of products after cutting. If the volume of additional timber is to be determined by tree measurement, only the species need be specified.

H. Performance Bond (A8). Enter the amount pursuant to 25 CFR §163.21. Larger bonding requirements may be required to cover the cost of unusual contract requirements that exceed the normal performance bond, at the discretion of the Approving Officer. Performance bonds may or may not be required for tribal enterprises.

I. Designating Timber for Cutting (A9). The statement should be a clear expression of the types of trees to be cut and the method by which they are designated for harvest.

J. Scaling (A10).

(1). Designated Timber (a). Insert a brief description of the method used to determine the volume of designated timber prior to the sale. When cut logs are sold, as in a trespass sale, this section may state that volumes were determined in accordance with Timber Sale Contract Parts B 7.0 and 7. 1. In tree measurement sales, the portion of trees measured (100 percent or sample), the volume tables used, and any other information that will clearly set forth the basis of the sale agreement should be included. Regional instructions may cover particular types of situations as necessary.

(2). Additional Timber (b). Reference to appropriate sections of Timber Sale Contract Part B7 can be used to describe volume determination of additional timber if it is to be log scaled. For tree measurement, specify the volume table to be used and other pertinent facts. Depending on the conditions in the sale, alternative methods of determining the volume of additional timber (such as tree measurement of log scale at the discretion of the Officer in Charge) may be described.

K. Slash and Cull Tree Disposal (A11). Refer to Part B Standard Provisions or specify any supplemental or modifying requirements to the appropriate section of the Standard Provisions. Describe in detail specific slash treatment requirements such as type of treatment (lop and scatter, machine or hand pile, etc), acres of treatment, location of treatments, specifications of treatments (pile height, distance from residual trees, etc).

L. Road Construction and Maintenance (A12). Detail any provision to be applied in lieu of or supplementing Part B of the Standard Provisions. Describe in detail road maintenance and construction requirements, improvements and specifications. Items should include miles of road to be constructed by road class, maintenance schedule, construction specifications, etc. Include appropriate definitions. If none, enter "refer to Standard Provisions." Road locations and any other improvements or requirements shall be designated on Exhibit A, Sale Map.

M. Special Provisions (A13). The entries in this section as well as those of A10, A11, and A12, must be carefully controlled to avoid duplication and conflict with other statements of the contract or with the Standard Provisions. Any deviations from the Standard Provisions should be noted in the appropriate section of Part A. Care must be taken that the general powers of the contract are not diminished by needless over specification.

N. Effective Date (A14). Self-explanatory.

O. Signature Page. The checklist page shows signature, arrangement and distribution of timber contract and supporting documents. (See Section 3.6)

The contract documents shall be completed in three originals. Each party to the document shall manually affix a signature where required to all three originals and the Approving Officer is the last to sign the document. Additional copies of the contract documents may be reproduced as needed. See the checklist in section 3.6.

(1). Purchaser. When the purchaser is a corporation, the name of the firm is shown on the first line, followed by the signature and title of the officer authorized to enter into the contract for the corporation. The certification must also be completed and signed by the appropriate officer of the corporation, verifying

the authority of the corporate officer to enter into the contract.

Certified copies of articles of incorporation and bylaws accompanied by a resolution by the board of directors to enter into the timber contract and authorizing certain officers to sign necessary papers must be obtained or be on file in the Bureau's records. When the articles of incorporation and bylaws are already on file, the file reference should be inserted on an additional page following the signature page of the timber contract Part A utilizing the certification below:

*A certified copy of the Articles of Incorporation and Bylaws of the \_\_\_\_\_ Corporation is on file at the Agency or \_\_\_\_\_ Regional Office. Said document may be found with Contract No. \_\_\_\_\_ in File No. of the Branch of \_\_\_\_\_.*

*Date:* \_\_\_\_\_

\_\_\_\_\_  
*Certifying Officer*

This certification will eliminate the necessity of requiring an additional copy of such articles of incorporation and bylaws being furnished by the corporation.

If the approving officer has personal knowledge that a corporation is both financially responsible and authorized to conduct business in the state in which the timber sale is located, he or she is authorized, at his or her discretion, to waive all requirements for articles of incorporation and bylaws, provided the authorized corporate official certifies to the following:

*I, \_\_\_\_\_ of \_\_\_\_\_ Incorporated (or Corporation), certify that said corporation is duly qualified to conduct business within the State of \_\_\_\_\_ in which this contract is to be performed.*

\_\_\_\_\_  
*Signature*

When the purchaser is an individual or a partnership, the name of the firm is shown on the first line followed by the signature of the individual or partners. The signatures are witnessed by two individuals in the spaces provided and their addresses added. The date of the purchaser's signing is entered as provided.

(2). Seller. If the seller is a sole owner allottee and has not executed a power of attorney, he/she signs as the seller. The date of the seller's signing is entered below the signature. Two witnesses sign the spaces provided and include their addresses.

If the seller is more than one allottee, then they may execute a power of attorney authorizing the Superintendent to act for them or they may sign and date the contract, which ever is appropriate. In the first case, the superintendent signs as the seller and the date is entered on the "Date" line.

If the seller is a tribe, then the authorized tribal representative completes the tribal "Resolution" information section and signs the document above their title. There are two signature lines in case the tribe requires two signatures.

If the seller is a combination of a tribe and allottees, then the tribe would sign in the appropriate location, and either the allottees or superintendent would sign as explained above.

(3). Approving Officer. The Secretary or designated Bureau Official, as delegated by the Secretary, must approve the contract by signing the contract above his/her title and entering the date of approval.

3.5. **Performance Bond.** See Standard Form 25 (Illustration 9) Refer to 25CFR §163.21. Since the bonds are not considered “trust funds,” it is not necessary for the government to collect and deposit cash bonds. The government only has to be able to collect all or part of the bond according to the terms of the timber sale document. Bonds may be in the form of corporate surety, cash, negotiable U. S. Government Securities supported by an appropriate trust agreement, or an irrevocable letter-of-credit. An Assigned Savings Account or a Tribal Holding Account may also be an acceptable form of bond, if the procedures have been established and approved by the Approving Officer. The advertisement and prospectus should specify those forms acceptable to the Approving Officer. The performance bond shall be executed by the purchaser in the same manner and number of copies as the timber contract, and it becomes a part of the timber contract by attachment and reference in the bonding document. The Approving Officer should obtain legal advice of the Solicitor before using the cash or negotiable bonds in the satisfaction of damages.

A. **Corporate Surety Bonds.** (This is not a recommended form of performance bond, due to the difficulties involved in the collection of damages.) The bonding company shall be one approved by the U.S. Treasury Department. Standard Form 25, Performance Bond, shall be used and accompanied by the surety company's regular form giving evidence that the attorney-in-fact who signed for the surety was authorized to do so on the date he or she signed the bond. Refer to instructions on the reverse of the form.

B. **Deposit of Cash.** It is recommended that the cash deposited as a performance bond be supported by an Agreement and Power of Attorney for cash bonds (Illustration 10) naming the officer who will approve the contract as attorney-in-fact. The deposit is held in the Federal Finance System (FFS) unless other alternative arrangements have been authorized by the Approving Officer.

C. **Deposit of U.S. Securities.** (This is not a recommended form of performance bond, due to the difficulties involved in the collection of damages.) United States securities deposited as performance bond must be supported by an Agreement and Power of Attorney for U.S securities (Illustration 11) naming the officer who will approve the contract as attorney-in-fact. Securities so posted will be deposited and held by the Treasury of the United States. The deposit is facilitated by the Branch of Finance, which, upon request, will make the necessary arrangements with the Federal Reserve Bank. The term "U.S. Security" encompasses Treasury Bonds, Notes, and Bills.

D. **Irrevocable Letters-of-Credit (LOC).** Irrevocable letters of credit may be used to secure performance bonds. Illustration 12 contains detailed guidelines for using such letters of credit, including examples. Illustration 13 provides a one-page summary of requirements for LOC preparation. The LOC should be secured in a fireproof safe in the approving office. A copy of the LOC should be contained in the contract file.

C. **Assigned Savings Account.** This form of bond must be acceptable to the approving officer. This form of bond allows the purchaser of forest products to establish a savings account at a federally insured institution in the amount of the bond requirement and to assign the account to the Bureau of Indian Affairs. The primary benefit of this type of bond is that it accrues interest for the purchaser while other bond types do not accrue interest. The assigned savings account requires a written agreement between the purchaser, savings institution, and the BIA approving officer, which specifies the assignment of the account to the BIA, the period of time for the assignment, and the terms under which the BIA can make withdrawals.

D. **Tribal Holding Account.** This form of bond must be acceptable to the approving officer. Tribes may collect and hold cash bonds for tribal and allotted timber sales on their respective reservation, but the tribes must have established procedures that specify how payment can be made, who receives the accrued interest, how the BIA can confiscate funds, and how funds will be returned to the timber sale purchaser at the end of the sale.

INDIAN FOREST MANAGEMENT HANDBOOK

3.6 Checklist

Contract, Supporting Documents Signature, Order of Arrangement, Distribution	Approving Office	P U R C H A S E R	S E L L A R	Region or Agency (not Approving Office)	OTFM	Sur- ety or Bond
	Manually Affixed Signatures	Facsimiles or Copies (as needed)				
1. Contract - Part A	C	C	C	C	C	C
2. Contract - Part B Standard Provisions	C	C	C	C		C
3. Advertisement	S	S	S	S		S
4. Logging Unit Map	C	C	C	C		C
5. Performance Bond	C		C	C		C
6. Tribal Resolution	S			S		
7. Allottee Power of Attorney	S			S		
8. Corporation Articles of Incorporation and Bylaws; Partnership Articles of Partnership	S		O	S		
9. Proposal (Bid)	S					
10. Abstract of Bids	S	O	O	S		
11. Forest Officer's Report	S	O	O	S		
12. Environmental Assessment	S	O	O	S		
13. Archeological, Endangered Species, Water Quality Clearances, etc.	S		O	S		

C     Contract  
S     Support Documents  
O     Optional

**CHAPTER 4 - ADVERTISING AND BIDDING****4.1. Advertised Sales.**

A. Approval of Advertisement. Advance authority to advertise forest products for sale, and approval of the advertisement will be obtained from the officer who will approve the instrument of sale. Upon such authorization, the superintendent may issue an Advertising Order (Standard Form 1143) and Public Voucher for Advertising (Standard Form 1144). See Illustrations 14 and 15.

Use of tribal funds to pay for advertising will follow local procedures.

B. Indian Preference. The advertisement may limit sales of Indian forest products to Indian forest enterprises, members of the tribe, or may grant to Indian forest enterprises and/or members of the tribe who submitted bids the right to meet the higher bid of a non-member. Such an arrangement must be specified in the advertisement.

C. Form of Advertisement. The advertisement (Illustration 16) will provide basic information and instruction on submission of bids. For specifics of the forest products sale contract, refer potential bidders to the prospectus and to the approved form of contract as contained in the Forest Officer's Report. The advertisement should cover the following:

- (1). Reservation and sale unit name, length of the contract, and acreage to be harvested.
- (2). Type of bid to be received at a stated place, day, and time. Sealed bids on approved forms or a combination of sealed bid and oral auction may be used. Bidders must submit a sealed bid to be eligible for oral bid participation.
- (3). Sale forest product volumes and species, and a statement that the volumes are estimates and are not guaranteed.
- (4). Minimum stumpage prices acceptable and the basis of scale.
- (5). Stumpage price of material to be paid by flat rate, if any.
- (6). Amount of deposit with bid and disposition of deposits.
- (7). Amount of advance payments required by the contract.
- (8). Amount of performance bond required with the contract.
- (9). Amount of advance deposits required by the contract.
- (10). Other requirements or special features in the bidding (e.g., right to waive technical defects and to reject bids, restriction of oral bidding to those who submitted an acceptable sealed bid, Indian preference (See Part B)).
- (11). Identify source for further information concerning the sale and bid submission.
- (12). State date of advertisement and name and title of the officer authorizing the advertisement.

D. Advertisement Distribution and Duration.

(1). Advertisement Distribution. If the estimated stumpage value of the forest products offered is \$15,000 or less, the advertisement may be made by posters and mailings to known potential bidders. If the estimated stumpage value exceeds \$15,000, the advertisement shall also be made in at least one edition of a newspaper of general circulation in the locality where the forest products are situated.

(2). Advertisement Duration. If the estimated stumpage value of the forest products offered is \$50,000 or less, the advertisement shall be published not less than 15 days before the bid opening date.

If the estimated stumpage value exceeds \$50,000 but not \$250,000, the advertisement shall be published not less than 30 days before the bid opening date.

If the estimated stumpage value exceeds \$250,000, the advertisement shall be published not less than 60 days before the bid opening date.

(3). Reduction of Advertising Period. The approving officer may reduce the advertising period because of emergencies such as fire, insect attack, blowdown, limitation of time, or when there would be no practical advantage in advertising for the prescribed period.

(4). One-Year Validity of Advertisement. If no instrument of sale is executed after such advertisement, the approving officer may, within one year from the last day on which bids were to be received as defined in the advertisement, authorize the sale of such forest products. (See section 4.6)

E. Prospectus. (Illustration 17 – Sample Prospectus). The purpose of the prospectus is to attract interest in the forest products offering; to point out new, changed, or unusual procedures; and to furnish additional information to that contained in the advertisement. Information in the prospectus will assist potential bidders in deciding whether to further investigate the sale offering. The prospectus should state that the Approving Officer may conduct financial investigations of bidders.

It is highly recommended that the following paragraph be included at the beginning of a prospectus:

*This prospectus is furnished to acquaint you with some of the requirements and features of this sale unit. If its wording or meaning disagrees with the contract, the contract is final and binding. We urge you to discuss complete contractual obligations with the forestry staff at \_\_\_\_\_ Agency (or \_\_\_\_\_ Tribal Forestry Department) in (city and state). Arrangements may be made there for examination of the sale unit. No guarantee is made of the forest products volume or quality mentioned herein. You are urged to make your own independent estimates to determine your bidding decisions. Each bidder must be prepared to assume full responsibility for the success of the operation under contract terms at the price bid.*

#### 4.2. Sales Without Advertisement.

A. Conditions. Under certain conditions, contract and permit sales of forest products may be made without advertisement to Indians or non-Indians. Consent of the authorized tribal representatives for tribal forest products, or consent of the beneficial owners of a majority Indian interest of individually owned Indian land is required. Approval by the Approving Officer is also required.

Conditions under which forest products may be sold without advertisement are when:

- (1). Forest products are to be cut in conjunction with the granting of a right-of-way.
- (2). An authorized occupancy has been granted.

- (3). An Indian tribal forest enterprise will purchase tribal forest products.
- (4). Competition is impractical to secure by formal advertising procedures.
- (5). Forest products must be cut to protect the forest from injury.
- (6). Otherwise specifically authorized by law.

B. Record of Negotiated Transactions. The approving officer shall establish a documented record of each negotiated transaction. This will include all of the following:

- (1). A written determination and finding that the transaction is a type allowing use of negotiation procedures.
- (2). The extent of solicitation and competition, or a statement of the facts upon which a finding of impracticability of securing competition is based.
- (3). A statement of the factors on which the award is based, including a determination as to the reasonability of the price accepted.

4.3. Receiving and Accepting Bids. Appropriate line officers, through their agency authorized collection officer, will ordinarily receive bids. The collection officer will receive and hold bids delivered before the bid opening date. However, only the approving officer can actually accept a bid. The receiving officer, if not authorized to accept the bid, shall submit an Abstract of Bids, Form BIA-4321 (Illustration 18) to the approving officer promptly after close of bidding. (See Part 4.3.C.(5))

A. Bid Proposal Form. Advertisements for the sale of forest products will state that sealed bids in duplicate will be received on provided Form BIA-5318, Proposal (Illustration 19). This form is an offer to purchase forest products, and will be used to receive bids for all forest products sales.

In case of oral auction sales, no oral bid will be considered unless the bidder has, in compliance with the advertisement, submitted an acceptable sealed proposal on Form BIA-5318. Prospective bidders should be cautioned to comply with printed instructions on the form, particularly regarding signing requirements.

B. Deposit with Bid. A deposit shall be made with each proposal for the purchase of Indian forest products.

(1). Minimum Amount of Deposit. The deposit with bid amount shall be at least:

- (a). Ten (10) percent if the appraised stumpage value is less than \$100,000, and in any event not less than \$1,000 or full value, whichever is less.
- (b). Five (5) percent if the appraised stumpage value is \$100,000 to \$250,000, but in any event not less than \$10,000.
- (c). Three (3) percent if the appraised stumpage value exceeds \$250,000, but in any event not less than \$12,500.

(2). Form of Deposit. Deposits shall be in the form of either a certified check, cashier's check, bank draft, postal money order, or irrevocable letter-of-credit, drawn payable as specified in the advertisement, or in cash. See Illustrations 12 and 13 for detailed guidelines for use of irrevocable letters-of-credit.

(3). Disposition of Deposits. The deposit of the apparent high bidder, and of others who submit a written request to have their bids considered for acceptance, will be retained pending acceptance or rejection of the bids. All other deposits will be returned following the opening and posting of bids.

(4). Forfeiture of Deposit of Successful Bidder. The deposit of the successful bidder will be forfeited and distributed (after forest management deductions) as liquidated damages to the beneficial owners if the bidder does not:

(a). Furnish the required performance bond within the time stipulated in the advertisement for sale of forest products.

(b). Execute the contract. If the successful bidder, after receiving notice of bid acceptance, fails to execute the contract within the stipulated period.

(c). Perform the contract.

(5). Further Claims for Damages. Forfeiture of a deposit does not limit or waive any further claims for damages available under applicable law or contract terms.

(6). Deposits Held During Administrative Appeals. In the event of an administrative appeal under 25 CFR Part 2, the Secretary may hold such bid deposits in a non-trust escrow account pending resolution of the appeal.

C. Instructions for Conducting the Bidding. Advertised sales shall be made under sealed bids, at public auction, or under a combination of sealed bids followed by oral auction.

(1). Official in Charge. The receiving officer or his/her designated representative will conduct the bid proceedings.

(2). Support Staff.

(a). Agency Authorized Collector. An agency collection officer must be present to hold the deposits with bid (including bids received before the bid opening date), to return deposits as required, and to place into accounts the deposit of the high bidder, and of others who wish their deposits retained.

(b). Recorders. It is recommended that two recorders will independently calculate and record bid amounts and values, and maintain complete and accurate records of sealed and oral bids, on Abstract of Bids forms. The two separate records will serve to crosscheck each other before information is entered on the display board.

Blank copies of the prepared form should be furnished to participants/observers for their convenience in recording the bidding.

(i). Bid Record Form. Complete an Abstract of Bids (Illustration 18), and record every valid bid, including each participant's sealed bid. Identify sealed bids on the form, and record the sequential bid number for each bid.

Forms used to record bid proceedings should contain the following information:

- Name of Forest Products Sale Unit

- Date
- Bidder Name, address, and Bidder Representative
- Sale Volume by Species and product
- Advertised Minimum Price Per Unit of Measure by Species and product
- Sale Value at Advertised Minimum Price by Species and product
- Bid Number (Each bidder may have multiple bids as the proceedings continue.)
- Bid Rate Per Unit of Measure by Species and product
- Sale Value at Bid Rate by Species and product
- Total Sale Volume
- Total Sale Value at Advertised Minimum Price
- Total Sale Value at Bid Rate

(ii). Display Board Posted Record for Oral Bidding. The official in charge will complete, or closely oversee completion of, an oral bidding display board showing the bidding information. Results of the sealed bid opening will be posted on the board, followed by posting of oral bids. Before entry of each oral bid on the board, the calculations made by the recorders must be reconciled for that bid, if applicable.

Whenever participants submit a new bid, their former bid as it appears on the display board shall be changed accordingly. This will keep the board updated to show the high total value bid and corresponding species rate for each bidder.

Information on the board should be legible and large enough to be read by all participants.

(3). Invitees. Tribal leaders, beneficial owners, interdisciplinary team participants, and natural resources staff should be invited to observe the bid opening. The general public is invited to attend to the extent space permits.

(4). Conducting Bid Opening. The official in charge should impart instructions in the following subsections (a-f) to participants before sealed bid opening. If oral bidding will not be allowed, omit instructions for that process.

The instructions may be distributed in writing to participants, in addition to being verbally given by the official in charge.

(a). Instructions to Bidders Before Sealed Bid Opening. At the precise time according to the timepiece identified by the official in charge, and as specified in the advertisement, the official will declare that acceptance of sealed bids has concluded. (The official may conduct a five-minute or so countdown, given at one-minute intervals, to the cutoff time.)

The official will welcome and thank all attendees, identify self, and ask all attendees (except the general public) to introduce themselves. The official will announce who the approving officer is, give general information about the sale, note any changes to the advertisement or prospectus, and explain the bid opening procedures.

The right is reserved, in the sale advertisement, to reject any and all bids.

The officer authorized to accept bids shall have discretion to waive minor technical defects in advertisements and proposals, such as typographical errors and misplaced entries.

(b). Sealed Bid Opening. Sealed bids will then be opened, deposits examined, and decisions made as to rejection of any bids because of inadequacy, improper deposit, etc. All acceptable bids will be announced, given a sequential bid number, and posted on the display board, if applicable. Oral bidding (if allowed) will follow.

(c). Oral Auction. After opening sealed bids, the official in charge will conduct the oral auction. The following procedure should be followed.

(i). To provide a record of bids in sequence, the official in charge will identify all bids (sealed and oral) by consecutive bid numbers in the order they are received.

(ii). Received sealed bids will be posted on the display board.

(iii). Bid values will be calculated, recorded on bid record forms, and posted on the display board.

(iv). Bidding will be restricted to those who have submitted an acceptable sealed bid as posted on the display board.

(v). No conditional bids of any kind will be considered.

(vi). No bid will be considered unless it includes a bid for every item, at or above the advertised minimum prices.

(vii). No bid will be considered unless it is higher than the previous bid.

(viii). Once a bid is received, it cannot be altered or withdrawn.

(ix). Bids shall be submitted for each species and product as listed in the advertisement. All bidders have the privilege, throughout the bidding, to increase their previous bid. These increased bids should be given by species and product per unit of measure (MBF, CCF, etc.), and not as a lump-sum monetary increase to a previous bid.

(x). The estimated total value of each bid shall be determined by applying the rates bid to the advertised volumes of the corresponding species and products.

(xi). The estimated total value, as computed above, shall be the factor used in determining the high bid.

(xii). The display board will be kept updated to show each participant's high bid.

(xiii). The officer in charge reserves the right to limit the time lapse between oral bids, and to declare recesses during the bid proceedings.

(xiv). The bidding shall continue as long as necessary to establish the value of the offering, and to give each bidder an opportunity to submit the highest bid they desire to make. The official in charge will specify the minimum incremental bid increase amount. No one will be urged to make a higher bid.

(xv). When the participants indicate their final bids have been submitted, the officer in charge shall declare the bidding is about to close, and after a reasonable pause, close the bidding subject to the oral bid of the apparent high bidder being reduced to writing on a bid proposal form.

(d). Indian Preference Opportunity. If specified in the advertisement, Indian forest enterprises and/or members of the tribe who submitted bids have the right to meet the higher bid of a non-member. After the apparent high bid is put into writing on a bid proposal form, the official in charge will offer Indian forest enterprises and/or tribal members who submitted acceptable sealed bids the opportunity to meet the higher bid of a non-member. The official should specify the amount of time that will be allowed for Indian preference participants to make their decision about meeting the higher bid. Twenty-four (24) hours is a common allowance, but other periods may be used. Other forms of applying Indian preference opportunities in bidding may be authorized by the Approving Officer.

(e). Announcement of Apparent High Bid. The official in charge will announce the apparent high bid after any oral high bid is reduced to writing, and the Indian preference opportunity has been given. Anyone participating in the auction who is not declared the high bidder shall have the privilege of reducing their own highest bid to writing and submitting it to the official in charge. Such bid will be submitted with the high bid to the approving officer.

There will be no formal acceptance or rejection of bids at this time. Formal acceptance or rejection will be by the approving officer.

If the official in charge waived a minor technical defect in receiving the apparent high bid, all bidders should be informed of this waiver.

(f). Explanation of Formal Acceptance or Rejection Procedure. The deposit of the apparent high bidder and of others who submit written requests to have their bids considered for acceptance will be retained pending acceptance or rejection of the bids. All other deposits will be returned promptly upon completion of receipts on the backs of the participant's two bid proposal forms. One signed form will be given to the participant, and the other retained by the official in charge.

The Bureau may investigate the apparent high bidder's financial responsibility and capacity to successfully complete the contract. Based on the investigation, the approving officer will accept or reject the apparent high bid.

If the apparent high bid is rejected, other written bids submitted with the apparent high bid to the approving officer will be considered.

(5). Abstract of Bids. The receiving officer shall prepare Form BIA-4321, Abstract of Bids (Illustration 18). This abstract, together with copies of sealed bids received and copies of oral bids that have been reduced to writing, the receiving officer's recommendations, and other pertinent data and information (e.g., copies of advertisement and prospectus, Indian preference invoked by bidders, any protest raised by participants, times of auction opening and closing and any recesses), will be submitted promptly to the approving officer.

#### **4.4. Reviewing Capabilities of a Bidder to Complete the Contract**

A. Information Provided by Apparent High Bidder. When the approving officer has little or no experience with the apparent high bidder, or has reason to question the bidder's ability to perform the provisions of the forest products contract, the bidder's experience and financial capabilities should be evaluated. This is not necessary if the bidder has been a competent, reliable contractor on other Indian sales.

The bidder shall be reminded that the approving officer may be unable to award the sale and sign the contract until the bidder provides verifiable financial information, upon which the approving officer can make a decision.

The apparent high bidder will provide the Bureau with the following information if a financial investigation occurs:

- (1). Whether the bidder will log the sale or contract to a second party. Identify any second party.
- (2). The name of the bidder's bank and who the Bureau may contact for financial information. Ask the bidder to advise the bank that the Bureau will be making inquiries as to the bidder's credit line, payment record, and current loans. This sensitive information will be reviewed only by the designated Bureau officials.
- (3). A copy of the corporate articles of incorporation, partnership papers, or company papers verifying the bidder has authority to bid, and the business entity is registered to conduct business within the state.
- (4). The bidder's latest certified financial statement.
- (5). If the bidder is claiming Indian preference, tribal approval of the preference status should be verified.

If the Approving Officer is unable to determine the capabilities of the apparent high bidder, all available information, including any local knowledge of the bidder's past activities with tribes, states, or other federal agencies, should be sent to the Office of the Regional Director, Forestry Branch, with a request for assistance to determine the apparent high bidder's capability to meet contract requirements.

B. Review Bidder's Financial Status. The Forestry Branch will coordinate an investigation to determine the bidder's financial responsibility and capacity to successfully complete the contract. The investigation will be concluded within five (5) working days of receipt of the request and supporting documents, and a recommendation made to the approving officer regarding whether the bid should be accepted.

The investigation should include contacting the bidder's bank regarding the bidder's credit line, payment record, and current loans. Also, determine if the bidder owns or leases logging equipment or trucks, and whether there are equipment liens and who holds any such liens.

The Forestry Branch will check with the U.S. Forest Service, Bureau of Land Management, and state forestry offices regarding their past and current dealings with the bidder. Find out what quality of logging job the bidder performed, whether payments were on schedule, and other relevant considerations (trespass incidents, contract default, successful completion of other sale contracts).

4.5. Acceptance and Rejection of Bids. The approving officer will determine the successful bidder, or will determine that all bids are to be rejected and will promptly notify the local forestry branch official of this determination and the reasons for the conclusions reached. The forestry branch official shall then notify all bidders of the decision made, and arrange for the return of the deposits of unsuccessful bidders who submitted written request to have their bid considered.

A. Accepting High Bid. Usually, the high bid received in accordance with any advertisement issued under authority of the approving officer, and meeting all other requirements, shall be accepted.

B. Conditionally Accept High Bid. If the business entity appears questionable, the approving officer may decide to reduce risk and accept the high bid only if additional, more stringent preconditions are required of the bidder. This could be done by increasing the performance bond, advance deposits, and/or the minimum deposit balance specified by the advertisement and prospectus.

The agency should conduct an appraisal to estimate potential damage to the forest products, and determine

funds required to correct purchaser actions in event of default. The performance bond and/or deposits would be increased accordingly.

C. Reject High Bid. The approving officer, having set forth the reason(s) in writing, shall have the right to reject the high bid if:

- (1). The high bidder is considered unqualified to fulfill the contractual requirements of the advertisement; or
- (2). There are reasonable grounds to consider it in the interest of the Indians to reject the high bid.

A decision to reject the bid could result in an appeal. In all decisions to reject bids, the Regional Director shall review and concur with all such decisions before notification of the bidder of the rejection. The Regional Director may wish to consult with the solicitor during the review.

D. Options after Rejection of High Bid. If the high bid is rejected, the approving officer may:

- (1). Reject all bids.
- (2). Accept the offer of the next highest bidder who, at bid opening, made written request that their bid and bid deposit be held pending acceptance of the apparent high bid.

4.6. Purchase within One Year after No Bids Received. If authorized in the pre-sale documents, bidders may have up to one year from the date of the original bid opening to provide a bid for the timber sale. The sale will be made upon the terms and conditions in the advertisement and at not less than the advertised value or the appraised value at the time of sale, whichever is greater.

When a party offers to purchase (within the one-year time frame) a sale for which no bids were received or accepted, follow this procedure:

A. Reappraise Timber. Immediately reappraise the forest products to determine current value under the terms and conditions as originally proposed.

- (1). If the current prices are higher, then the contract stumpage value would be based on the stumpage value index reflected in the reappraisal.
- (2). If the original values are higher, then the contract stumpage value would be based on the advertised value.

B. Complete Bid Proposal Form. Enter the higher value, current or original value, on the Bid Proposal (Form-5318) and have the interested party sign and date the completed Proposal form and submit it to the appropriate office. The required bid deposit must accompany the Bid Proposal.

C. Change Contract Expiration Dates. Do not retain the original contract expiration date if this would mean a significant reduction in contract length.

D. Re-advertise Sale. Re-advertise the sale if there are any other changes in terms and conditions of the original advertisement.

**CHAPTER 5 - SALE ADMINISTRATION****5.1. Sale Supervision.**

A. Officer in Charge. The officer in charge is the forest officer of highest rank assigned to the supervision of forestry work at the agency having jurisdiction over the sale area, or their designated representative.

The officer in charge will review and inspect sale areas as needed to ensure adherence to applicable forestry practices and procedures, and compliance with sale terms. Timber sale records, including a Timber Sale Inspection Report (Illustration 20), Compliance Checklist or its equivalent, will be completed as needed for each sale unit and be available for examination by the Regional Forester. Reports should be completed weekly, or frequently enough to document visits with, and instructions to, the purchaser. These reports become part of the sale file, and would be invaluable during any future legal proceedings. Problem areas should be noted, as well as compliance, and special note should be made of previous problem areas and their correction or continued noncompliance. Copies of the report should be distributed to the purchaser, the sale file, and the sale administrator.

B. Sale Administrator (Timber Sale Officer). The sale administrator represents the officer in charge, and is responsible to ensure that on-the-ground sale activities comply with contract provisions. The sale administrator is a forester or forest technician, and will report the state of the sale and purchaser performance to the officer in charge.

Close supervision of the purchaser at the beginning of the sale is particularly important, in order to impress on the purchaser from the start exactly what is expected of him. This is also true whenever operating conditions or requirements change. All requirements discussed at the pre-logging conference and in the logging plan should be in writing.

C. Regional Forester. The Regional Forester, or a designated representative, will review and inspect logging units, in cooperation with the officer in charge, as deemed necessary to obtain adherence to basic policy and forestry practices, and to assist and advise in resolution of contractual, administrative, and technical problems. The Regional Forester is responsible for developing regional policies, procedures, and forest practice guidelines.

**5.2. Designation of Timber to be Cut.** The Forest Officer's Report and Part A of the contract outline management objectives of the contract. Timber is designated for cutting in accordance with Part A4, A7, and A12 of the Timber Contract for Sales of Estimated Volumes and Part A4 and A9 of the Timber Contract For Sales of Predetermined Volumes.

A. Order of Cutting. The order of cutting is established or approved by the Officer in Charge and identified in the Logging Plan. No timber shall be cut under any timber contract until marked or otherwise designated.

B. Marking Unit Boundaries.

1. Exterior boundaries will be clearly marked on the ground in advance of timber marking or Cutting operations by blazing, painting, staking, flagging or other approved procedures as specified in Part A of the Contract.

2. Interior boundaries, such as boundaries of allotments, will be marked clearly on the ground by blazing, painting, staking, flagging or other approved procedures, in advance of timber marking or cutting operations. If provided for in the contract, the purchaser may be required to do the work of locating and marking allotment boundaries, but when so done, the Officer in Charge shall check and document

sufficiently to verify purchaser accuracy.

C. Marking Rules/Guidelines. Marking rules/guidelines, based on the silvicultural prescriptions being applied, shall be developed in advance to guide cruising, marking, inspection, and training. Marking rules/ guidelines shall be stipulated in the Forest Officer's Report as part of the silvicultural prescription. The rules/guidelines are developed locally for timber sales to meet defined silvicultural objectives.

D. Control of Marking Quality. The Officer in Charge will periodically check timber marking, and document findings, to ensure compliance with the marking rules.

E. Marking Method. Individual trees, groups of trees and clearcuts shall be clearly designated as either cut tree or leave tree in accordance with procedures stipulated in the timber contract.

5.3. Payment for Forest Products. Payments for forest products are referenced in 25 CFR §163.17, §163.22, and §163.23. Other methods of payment are authorized for Indian tribal forest enterprise operations under 25 CFR §163.13. With the exception of Indian tribal forest enterprises, payment for forest products will be required in advance of timber cutting or other forest products removal.

Funds will be managed and accounted for in accordance with the BIA Forestry Collections and Distribution Handbook.

A. Deposit with Bid. The deposit accompanying the bid of the successful bidder who executes the forest product contract will be credited as all or part of the first advance deposit required in payment of forest products cut upon contract approval, except when provision is made for the deposit to be held in lieu of bond. Failure of the successful bidder to execute the contract will result in forfeiture of the deposit with bid.

B. Basis of Volume/Value Determination. The basis of volume determination for forest products sold shall be the Scribner Decimal C log rule, cubic volume, lineal measurement, piece count, weight, or such other form of measurement authorized by the Secretary. Forest product value will be determined by multiplying the units of measure by the appropriate product unit value.

C. Payment for Forest Products. All requests for payments shall use Form DI-1040, Bill for Collection (Illustration 21), unless another form of request has been authorized by the Approving Officer.

(1). Advance payments. Required when forest products are harvested from allotted lands, and may be required on tribal land. When required on tribal land, requirements for advance payments will be the same as for allotted land. Advance payments are not refundable (25 CFR §163.23).

(a). Advance Payment Percentage. Unless otherwise authorized by the Secretary, and except in the case of single payment lump sum (predetermined volume) sales, contracts for the sale of timber from allotted Indian forest land shall provide for an advance payment of up to 25 percent of the stumpage value, **calculated at the bid price**. Additional advance payments may be specified in contracts.

(b). Time Frame for Payment. Advance payments will be made within 30 days from the date of contract approval and before cutting begins.

(c). Maximum Advance Payments. Advance payments will be limited to an amount that would make the sum of such payment and of advance deposits and advance payments previously applied against timber cut from each ownership in a sale exceed 50 percent of the bid stumpage value.

(d). Administration of Payments. Advance payments shall be credited against the timber of each

ownership in the sale as the timber is cut and scaled at stumpage rates governing at the time of scaling.

(2). Advance deposits. A contract-required deposit in advance of cutting, which the purchaser furnishes to maintain an operating balance against which the value of timber to be cut will be charged. The minimum advance deposit request and deposit balance will be specified in the contract. Care must be taken to ensure the minimum deposit balance is maintained throughout the next reporting period. A Transmittal and Reporting Sheet (Form 5-473A) and associated instructions provided in Illustration 22 are used to calculate the requested deposit amount.

(3). Advance Deposits and Payments Directly into Tribal Accounts. Advance deposits or direct payments for forest products, **less any amounts segregated as forest management deductions**, may be directly deposited into tribal accounts (25 CFR §163.22). Forest Management Deductions shall be paid to the Bureau. Accounts may be in one or more of the following formats:

(a). Financial Institution Escrow Account. A tribally designated financial institution, which may receive and hold deposits with bids and advance deposits (less the forest management deductions).

(b). Tribal Depository Account. A tribe may utilize a tribal account specifically established for receiving advance payments, installment payments, payments from Indian tribal forest enterprises, and/or disbursements from advance deposit accounts or escrow accounts.

(c). Verification of Required Deposits, Payments, and Disbursements. Whenever payments and disbursements are made directly to a tribe, the approving officer must maintain documents that verify payments have been made and disbursements have been received by the tribe.

(i). The purchaser may provide a photocopy of a check, money order, cashier's check, or deposit record at the tribe's designated financial institution that verifies payment was made.

(ii). The seller may provide a photocopy of a check, money order, cashier's check, or deposit record that verifies payment was received.

(iii). The designated financial institution may provide a copy of deposit and disbursement transactions.

(4). Payment under Predetermined Volume Sales. Payment will be by either single payment or installment payments as required in Part A.7.(a) of the timber sale contract, and also referenced in section B.4 of the contract Standard Provisions.

When the installment payment method is used, timber will be released for cutting in blocks of known volume and value. No block will be released until payment for that block has been received. The Contract requires the purchaser to make payments in such amounts and at such times as called for by the Superintendent. Ordinarily, each installment payment will cover the exact value of the timber in the block to be released.

Under the installment payment option, the advance payments must be collected in accordance with B4.2 on all allotment timber not already paid for in full. The amount of the advance payments will be credited against subsequent installment payments on blocks that include the allotments.

Payments under this section are not advance deposits, and no refunds or reduction in the size of the payments may be made under any conditions.

#### 5.4. **Logging Operations.**

A. **Logging Plan.** The purchaser or his designated representative, and the officer in charge may prepare a logging plan (Illustration 23 – Sample Logging Plan) before sale operations begin. The purposes of a logging plan are to maintain a clear understanding by the purchaser of the performance required, and to reduce contention in the day-to-day relations of the purchaser and the sale administrator. The plan shall establish the operating season, general progression of sale activities, production rates, time frames, equipment to be used, logging practices, load accountability, road development, threatened/endangered species and tribal restrictions and closures, woods organization, purchaser's representative, and other information required by the appropriate line officer.

Logging plan updates may be required seasonally or whenever major changes occur.

B. **Notices to the Purchaser.** Notices or instructions to the purchaser should be written, dated, and directed to the purchaser or their authorized representative. When verbal notice or instruction is given or used preliminary to a written notice, record should be made of this verbal communication.

C. **Removal of Forest Products.** A major purpose of forest products contracts is to remove the products designated for cutting. Where necessary to the success of silvicultural prescriptions being applied, removal to contract utilization standards may be mandatory.

Scale of and payment for waste material is a required function of sale administration. Purchaser payment for designated products either not cut, or cut and not removed, does not relieve the purchaser of the obligation to meet contract utilization or site treatment requirements.

D. **Damage to Reserve Stands.** Constant attention from the purchaser and the sale administrator is required to minimize damage. The sale administrator will notify the purchaser of any damage resulting from operations, and the required corrective action. Ways for the purchaser and sale administrator to minimize damage to reserve stands include advance agreement on road and skid trail location, modified felling and skidding techniques, and use of natural openings for landings whenever practicable.

E. **Slash and Cull Trees.** Provisions for treatment of slash resulting from harvesting operations, and the felling of cull trees, are specified in the sale contract. If burning by the purchaser is specified by the contract as a slash disposal method, burn plans that meet all requirements, including smoke management, will be developed in coordination with fire management personnel.

#### 5.5. **Scaling and Reporting.**

A. **General.** "Scaling is the determination of the gross and net volume of logs by the customary commercial units for the product involved..." (Forest Service Handbook 2409.11). Timber contract scaling provisions shall be supplemented with the appropriate log scaling rules to be applied and which provide standard instructions for volume determination. The use of the National Forest Log Scaling Handbook FSH- 2409.11, including revisions thereto; Official Rules for Log Scaling and Grading Bureaus (AK, WA, OR, CA); and/or other rules authorized by the Regional Director shall be specified in timber contracts.

Any BIA Agency jurisdiction that intends to offer sawlog products for sale utilizing cubic scale and product values must have an approved BIA procedure in place prior to sale advertisement. The USDA National Forest Cubic Scaling Handbook, including revisions, would be the standard reference for cubic foot log scaling unless another rule is authorized by the Regional Director.

The BIA may supplement or amend FSH procedures in order to account for local or regional scaling conditions.

These supplements or amendments must be approved by the Regional Director prior to implementation.

The forest products may be scaled by BIA, Tribal, or third party scalers as authorized by scaling agreements and incorporated in the timber contract. Third party scale refers to the scale of forest products by a party other than the BIA or their representative. This may include consumer scale by a mill and scaling by an acceptable scaling organization.

B. Method of Scale. Forest products are generally either stick scaled or weight scaled.

(1). Stick Scale. Volume is determined by using a scale stick and/or tape to measure diameters, lengths, and dimensions of defects in logs to determine gross and net scale. A log scale stick is a rule on which inches are marked along one edge, and the log rule volumes are placed on the sides and the remaining edge. Stick scale is also used to measure other types of forest products, including cordwood and poles. The cordwood stick is generally adjustable to 8-10 feet long and has inches or tenths of feet and feet indicated on the face of the stick to assist in determining the dimensions of a deck of cordwood.

(2). Weight Scale. Scaling by weight is a simple, consistent, and accurate measure of wood fiber. The most common procedure is to weigh all of the units and convert the weights to the unit of measure based on the weight ratio specified in the contract. Sale of products by weight from a consumer's scales may be made when the scales are certified for interstate commerce and subject to periodic examination by a bonded or licensed inspector (e.g., a state inspector). Fiber products scaled by weight will be converted to units specified in the contract for the measured species and product. The same weight conversion factor should be used by both the consumer and the seller.

Although weight provides a sound basis for selling and purchasing wood products, the weight per unit of volume varies greatly depending on species, season, and site. Each manufacturer will likely have slightly different conversion rates for a given species, depending on their experience. It is the Officer in Charge's responsibility to ensure that the conversion factor is reasonable and recommend against approval of the agreement if it is not acceptable.

C. Units of Measure. All products should be reported as some combination of species, product, and volume as defined in the contract. Units of measure (e.g. MBF, cord, piece, Ton, cubic feet, gallon, cubic yard, pound, load, etc.) used to quantify volume are specified in the timber contract. The units of measure will allow for the measurement of minor forest products like gravel, boughs, ferns, poles, maple syrup, etc.; which may be harvested as part of a contract. Volume determination by log rule is limited to the Scribner Decimal C log rules, cubic volume, lineal measurement, piece count, weight, or such other form of measurement as the Secretary may authorize for use (25 CFR §163.22 (a)). Use of other log rules or other forms of measurement require authorization from the Secretary of Interior.

D. Order of Scaling. When the Bureau of Indian Affairs provides scaling services, the basic workweek will be 8 hours per day for 5 days per week, exclusive of Saturdays, Sundays and government Holidays, unless additional services are requested by the Purchaser and approved by the Superintendent. The Purchaser may be required to pay for such additional services as authorized by the Act of July 30, 1956 (25 U.S.C. 407d).

Within the basic workweek, the time and place of scaling should be adapted to the operating methods of the purchaser as much as practicable. However, the purchaser should be required to present material for scaling at such time, place, and in such manner as to permit scaling at reasonable cost and under controls required by the Officer in Charge. When a logging unit includes more than one ownership, the purchaser shall be required to maintain product ownership identity. Specific scaling conditions and requirements should be addressed in the timber sale logging plan.

E. Accountability and Control. Movement of forest products requires specific accountability procedures for estimated volume sales. These procedures are established by the BIA and the Officer in Charge must make certain that the procedures are in place to fully account for all products to be removed from a sale. Forest products accountability must maintain ownership identity from the time they are severed from the stump until the volume or weight is correctly scaled and recorded for the originating ownership. Accountability is obtained when the wood is either scaled on-site or when the forest products are scaled off of the sale area in accordance with approved procedures.

The Officer in Charge of a sale has authority through the contract standard provisions (Part B7.2) to designate the point at which products shall be presented for scaling. Products shall not be moved from the designated scaling point until they have been scaled, stamped, numbered, or otherwise released by the Officer in Charge.

The Officer in Charge shall require that each load be marked or branded in accordance with the logging plan. If a load contains logs of mixed ownership, on multiple ownership sales, each log must be marked or branded to indicate ownership.

All loads of un-scaled raw forest products under transport from Indian trust land must have a load ticket (also called woods receipt or truck ticket) attached. See Illustration 24. There are different configurations for the load tickets. Three or four-part load tickets are the most common configuration used, but two-part load tickets are also used infrequently. See Illustration 25 for Load/Truck Ticket Procedures. Each ticket book contains preprinted tickets consecutively numbered and stapled together. A cover may be added to the book, which should list the logger, issuing office and telephone number, book ticket numbers, sale name, logging unit, purchaser, and date issued.

Each Region will develop their own load tickets to be used and the procedures for utilizing these tickets.

Tickets, sample scale pull-tab sheets, and other forms used to monitor and assure load tracking are accountable items. A written record should be maintained of who receives the accountable items, the contract name and/or number, the tracking numbers on the issued items, and date of issue. All accountable items must be returned before sale closure, and the used portions will be maintained as part of the sale record.

F. Third Party Scale. Use of independent third party scalers (i.e., scaling bureau, U.S. Forest Service, state scalers) is acceptable if procedures are in place to verify their results and approval has been provided to the purchaser. The scaling method must ensure protection of Indian trust and government interests. The purchaser must submit a written request when scaling is to be performed by someone other than a Bureau of Indian Affairs scaler or his representative. Minimum requirements for adequate control are determined by the Bureau and a code system should be established for properly identifying products moved from a sale tract before being scaled. The code may consist of a letter or letters abbreviating the reservation, with a number identifying the particular site. The forest officer in charge can also require the permit or contract number to be painted on loads before moving any forest products from the sale area.

(1). Consumer Scale. Scale of forests products by the receiving mill that is normally limited to the sale of cordwood and other fiber products scaled by weight. Consumer scale is a privilege and not a right owed to the purchaser. This type of scale also normally applies only to mills/manufacturers that purchase their raw material from independent contractors, and whose scales are subject to periodic examination by a state bonded or licensed inspector. Consumer scale of forest products measured in units other than weight is not recommended. **Consumer scale of sawlogs should not be permitted.** Procedures and forms for implementing consumer scale will be established by the Regional offices as appropriate.

A timber sale purchaser must make a written request to the sale Approving Official and receive approval before proceeding with the consumer scale process. A Consumer Scale Authorization (Sample -

Illustration 26) must be approved prior to implementation of consumer scale. The authorization must specify the conversion factor in pounds per unit of the volume that the manufacturer will use. The past performance of the purchaser and the consuming mills should be evaluated and any history of contract default, scale compliance and truck ticket problems, or payment problems may warrant declination of the consumer scale request.

Periodic checks will be carried out by the officer in charge to ensure scale ticket accountability, and that weight scales used have been certified by a responsible agency or authority. A list of consumers having certified weight scales should be kept at the agency or tribal office.

(a). Consumer Eligibility. When consumer scale is authorized, a Third Party Scaling Agreement (Sample - Illustration 27) must be obtained from the consuming mill. Through this document, they agree to provide legible records of each scaling transaction and allow periodic reviews of pertinent scale records by Bureau or tribal personnel at reasonable intervals or for specific cause. When the timber sale purchaser is also the consumer/mill, an Addendum to the Consumer Scale Authorization (Sample - Illustration 28) must be approved. The addendum requires that an independent producer must cut and skid the timber to be scaled and that the basis for payment between the two parties will be by volume.

(b). Procedures. General procedures for processing authorizations and agreements for the consumer to scale Indian trust forest products are:

- i. The purchaser requests consumer or third party scale from the Bureau of Indian Affairs.
- ii. The forest officer in charge investigates the consumer and recommends to the Approving Officer whether or not the consumer should act as a scaling agent. If the recommendation is favorable, the Approving Officer enters into a signed agreement for the consumer to scale Indian forest products using a "Third Party Scaling Agreement".

(2). Scaling Organizations. These organizations are usually independent Scaling Bureaus. They have their own standards for certification and also conduct their own check scale of employees; however, the BIA must also conduct periodic check scale of the scaling bureau scalers. Third Party Scaling Agreements between the BIA/Tribe and scaling organizations detail responsibilities and corrective actions, with the final decision by the Approving Officer when unsatisfactory performance occurs. Periodic checks will be carried out by the officer in charge to insure scale ticket accountability and the accuracy of the scaling.

Scaling organizations normally scale logs at designated scaling sites and apply all appropriate scaling rules for an accurate determination of volume removed from a sale area. They provide an unbiased volume, not influenced by unique mill specifications or limitations. Scaling organizations provide professional third party scaling services for landowners, mills, and timber purchasers.

The authority to use a scaling organization for payment purposes is held by the Approving Officer. Most Agencies within the Bureau of Indian Affairs develop their own agreement and requirements specific to their needs. The Agreements are usually lengthy and define all of the responsibilities of the scaling organization as it relates to trust timber sales. Timber purchasers usually pay for the services of the scaling organizations.

(a). Eligibility Requirements. Each scaling organization must have a Third Party Scaling Agreement approved by their organization and the Approving officer before trust forest products can be scaled. The Agreements specify the appropriate scale rules to be used in scaling trust forest products and the reporting requirements.

(b). Procedures. Purchasers must insure that all forest products are marked to identify the sale and ownership and that each load is accompanied by a ticket from the sale area to the scaling station. A portion of the ticket must be presented to the scaling organization. Scaling organization must comply with established marking, load accountability, and reporting procedures.

G. Sample Scale. The Region will determine the standards for scaling forest products. Forest products are normally 100% scaled; however, a sample scale may be employed if it meets established guidelines for accuracy.

Sample scaling can be sound and more economical than 100 percent scaling. This method is most applicable in large sales of small, low-valued material where the cost of measuring every unit is excessive. If truckloads of logs are being scaled, then load volume or value will be the sampling unit. Load variability, total sale volume, and acceptable sampling error all influence sample frequency, but total sale volume usually has the most influence. That is, small sales will have to be sampled more heavily than large sales.

(1). Acceptable Sampling Error. Sampling error is the tolerance of sampling in percent, and is the difference between a sample estimate of total sale volume (or value) and the volume (or value) that would result from 100 percent scaling, divided by the estimated total volume (or value). As a rule, sampling error should not exceed + or - 2%.

(2). Coefficient of variation. (CV) is a measure of sample variability and is the ratio of standard deviation to the mean, expressed as a percent.

(3). Number of Samples Required for the Sale. The number of sample loads, n, required for a given sale is calculated by the following formula:

**Formula No. 1**

$$n = \frac{t^2 x CV^2}{E^2 + \frac{t^2 x CV^2}{N}}$$

**Where:**

t = 2 (2 standard deviations – represents a 95% confidence level).

N = Total number of loads in the sale. This may be approximated by dividing the estimated total sale volume by the average net volume per load.

E = 2 (Acceptable sampling error) Normally 2 percent.

CV = Coefficient of Variation. Derived from the following formula:

**Formula No. 2**

$$CV = \frac{SD}{x} x 100$$

**Where:**

$\bar{x}$  = mean load volume or value

SD = Standard Deviation.

Standard Deviation is a function on many calculators and spreadsheet programs, but can be derived by the following formula:

**Formula No. 3**

$$SD = \sqrt{\frac{\sum x^2 - \frac{(\sum x)^2}{n}}{n-1}}$$

**Where:**

n = the number of loads in the sample.

x = the volume or value of each sample.

In practice, sample frequencies are computed based on the first 25 or more sample loads and should be re-computed at least quarterly. An initial sample frequency is determined by the sale officer or scaling supervisor. He/she should consider past sale records, expected log truck capabilities, and sale volume. It is better to over-sample rather than under sample during this phase of scaling.

When the first 25-30 sample loads have been scaled use Formula No. 1 to find the number of samples required for the entire sale. The sample frequency is simply N/n and can be stated as 1 in N/n. If the sale was over or under sampled during the initial sampling, then an adjustment based on the number of samples over or under can be made. The total number of samples during the life of the sale is the important parameter.

H. Waste/Pickup and Penalty Scale. Besides the normal measurement of forest products presented for scale, there are other types of scale to measure waste and determine penalties. These scaling procedures are established by each Region. The gross proceeds associated with waste/pickup and penalty scales are subject to forest management deductions.

(1). Waste/Pickup Scale. Merchantable material as specified in an authorized timber sale which has not been scaled but for which the owners are entitled to compensation. Waste material includes all contracted material, including any standing uncut material that was designated for harvest. This is for the recovery of actual stumpage value, unless it is determined that the lack of removal of the designated material will result in damage to the resource and additional charges are justified under terms of the timber contract. The Officer in Charge will designate, by logging unit, the procedure to be used for scaling or measuring all waste material encountered.

The entire logging unit will be examined, unless other methods are approved by the Approving Officer. The cutover areas and landings must be checked very carefully for missed trees/logs, large tops, merchantable chunks, unauthorized long-butts and commercial forest products damaged in the operation. Waste/pickup scale should progress with the harvest operations to keep the purchaser aware of problems

and to assess the appropriate stumpage rate in effect at the time the waste occurred. The volume and value of the waste/pickup scale should be reported to the purchaser.

Actual species/product volumes are recorded (single) and the assessed rate (to include any penalty rate) is applied to determine the total value, which is reported in the Value column for the Scale Report and Report of Timber Cut.

(2). Penalty Scale. The additional charge for actions contrary to the timber contract and/or for the failure of the purchaser or his representative to comply with the directives of the Officer in Charge. The assessment of a penalty scale is meant to penalize the purchaser and stop or deter undesirable practices. Penalty scale can include unauthorized cutting of timber, damage to reserve stands, or unauthorized movement of forest products.

Actual species/product volumes are recorded (single) and the assessed rate (to include the penalty rate) is applied to determine the total value, which is reported in the Value column for the Scale Report and Report of Timber Cut.

(a). Unauthorized cutting and damage to reserved trees. Timber not designated for cutting which is cut or seriously injured through carelessness or negligence. This also includes the unauthorized cutting or damage of reserve timber by a Purchaser or his representative from Indian trust land outside the boundaries of an approved timber sale if the ownership is the same as on the logging unit. The Purchaser may be required to pay at double the contract stumpage rates for merchantable timber not designated for cutting, but which is cut or seriously injured through carelessness or negligence. (Standard Provisions Part B7.5).

(b). Unauthorized Movement of Products. Products moved contrary to the instructions of the Officer in Charge shall be paid for by the Purchaser at double the contract stumpage rates. (Section B7.2 of Timber Sale Contract Part B Standard Provisions).

I. Actual and Liquidated Damages. Damages are defined as the net reduction in dollar value of the trust resource. These are monetary damages for which the Purchaser or his representative is responsible for paying.

Although some damage is normal and accepted in a timber harvest operation, the Officer in Charge is responsible for determining whether the damage is severe enough to warrant a penalty for the value of the resource loss or for the cost of repair, rehabilitation, or suppression. The damages shall be documented and written notice shall be provided to the Purchaser. This record will include detail of the damage, the monetary value assigned, the method used in the calculation, and whatever action is required of the purchaser. The Regional Forester should assist in the assignment of values and provide standard damage valuation and techniques to be used.

When the damages have been determined and fully explained in a report by the Approving Officer, the volume and value of the depreciated timber are recorded separately on scale reports in the usual manner, except that the volume is not added to the cumulative volume from the preceding scale report. The value, but not the volume, is recorded in the Timber Money Record Book in the same manner that estimated volume timber sales are recorded, with the appropriate type of damage shown in the remarks column. The value is charged to the purchaser's advance deposit payments. When the depreciated value of timber for each scaling unit is not known, distribution of these payments is apportioned to each scaling unit that had depreciated timber by using the percentage that the volume of timber for each scaling unit bears to the total volume of timber for the sale area.

Reimbursable costs and expenses, in addition to the depreciation in timber value, incurred by the Government are not recorded as a "Depreciated Timber" value.

Damages fall into two categories – actual damages and liquidated damages.

(1). Actual damages. Damages, which have been properly determined, may be charged against the purchaser if he fails to satisfactorily complete all obligations under the contract. **Actual damages are not subject to forest management deductions.**

Actual damages include costs and expenses of the Seller or the Government to complete the requirements of the contract and the depreciation in the value of remaining timber.

Measurable damages to cover the cost of repair/rehabilitation/suppression are usually not paid to the landowners or reported on Scale Reports or Reports of Timber Cut, but are used by the BIA to cover the cost of repair/rehabilitation/suppression. Payment for damages that cannot be repaired will be paid to the landowners. Actual damages may include but are not limited to the following:

- (a). Costs for the suppression of Purchaser-neglect fires. (Standard Provisions Part B11.411)
- (b). Damage from Purchaser-operations fires. (Standard Provisions Part B11.5)
- (c). Damage to telephone lines, fences, roads, trails and other existing improvements. (Standard Provisions Part B12.1)
- (d). Damage to land or other property that cannot be repaired or rehabilitated. (Standard Provisions Part B12.2)

(2). Liquidated Damages. Amounts charged for breach of contract requirements and are usually agreed upon in advance by the parties to the timber sale. They are also set forth in advertisements for the sale of timber when the bidder agrees he will forfeit his deposit with bid if he does not execute a contract after the sale is awarded to him. Another instance of liquidated damages is where a purchaser does not complete the sale within the original sale period, requests a contract extension, and pays liquidated damages to compensate the owners for delays in payment.

Liquidated damages are in addition to stumpage values and for which the actual loss would be difficult to determine. Liquidated damages are collected to compensate the landowner for a loss in value and are subject to forest management deductions. Volume is not reported in association with these damages (the number of stumps may be reported), but value is usually reported as "Liquidated Damages" on the Scale Reports and Reports of Timber Cut and in the Timber Money Record Book. Liquidated damages may include but are not limited to:

- (a). Fails to execute contract after sale award.
- (b). High Stumps. (Standard Provisions Part B5.1)
- (c). Deterioration in the value of deficient volume under the minimum cutting requirements (in addition to stumpage value). (Standard Provisions Part B6.12)
- (d). Delay or loss of growth in the residual stand. (Standard Provisions Part B6.12)
- (e). Delay in establishing a new stand. (Standard Provisions Part B6.12)

(f). Delay in receipt of planned income. (Standard Provisions Part B6.12)

J. Records. The scaling record and the record of timber money shall be maintained either as set forth in Section 6.2 of this volume, or as prescribed or approved by the Regional Director.

K. Scaler Qualifications and Certification. Scalers must be familiar with scaling procedures through their education and experience. Each Region should have minimum standards for log scaler and check scaler training, continuing education, and certification in order to insure uniform and accurate volume determination.

New employees should be oriented by experienced personnel to demonstrate proper procedures before scaling for payment. Scalers must attend training courses or workshops on scaling and grading to enhance and refine their skills. All log scalers who scale Indian forest products must be capable of passing the check scale requirements of the BIA. Sample Regional Scaler Qualifications and Certification Standards are contained in Illustration 29 and offer sound procedures for any jurisdiction to assure their log scaling procedures and staff abilities meet minimum standards; however, the Regional Forester may adopt standards more appropriate to the product types and values of forest products harvested within their jurisdiction.

L. Check Scale. The purpose of a check scale is to ensure accurate and uniform scale of forest products harvested from Indian trust lands. Systematic check scales that meet established standards will help ensure that Indian owners are properly compensated for their timber resource. Check scales are used to evaluate both individual and organizational scaling performance, and to determine future training needs.

(1). Variance. The acceptable scaler's variance from the check scaler's volume on gross scale is plus or minus 1%, unless otherwise justified by the excessive incidence of unique defects caused by fire, etc. A variance of from 2% to 5% is acceptable on net scale volumes. The actual allowable variance for net volumes is provided in the following table.

Check scaler's % defect	Scaler's allowable variance
0 – 10%	2%
Over 10%	.2 x % defect to a maximum of 5%

Regional Offices may supplement these standards to allow for difficult or differing scaling situations, such as, very small timber. Check scales include all procedures used for verifying accuracy of timber products measurement. The objective is to scale a minimum of five (5) percent of total production volume scaled through a mixture of announced and unannounced check scales. A check scale report should be prepared that includes a narrative description of the procedures used. Reports on check scales will be prepared as instructed by the Regional Forester.

In addition, other accuracy standards may be implemented for species identification, log quality/grade, special product identification, and ownership identification. Standards may also be developed for minor forest products, truck weight scale, and truck sample weight/log scale.

A check must also verify the accuracy of the final output data when data recorders and computer programs are used to record and compile scale.

(2). Check Scale Performance. Each Region must develop their check scale policies and procedures. For this section of the handbook, the following example of one Region's performance rating system is provided for consideration.

The Scaler's performance may be reported as Acceptable, Conditionally Acceptable, or Unacceptable. An acceptable scale meets the standard for allowable variance as described above. A conditionally acceptable scale meets the net standard only, or meets the gross and net standards because of unacceptable compensating errors. An unacceptable check scale fails to meet the net standard. Including other standards in rating scaling performance may make these rating levels more difficult to determine.

Two unacceptable check scales in succession may be cause to relieve a scaler from scaling duties or revoke certification. Qualified, Advanced, and Senior Scalers should demonstrate their scaling ability by passing at least one check scale per year at the acceptable level.

(a). Bureau and Tribal Scalers. Scalers should be certified, if possible, before scaling timber for payment. If the area has a check scaler, arrangements should be made for the check scaler to provide quality control checks.

(b). Third Party Scalers. They have their own standards for certification and also conduct their own check scale of employees; however, the BIA must also conduct periodic check scale of the scaling bureau scalers. Agreements between the BIA/Tribe and scaling organizations detail responsibilities and corrective actions, with the final decision by the Approving Officer when unsatisfactory performance occurs. Periodic checks will be carried out by the officer in charge to insure scale ticket accountability and the accuracy of the scaling.

#### 5.6. **Fire Prevention and Preparedness.**

A. Purchaser Responsibility. The general responsibility of the purchaser is the preparedness for and suppression of wildfires as stated in Part B of the timber contract. Special provisions for specific conditions or actions are to be included in Part A of the timber contract.

B. Prevention and Preparedness. The purchaser will exercise standards of prevention and preparedness and may be required to develop standards as part of the Logging Plan, as stated in writing by the Officer in Charge under terms of the timber contract. Standards may include, but are not limited to:

- (1). Rules for personnel activity and conduct.
- (2). Requirements for communications.
- (3). Requirements for fire tools and equipment.
- (4). Requirements for an organization for fire fighting.
- (5). Procedures for suspension of operations in critical fire danger periods.
- (6). Procedures for control and use of purchaser's personnel and equipment.
- (7). Procedures for inspection and compliance with prevention and preparedness measures.

C. Suppression. The purchaser is obligated to suppress all fires occurring on the logging unit or caused by purchaser operations. The purchaser may also be required to provide workers and equipment for fire suppression outside the sale area, when required by the Officer in Charge. Employees and subcontractors of the purchaser will work directly under forest officers as required. The purchaser ordinarily will not be called upon for fire suppression work on fires outside or not threatening the sale unit. Reasonable effort will be made to minimize interruption of the purchaser's operation.

D. Additional Assistance. The purchaser may be required to provide lookouts, patrollers, smoke chasers, equipment, or other direct assistance to supplement the overall reservation fire control effort, in accordance with Parts A and B of the timber contract or by cooperative agreements with the Approving Officer.

E. Fire Suppression Cost. Determination of responsibilities for fire suppression costs depends on careful identification of fire cause and origin. Liability for purchaser suppression cost will be established as soon as practicable (Timber Contract Part B11.4).

F. Fire Category. Each fire must be categorized as a Purchaser-Neglect Fire, Purchaser-Operations Fire, or a Non-purchaser Fire. Where the category is uncertain and may require investigation, the matter will be referred promptly to the Regional Director. The purchaser shall be given written notice of the fire category.

5.7. **Road Construction and Maintenance.** The Officer in Charge will be familiar with the contract requirements regarding road construction and maintenance and must monitor and enforce compliance.

5.8. **General Administrative Actions.**

A. Disputes and Appeals. Refer to Timber Contract Parts B 2.10 and B2.11 and 25 CFR Part 2. Disputes should be settled by the procedures provided in the timber contract, if possible. Careful adherence to those procedures will increase the chance that the dispute may be settled without recourse to appeal. Not all disputes can be appealed and each level of authority handling a dispute should consider this in their action and recommendation to the higher level. When a matter proceeds to appeal, or any party to the timber contract has appeal rights, they must be given notice of the right to appeal and must be furnished appeal notices (see Illustration 30) and provided with basic advice on how to proceed with the appeal. The appropriate solicitor should be advised as early in the dispute process as possible to obtain guidance and assistance. This guidance may help keep the dispute from escalating into an appeal situation.

B. Suspension of Operations.

(1). Conditions. Suspension is an authority given to the Superintendent (Timber Contract Part B2.6). Action to suspend should not normally occur until after administrative processes, including warnings, have been unsuccessful. Immediate suspension should occur where circumstances warrant prompt mitigation of damages; for example, when the required advance payments or deposits have not been received, or if resource damage is excessive and immediate.

(2). Procedure. Oral or written notice, given by a forest officer, due to circumstances present and/or emergency conditions, will be reduced to a written notice of suspension by the Superintendent. The suspension notice will set forth in writing the reasons for the suspension and the conditions the purchaser must meet before the suspended operations may be resumed. The Superintendent may request assistance from the Regional Forester in determining cause or need for suspension. The Regional Director may direct the Superintendent to suspend all or part of the Purchaser's operation.

(3). Resumption of Operations. Authorization for the purchaser to resume suspended operations shall be in writing from the Superintendent. The Superintendent may authorize the Officer in Charge to verbally approve the resumption of operations to be followed by the written notification. It will accurately describe how the purchaser corrected the problem which caused the suspension. Whenever suspension is imposed the Regional Director, resumption of operations must be authorized by the Regional Director.

C. Relief from Cutting Requirements. The cutting schedule of the timber contract is based on the volume designated for cutting (Timber Contract Part A).

During the cutting period of the timber contract, requests may be initiated by the purchaser for relief from cutting requirements. Procedures for granting such relief have been provided in the timber contract (Timber Contract Part B6.0). Relief from the minimum cutting requirements in the final year of the cutting period for all designated timber will usually be handled as a modification of the contract.

D. Contract Modification. The conditions of sale, as set forth in the contract, may be modified only through a written agreement between the seller and the purchaser prior to the expiration of the contract (Timber Contract Part B2.3).

(1). Elements of Modification Document. The modification document (Illustration 31) should contain the following basic elements:

- (a). A preamble giving the contract name and number, previous modification or assignments of contract if any, the name of the approving officer, the date approved, and the name of the purchaser.
- (b). Whether the purchaser or the seller proposed the contract modification.
- (c). The purpose of the modification, and assurance that it is in the best interest of the tribe and/or allotment owners.
- (d). The terms of the modification.
- (e). A statement declaring that all other provisions of the contract are still in effect.
- (f). The effective date of the modification.

(2). Modification Execution and Approval. The same authorization is required from the buyer, seller(s) and approving official to execute the modification as on the original timber contract. This includes a separate acknowledgment of the surety, if appropriate. A tribal resolution or other authorized tribal approval must be obtained for modifications involving tribal timber.

(3). Extension of Time. An extension of time for the performance of the contract is a modification of contract. An extension presents the opportunity to review and modify the terms of the contract if needed.

- (a). Time Frames. Contract extensions for sales of estimated volumes may be granted as long as the total length of time from the effective date of the contract (including extensions) does not exceed five years (25 CFR 163.24).
- (b). Justification. Determine whether the condition that made an extension necessary was beyond the purchaser's control. If not, liquidated damages may apply.
- (c). Liquidated Damages. Damages can be assessed for lost growth resulting from the delay in applying silvicultural treatment or from the hardship resulting from a delay in the receipt of planned income. Liquidated damages are subject to forest management deductions.

E. Assignment of Interest. An assignment (Illustration 32) is a transfer of all or portions of the interest and responsibility in a timber contract from one party to another (Timber Contract Part B2.4). The Regional Forester shall be consulted and shall provide technical assistance throughout the assignment process.

(1). Factors to consider will include but are not limited to the following:

- (a). Protection of seller's interest.
- (b). Consultation with the appropriate solicitor.
- (c). Identification of assignor's interests and responsibilities.
- (d). Identification of assignee's interests and responsibilities.
- (e). Maintenance of surety.
- (f). Release of liability.
- (g). Effective date of transfer.

(2). Execution of Assignment. Execution of an assignment is similar to that of a contract modification, incorporating signatures of the assignor and assignee. When provisions of the contract are changed at the time of transfer, a contract modification, which may be incorporated into the assignment, is required. A tribal resolution or other authorized tribal approval must be obtained in contracts for tribal timber. Also, care must be taken to insure that the assignment does not weaken the provisions of the contract.

F. Review of Stumpage Rates.

(1). Evidence to Support Rate Adjustment Request. Request for adjustment of stumpage rates provided by terms of the timber contract (Timber Contract Part A 9(e)) shall include specific written evidence in support of the request.

(2). Implementation of Rate Adjustments. Upon decision by the Approving Officer to review stumpage rates, a detailed report will be prepared which includes, but is not limited to, the following points:

- (a). The bid ratio(s) established at bid opening by purchaser are to be maintained.
- (b). Assurance that the highest return is obtained consistent with the conditions under which the timber was sold and with consideration of the changes.
- (c). The review method does not have the purpose of assuring the purchaser a specific profit.
- (d). Any variation from the appraisal method and factors used in the Forest Officer's Report must be substantiated in the review.
- (e). Review is based on the total sale as though no sale activity transpired.
- (f). The review will state the dollar amount of stumpage rate change(s).
- (g). The Approving Officer should implement indicated stumpage rate changes.

G. Contract Revocation.

(1). Basis for Revocation. Revocation of the timber contract follows a decision by the Approving Officer that the purchaser has failed to complete or has breached the timber contract. When breach has occurred and need for revocation is clearly evident, initiation of the process should not be delayed.

(2). Written Notice to Purchaser. The process is initiated by written notice to the purchaser describing the breach or the failure to perform. It further stipulates that all rights of the purchaser under the contract are revoked and that the purchaser shall be liable for such damages as may be determined. The Regional Forester and appropriate solicitor shall be consulted for assistance in the preparation of the formal notice to the purchaser, preparation of a claim against the purchaser and the surety who provided a guarantee of performance under the contract, and for subsequent action concerning the timber.

(3). Purchaser Right to Appeal. The purchaser must also be notified of the right to appeal and be provided with the appeal regulations in 25 CFR Part 2 – Appeals from Administrative Actions.

(4). Establishment of Damages and Preparation of Claim Against Purchaser. The procedures used to calculate damages must be clearly documented and preserved for the record. Usually the timber should be advertised for sale to establish damages and/or to protect the interests of the Indian owners.

H. Consultations. Bureau Representatives shall maintain businesslike relations with the purchaser and the seller(s) in administering timber sales. The Forest Officer must insure that he/she never agrees to a verbal “Modification of Contract,” which is not legally binding. See Section 5.8D of this handbook for contract modification guidelines.

I. Indian Labor. If the tribe has an approved Tribal Employment Rights Ordinance (TERO), then the contract should include a Special Provision that states that the purchaser must provide the Approving Officer with a signed copy of their TERO Agreement. If there is no TERO in existence, the Approving Officer will provide for routine inquiry and recording of information about Indian employment to maintain purchaser compliance with Part B13.6 of the contract. Specific reports may be made in support of positive actions taken to accrue employment and business opportunities to Indians. In addition to Part B13.6 of the contract, guides are Public Law 88-352, Title VII, Section 703(i) and tribal actions.

J. Rights-of-Way.

(1). Un-allotted Trust Lands. The timber contract provides the purchaser access across un-allotted trust lands both within and outside the logging unit. This access is allowed as necessary for logging operations under the timber contract, subject to regulation by the Bureau.

(2). Allotted Lands Under Power of Attorney. When the power of attorney for sale of allotment timber is obtained, similar access is granted for allotted lands within the logging unit and over other allotted lands outside the logging unit in which the allottee has an interest; provided, such right is limited to the operations of the logging unit for which the power of attorney is granted. In exercising the right-of-way outside the logging unit, the same care in the location, standards, and payment will be applied as for the lands within the logging unit.

(3). Allotted Lands Not Under Power of Attorney. Consent of the allottee must be obtained for roads and improvements on allotted lands not covered by the timber contract and the power of attorney.

(4). Long-Term of Permanent Rights-of-Way. Revocable permits may only be used when a short period of use is required. Where the transportation facilities are desired for long-term or permanent use, rights-of-way are obtained under 25 CFR 169.

K. Financial Statements.

(1). Statements Required of Purchasers. The financial statements required of purchasers include a balance sheet, income statement, and detailed statement of operating costs (Timber Contract Part B13.7 & B13.8).

The purchasers may use their own format if the necessary information is provided. Examples of desired format may be given to the purchaser. Bureau officials shall exercise judgment in preparing timber contracts to provide for modification or formal release of the requirement for financial statements when they would be of small value or reliability. In applying Timber Contract Part B13.7, the Approving Officer may require:

- (a). Certified financial statements from purchasers, when it is company policy to prepare certified statements or when it is a requirement imposed by the Securities and Exchange Commission.
- (b). Certified financial statements from a company's operating division or subsidiary if it is company policy to certify financial statements by division or subsidiary.
- (c). Financial statement submitted by a purchaser to include a statement from the purchaser or other management official attesting to the validity and accuracy of the data presented.
- (d). Notwithstanding the above, the Bureau may, at its discretion, require certified financial statements from a purchaser, including its divisions or subsidiaries, when it is not the purchaser's normal policy to certify such statements and if there is reasonable doubt regarding the validity of the purchaser's financial system and/or data.

NOTE: All Financial Statements required from the purchaser are confidential and should not be shared outside the required offices.

(2). Time Frame for Submittal. The statements should be submitted to the Approving Officer within a specified period following the end of the purchaser's fiscal year.

L. Contract Closure.

(1). Statement of Completion of Timber Contract (BIA-5319a) and Summary of Operations (BIA-5319b). Upon determination that the timber sale is completed, the Statement of Completion of Timber Contract and the Summary of Operations are prepared. Illustration reference for both forms will be provided under Chapter 6 (Sale Records). When a master contract or more than one ownership is involved, a Statement of Completion is prepared for each ownership and a Statement of Completion and Summary of Operations are prepared for the total of all ownerships. These reports are distributed as directed by the Approving Officer. Certification signatures shall be as provided on the forms.

(2). Purchaser Notification. After concurrence with the Statement of Completion and Summary of Operations, the Approving Officer will notify the purchaser(s) in writing that they are relieved of any further liability under the timber contract. The letter to the purchaser shall include the following language (use words in parenthesis as appropriate):

*"You are hereby notified that the Approving Officer of the \_\_\_\_\_ Logging Unit, Timber Contract No \_\_\_\_\_ has relieved you (and your surety) of any further liability under the timber contract arising after \_\_\_\_\_. (A copy of this letter of notice is enclosed for you to forward to your Surety.) (A) (Two) copy(ies) of the Statement of Completion of Timber Contract and Summary of Operations (is) (are) enclosed for your records (and that of your surety).*

(3). Disposition of Un-obligated Deposits. The letter to the purchaser shall also include suitable language concerning disposition of any un-obligated advance deposits, other deposits, and bonds.

**CHAPTER 6 - SALE RECORDS**

6.1. **Objectives.** This Sale Records Chapter of the Contract Sales of Forest Products Volume combines and replaces Timber Sale Records Handbook, Supplement 1 to 53 IAM, Release 53-18, April 21, 1966; 53 BIAM; and any revisions to both documents.

The Bureau needs to document the sales of forest products, timber contract award, and approval; the volumes and values of designated, harvested, and damaged timber; the assessment of special charges or penalties; purchaser payments; money transfers between accounts; money disbursements; and contract completion and closure.

The purpose of this chapter is:

- A. To provide instruction and guidelines for appropriate accountability of timber revenue and volumes reported as required by law and the form of contract. This chapter interrelates with numerous other chapters contained in the Contract Sales of Forest Products Volume and the BIA Forestry Collections and Distribution Handbook.
- B. To provide a work tool to guide users regarding scale and fiscal record requirements.
- C. To identify those items which must be monitored and properly accounted for, and explain this need.
- D. To include sample methods which have been tested and proven effective and useful. These samples may include more information than is mandatory.

**6.2 General Timber Sale Accounts Information.**

A. **Authority.** Current law allows timber monies and volume determination to be processed in various ways. All of these require a Bureau of Indian Affairs (BIA) line official's approval signature. In the business of timber sales and contract language, the BIA line official is the Approving Officer, usually delegated to the Superintendent. The primary authorizing documents describing what procedures must be used are statute, regulation, timber contracts, timber allocation agreements, and direct payment agreements. When an exception to these legal documents is authorized by the Approving Officer, those documents become a necessary addition to the Timber Sale Records to be maintained.

B. **Special Authorities.** Special authority exists allowing direct payments of stumpage to tribes for timber harvested from tribal ownership by purchasers. Guidance on that subject is contained in this volume under Direct Payment of Stumpage. Even under direct payment, the BIA line official is responsible to ensure that all collections and disbursements are made correctly, and that the required forestry Scale Records and Money Records are maintained. In addition, the collection of forest management deductions remains with the Secretary and forest management deductions cannot be retained by the tribes. Stumpage cannot be directly paid to allotment owners except to a sole beneficial owner who has obtained an approved Special Allotment Timber Harvest Permit (SATHP). Much of the following discussion on accountability is applicable to Direct Payment Agreements and work being conducted by Compact and Contract Tribes on behalf of the Bureau of Indian Affairs. The details of how accountability is maintained may differ for those tribes.

C. **BIA Forestry Collections and Distribution Handbook (C & D Handbook).** All timber sale staff should be familiar with the C & D Handbook as a source of information instrumental to sale administration. It thoroughly discusses the various kinds of timber contract monies that are collected and disbursed. It provides information about the Office of Trust Funds Management (OTFM) and Division of Accounting Management (DAM) forms and procedures required to collect, transfer, and disburse both trust and non-trust funds.

D. **Other Log Scale and Money Records.** There are many Log Scale and Money Record computerized systems

currently in use. Local and National agencies may be contacted to determine what systems they have developed and are using. Those with similar land ownership patterns may have accountability systems established, available and documented.

**6.3 Timber Sale Records.** The following section identifies records and documents, which are typically developed during the timber sale administration process. Proper forestry timber sale administration files and accountability requirements will be met if these records are appropriately prepared and retained. The Approving Officer is responsible for these records.

Management of the file folders and records created for each sale should be designed to provide easy access to needed data. Typically, timber sale records are held in a number of locations, which causes records management to be more difficult. Work may begin in a pre-sale department. Those files include initial work on all phases of valuation and contract design. Some of the key items, which may relate directly to the log scale and money records, are ownership reports from the Branch of Title and Records, calculation of minimum bid deposits, stumpage rates, and fee's to be collected.

When the sale is sold, the primary sale folder may shift to the timber sale administration section. At this stage, many of the documents (which relate to log scale and money records) will be generated by this section. The Land, Title, and Records Office (LTRO) is continually involved by providing ownership title status reports and by recording the contract on the land records. All of the contract money requirements initiate actions for accountability, which are passed to the forestry accounting person.

The forestry accounting person or department works with the LTRO for ownership heir lists and with the Office of Trust Funds Management (OTFM) and the Division of Accounting Management (DAM) for collecting, transferring, and disbursing funds. OTFM processes trust funds and DAM processes the non-trust funds.

Final actions, following sale completion, may require records management and coordination with other sections to track annual allowable cut volumes, forest development, and other special projects funded by contract monies.

Forms used in recording information are listed below. Many of the forms were approved for use over thirty years ago and have not been officially changed since then. Most regions and agencies use their local computers to enter required data on electronic versions of the forms. Use of the electronic versions is acceptable, if the same information is recorded.

A. Forms for Recording and Reporting Volume and Value.

(1). Scale Sheet (Form 5-928C). Illustration 33 is used to record log volumes at the time of scaling. It can also be used for cordwood or other non-log forest products. Data recording devices are replacing the use of scale sheets to record scale volumes. By downloading scale from data recorders to computers, scalers are able to sort, summarize, and produce reports more efficiently and accurately. Third party scaling organizations have gone almost exclusively to data recording devices to record and report scale.

(2). Scale Sheet Summary (Form 5-928). Illustration 34 is the intermediate record between the scale sheet and the scale report. It is used to accumulate data from several scale sheets. Each scaler prepares one summary for each active scaling unit for each reporting period. The person who prepares the scale reports will combine summaries for the same scaling units. Again, data recorders and computer software programs make the preparation of this form easier – if this report is even used.

(3). Scale Report (Form 5-473). Illustration 35. Instructions for completing the Scale Report form are contained in Illustration 36. This report is prepared to show the volume and value of timber charged to the purchaser for the scaling period during which forest products were scaled. It is specific to species, product,

price, and value; and carries over the total data from the previous report. It is prepared for a specific scaling unit or allotment. A scale report is required only when forest products are scaled during a reporting period. Three copies of the form, which can be electronically generated, are provided to the Officer in Charge for approval. One copy is maintained in the contract file at the office with administrative responsibility for the contract. One copy is provided to the purchaser and the final copy is returned to the office of origination.

When audits reveal an error in a previous scale report, the correction cannot be made on the previously approved scale report unless it was the final scale report for the scaling unit. Trying to correct a previous report will require corrections on every subsequent scale report for the scaling unit and every Report of Timber Cut (Form 5-486). Since the Reports of Timber Cut would have already been provided to the purchaser, any corrected reports for the same periods would cause confusion. Corrections should occur on the next scale report prepared after the audit, adjusting the volumes and values as necessary.

For predetermined volume sales, the Scale Report is prepared for each scaling unit when payment is received. Add "Predetermined Volume" to the heading of the form after "Scale Report." When additional timber is cut, the term "additional timber" should also be noted on the report. The date that payment is received for the predetermined volume or the date that additional forest products are scaled is recorded on the line "Period to," instead of the beginning and ending dates. In the event more than one Scale Report is submitted, the date shown on the "Period to" on the preceding report is shown on the "Period from" on the current report.

(4). Transmittal and Reporting Sheet (Form 5-473a). Illustration 22. The instructions for completing the form are also contained in Illustration 22. This form is prepared at the end of each reporting period and summarizes all Scale Reports or Scale Sheet Summaries for the scaling period for a contract. It is used to help prepare the Report of Timber Cut. This form is usually not used on contracts with single ownership, for contracts with very little scaling activity, or for predetermined volume sales. However, the reverse side of the form may be used by the Officer in Charge on predetermined volume sales to indicate the status of contractual obligations after all cutting operations have been completed. **Use of this form is not mandatory where it would be a duplication of effort.**

(5). Report of Timber Cut (Form 5-486). Illustration 37. Instructions for completing the Report of Timber Cut form are contained in Illustration 38. This report is for the entire timber sale area. It shows volume and value of timber by species and type of forest product scaled, the amount previously reported, and the accumulated totals. It also shows the total of all payments/deposits received from the purchaser, deductions for timber scaled and for timber cut but not scaled, and the balance of advance deposits.

This form is prepared at the end of each calendar month that forest products are scaled or advance deposits or advance payments are received, starting with the first month in which forest products are scaled. When funds are received but there is no volume scaled, the report is prepared with the statement, "No volume scaled since (month) (year)" written across the form. There is no need to prepare this form if there is no volume scaled or payments received.

Amounts entered as "Waste," "Penalty," or "Liquidated Damages" should be designated on the form under the "Species" column.

When all designated timber has been scaled and reported, but other contractual requirements have not been completed, a statement showing the specific reason why the sale is not to be closed is included in the "Remarks" section. It should also include a statement that all designated timber has been scaled or measured. A "Final" report is prepared when all contractual requirements have been met. A copy of only the front page of the form should be provided to the purchaser. The back page is used to internally monitor

sale progress and contract compliance and may or may not be provided to the purchaser.

When audits reveal an error in a previous report, the correction cannot be made on the previously approved report unless it was the final report for the scaling unit. Trying to correct a previous report would require corrections on every subsequent Report of Timber Cut for the sale. Since the Reports of Timber Cut would have already been provided to the purchaser, any corrected reports for the same periods would cause confusion. Corrections should occur on the next report prepared after the audit, adjusting the volumes and values as necessary.

For predetermined volume sales, add "Predetermined Volume" to the header of the form.

B. Accounting Records Forms – The accounting records provide data on the volume and value of timber reported, purchaser payments, balance of funds, and disbursements. There are two forms that are basic to the accounting record; they are the Controlling Account (Form 5-503) and Scaling Unit (Form 5-504 or 5-5322). These forms are usually maintained in a ledger, which is known as the Timber Money Record Book.

For Estimated Volume Sales with more than one scaling unit, the Timber Account Index (Form 5-503a); scaling Unit (Form 5-504 or 5-5322); and Controlling Account (Form 5-503) are used and arranged in the following order in the ledger:

Timber Account Index (Form 5-503a)  
Controlling Account, Timber Sale Area (Form 5-503)  
Controlling Account, Allotted Land (5-503)\*  
Scaling Unit, Allotted Land (Form 5-504 or 5-5322)  
Controlling Account, Tribal Land (Form 5-503)\*  
Scaling Unit, Tribal Land (Form 5-504 5-5322)

\*Required only when there are multiple allotments and multiple scaling units of tribal land in the same timber sale.

For Predetermined Volume Sales, the Predetermined Volume Timber Account (Form 5-1485) Illustration 39 and the Timber Account Index (Form 5-503a) are used when two or more allotments (scaling units) are included in the sale area. The forms are arranged in the ledger in the following order:

Timber Account Index (Form 5-503a)\*  
Predetermined Volume Timber Account (Form 5-1485)  
Controlling Account (Form 5-503)  
Scaling Unit (Form 5-504 or 5-5322)

\*Required only when there are multiple allotments (scaling units) in the same timber sale.

(1). Timber Account Index (Form 5-503a), Illustration 40. Prepared immediately after the timber sale contract is approved for multiple scaling units. It identifies when advance payments are due for each of the scaling units, both tribal and allotted.

(2). Timber Money Record - Scaling Unit (Form 5-5322) and Timber Scale Record – Scaling Unit (Form 5-5322) (Illustrations 41 and 42). These forms are used for sales of forest products from several scaling units. Separate form should be maintained for each scaling unit. Instructions for completing these respective forms are provided in Illustrations 43 and 44. The information for the scaling units is consolidated on the Controlling Account forms

(3). Timber Money Record - Controlling Account (Form 5-503) and Timber Scale Record – Controlling

Account (Form 5-503). (Illustrations 45 and 46). Instructions for completing these respective forms are provided in Illustrations 47 and 48. These are the summary forms for sales with multiple scaling units and are also used for sales with only one scaling unit. These forms are also used as a sub-controlling account for each type of ownership on a sale with several allotment scaling units and several tribal scaling units. The two sub-controlling accounts would then be combined into a single controlling account for the sale, which is used for completing a Master Controlling Account record.

(4). Totaling the Accounts. At the close of each month of account activity, the total-to-date and monthly totals and/or balances for both the Controlling and Scaling Unit Accounts are computed and recorded immediately following the last entry for the month. At the close of each fiscal year, the total volume and value by species/product reported during that year, and the forest management deductions earned are computed and recorded immediately following the "Total-to-Date" totals and/or balances.

(5). Master Controlling Account. This account uses the Controlling Account pages (Form 5-503). The Timber Money Record and the Timber Scale Record pages are used to summarize monthly transactions of timber sales and permits on a reservation or a group of reservations administered by one agency. The pages are identified as the Master Account by inserting the word "Master" above the formal page heading. The name of the reservation(s) is shown immediately under the heading.

The month and year for which the account is prepared are shown in the "Date" column. When information relating to a single timber sale or permit is posted to the account, the contract or other designating number is recorded under the proper classification in the "Item" column. When monthly transactions are summarized by classification for posting to this account, the word "Total" is recorded in the "Item" column. Only data pertaining to the following columns are posted to this account:

Scale Report – Value Cut and Forest Management Deductions.

Disposition of Money\* – Dep. Cr. Ind., Treas. U.S., Administrative Deductions, Forestry projects.

Volume and Value – Species/Product and Value.

Total – Volume and Value.

(\*Note – not applicable for unrestricted interests)

(a). Types of sales. The account is divided into five different types of sales and permits. The headings used to designate the different types of sales are as follows:

Contract Sales of Estimated Volumes

Contract Sales of Predetermined Volumes

Paid Permit Sales – Estimated Volumes

Paid Permit Sales – Predetermined Volume

Special Allotment Timber Harvest Permit

Leave space below each classification heading to record the total transactions for one month for each active timber sale, group of timber sales, each permit, or group of permits. The account also shows the total transactions by classification for the month and the cumulative totals during each six-month period ending March 31 and September 30.

At the close of the fiscal year, the cumulative totals for the previous twelve months are added together to obtain total fiscal year transactions by classifications.

(b). Unrestricted Interests. In addition to the five types of sales summarized in this account, another

classification for “Unrestricted Interests” should be included as a footnote. The total volume and value, before deducting service fees, for the unrestricted interest is included in this footnote. Service fees earned are also included in this footnote.

(6). Proving the Accounts. Personnel who maintain Timber Money Record Books should exercise all reasonable precautions to assure that the records are in balance and that the volume and value of timber cut, payment of advance payments and advance deposits, and the disposition of proceeds are properly documented.

(a). Estimated Volume Sales. All reconciling of accounts should be completed before responsibility for maintaining the Timber Money Records are transferred to another individual and/or at the termination of the sale.

Reconcile records to verify that total volume and value by species and type of forest products equal the totals of the scale reports for the tracts (if multiple ownerships) and for the entire sale for the same reporting period. All financial records should be reviewed to ensure the accuracy of the collections, deductions, distributions, and balances for the sale.

Upon completion, expiration, or termination of the timber sale contract; the sum of the total volumes and values on the Certificate of Completion must equal the totals in the Controlling Account (Form 5-503) before the Summary of Operations Report is completed and the balances in the purchaser’s accounts are returned.

(b). Predetermined Volume Timber Account (Form 5-1485). Illustration 39. Account verifications are only required for sales with two or more scaling units. Tests are made at the time that posting occurs.

The sum of totals and/or balances for the following columns of the Scaling Unit Accounts are checked for accuracy by comparing them with the totals and/or balances of their corresponding columns in the Controlling Account (Form 5-503).

Collections – Total (Timber Money Record)  
Balance Due From Contractor (Timber Money Record)  
Disposition of Money –Total (Timber Money Record)  
Total – Value (Timber Scale Record)

Ensure that funds equal to the difference between the “To-Date” lines of the “Collections” and “Disposition of Money” columns are still in the trust accounts.

At sale termination, the sum of “To Date” totals and/or balances of individual columns in the Scaling Unit Accounts are reconciled with the “To Date” totals and/or balances of their corresponding columns in the Controlling Account. The last “To Date” lines on the Controlling Account pages for the “Total Value (Scaling Record),” the “Disposition of Money (Money Record),” and the “Collections Total (Money Record)” must be the same value (all equal).

### C. Timber Money Record Book or ledger Setup

Scaling Unit (5-504 or 5-5322) and Controlling Unit (5-503) forms are both printed with the Timber Money Record on one side and the Timber Scale Record on the other side. The Timber Money Record is the financial record and the Timber Scale Record documents the volume and value of species and products scaled. The Timber Money Record Book or ledger is arranged so when it is opened, the financial page is on the left side and the scale page is on the right side.

Forms can be maintained in electronic format, but must be printed in hard copy at the end of the sale. It is recommended that a hard copy of the completed monthly ledger also be inserted into the sale folder. A copy of the final sale ledger should be placed in the office Timber Money Record Book or ledger and sale folder after the sale is closed.

D. Closing Timber Sale Contracts and Accounts.

(1). Estimated Volume Sales.

(a). Statement of Completion of Timber Contract (Form 5-500a Front) (Illustration 49). The purpose of this form is to summarize all of the necessary information required by the Approving Officer to close the timber sale.

When a sale only has tribal land or only one or a few allotments, the Statement would be executed immediately after all contract obligations had been met. Under long-term sales or sales with a large number of allotments, Statements would be executed and filed as each allotment is completed and they would be filed for future reference. Statements are not signed until the entire contract has been completed.

The Statements verify that the purchaser has received all rights and privileges authorized by the sale, that the Officer in Charge has inspected the sale area and has found that all contractual requirements have been met, and that funds received have been properly distributed.

Completing the form is fairly straightforward, but special instructions are provided for the more confusing items on the Statement. The data fields are completed with totals that include all volumes and values associated with the unrestricted and undivided portion of allotments, if applicable.

(i). Date of Final Report. The date that the Approving Officer signs the final Report of Timber Cut for the timber sale. However, when the Statement of Completion for an allotment is signed before the entire contract has been completed, the date that the Approving Officer signs the final Report of Timber Cut is entered in this space.

(ii). Contract Expiration Date. The expiration date specified in the contract is recorded, unless a date for contract compliance is later than the expiration date for cutting the timber. In that case, the later date is recorded.

(iii). Species and Product. When there is more than one species and more than one type of forest product, a separate line is used for each combination.

(iv). Unrestricted (Included in "Total"). Entries represent the unrestricted interest's share of the timber proceeds before deducting fees.

(b). Summary of Operations Report (BIA-5319) (Illustration 50). This report is prepared for the entire sale area, except that no Summary is required when there is only one scaling unit in the sale area. It identifies species, products, and average price, and segregates the associated volumes and values by ownership. It also reports distribution of money by ownership.

(2). Predetermined Volume Sales.

(a). Statement of Completion of Timber Contract (BIA-5319 Front). Completed the same as for Estimated Volume Sales.

(b). Summary of Operations Report (BIA-5319 Back). Completed the same as for Estimated Volume Sales, except there are no advance deposits to refund and there are no dates entered for the Scaling Began and Scaling Completed data fields.

E. Report Correction. Corrections and/or adjustments resulting from errors in scale books, scale sheets, scale reports, and retroactive stumpage rate changes are reported on the next scheduled Scale Report (Form 5-473). Previously approved forms will not be changed to reflect changes or adjustments discovered at a later date. Scale Reports showing the corrections should include a clear explanation of the reasons for the corrections or the type of corrections being made. Entries on the Report of Timber Cut and in the Timber Sale Accounts are also made in the same period that the correction was recorded on the Scale Report.

F. Advance Payments (AP) Exceeding the Value of Timber Scaled. When the advance payment on an allotment exceeds the total value of forest products scaled, the amount of the advance payments is declared to be the value of forest products scaled. A Scale Report is prepared which shows the value of the forest products scaled equal to the advance payment amount. No adjustment is made for the volume. An explanation is made on the scale report to show the reason for the increased value. When more than one species is reported, the difference is apportioned to each species by using the same percentage that each species bears to the total value of all species reported to date.

G. Allotment Timber Sales with Unrestricted (Fee) Interests.

(1). General. Allotment ownership may include unrestricted (fee) and undivided interests. Since the unrestricted interest cannot be partitioned and is inseparably mingled with the restricted interest, the restricted interest cannot be managed without managing the unrestricted interest in the same degree.

Public Law 88-301, approved April 30, 1964, amended the Act of June 25, 1910 with respect to the sale of Indian Timber, authorizes the Secretary to include the unrestricted interest in a sale of the trust or restricted Indian interests in timber. The Secretary may perform any function required by the contract for both the restricted and unrestricted interests, including the collection and distribution of payments for timber and the deduction from such payments of service fees, in lieu of forest management deductions.

(2). Proof of Ownership. When a restriction on an undivided interest in an allotment is removed, a fee patent is issued to the owner. The Bureau keeps a record showing the individual to whom the original patent was issued, but does not maintain records for subsequent transfers. The patented or unrestricted interest holder is supposed to record the patent at the local recorder of deeds; however, this does not always occur.

It is the responsibility of the owner of the unrestricted interest to prove his title for the purposes of receiving revenues from the timber sale. Evidence of ownership may be shown in several ways. A common method is to obtain a title insurance policy from a title insurance company. An attorney's opinion on the ownership is also commonly accepted. The owner may also present documents relating to title to the Bureau for a legal opinion.

(3). Distribution of Funds. Payments are made to the owner of record until such time as other legal transfers of title are suspected or proof of new ownership is received. If the owner of the unrestricted interest is unknown or the owner is unable to supply evidence of ownership, proceeds for the respective unrestricted interest will be held in a Special Deposit "X" account until ownership is determined or until the

Office of Trust Funds Management disposes of the funds in accordance with “Unclaimed Funds” procedures.

If all of the ownership decimal interests added together equal one (unity), the actual distribution of funds to owners is determined by multiplying each owners decimal interest by the stumpage value of the distribution remaining after forestry projects funds (if included in the stumpage rate) and Forest Management Deductions have been deducted from the total. (Note: Forestry Projects charges are always deducted from the value before the Forest Management Deduction is applied.)

A full description of types of timber sale funds, accounts, and distribution procedures are contained in the BIA Forestry Collections and Distribution Handbook.

**6.4. Log Scale and Money Record Application.** Use of individual personal computers, data recorders, and networks has changed the processing and accountability of timber sale log scale and funds. Numerous brands of software spreadsheets and database systems are doing the work previously done by hand or mainframe. With the development of these systems, there is the potential for losing sight of mandatory requirements or the overall need to fully account for our actions.

It is essential to document where records are located, how computer files are stored and backed up, and to describe methodologies and procedures used to complete these records.

An annual or more frequent summary of all volume and value cut by ownership and by sale would be very useful in order to produce required reports and to account for volume attributable to the allowable annual cut. It can also be used to apprise landowners of the status of volume and value cut.

The complexity of the Log Scale and Money Record system depends upon the form of cutting document, the basis for value calculation (i.e. log scale), and/or for the sale of land ownership. Following is a list illustrating this point, which is further explained throughout this volume. Some contracts can include requirements that further complicate accountability. Staff working with log scale and money records must be advised in advance to prepare for these situations.

Least Difficult	Predetermined Volume Contract all Tribal
↓	Predetermined Volume Contract Tribal and Allotted
Most Difficult	Estimated Volume Contract all Tribal
	Estimated Volume Contract Tribal and Allotted

The Estimated Volume Contract (Tribal and Allotted) accounting system may be used with any of the contract forms. Descriptions for the “less difficult” contracts are minimal, and the agency/reservation will use a fairly consistent format for the more complex sales. If log scale is required by the contract, the accountability requirements are more involved and more desirable to have automated.

A. Required Accounting Information. When a Log Scale and Money Record accounting system is utilized, there are basic items that must be accounted for regardless of the technique (manual ledger or computer) being utilized. These accountable items include:

- (1). All money collections, disbursements, and transfers.
- (2). All scale information, including species/product, unit of measure, rate per unit, volume per species/product, value per species/product, gross value per species/product, and totals for these items.
- (3). Many of the above items must be individually accounted for by ownership and include a Control (Total Sale) report. The more complex the ownership and contract terms, the more capability the accounting

system must have.

(4). Other items, such as collections for a cash bond, road use fees, slash disposal deposits, etc are also accountable, but may be separate from a basic Money and Scale Report. There is no prohibition, and there may be some advantage, in identifying all of these other collections/disbursements within a ledger Log Scale and Timber Money Record system.

B. Estimated Volume Sale (Tribal and Allotments). An accounting money and log scale record system designed for this kind of sale or any sale with multiple allotments, constitutes the most complex situation due to multiple ownership. Since allotments are involved, the accounting system must also monitor Advance Payment Collections and Balances for each ownership. The Required elements are constant for each ownership and carried forward to a Total Sale Report or a Control. For ease of discussion, Fictional Timber Sale (Logging Unit) will be used for a working sample. All other Money and Log Scale accounting systems, for other forms of contracts, can be designed using the same accounting form, but will entail fewer entries and probably fewer report pages.

Refer to the BIA Forestry Collections and Distribution Handbook for instructions on all facets of money deposits and disbursements for trust and non-trust accounts. These accounts hold all monies unless Direct Payment procedures are in effect. For Log Scale and Money records, all monies are accountable by forestry up through final disbursement to its "owner".

C. Estimated Volume Contract (All Tribal). The requirements for this procedure are the same as for the preceding. The only difference is that there is one owner, unless the sale is designed to segregate even the single ownership into multiple areas for management purposes. Contract requirements may call for Advance Payments from tribal lands, but usually do not.

D. Predetermined Volume Timber Contract (All Tribal or Tribal and Allotted). All Predetermined Contracts may include Advance Payments (usually 25%) and installment payments for the remaining 75% Advance Deposits. When allotments are involved, full payment by allotment, or other contract terms, may make accountability more challenging.

(1). Minimum requirements. Collections made by installments are essentially Advance Deposits collected into the TFAS system as described in the BIA Forestry Collections and Distribution Handbook. Installment payments, or payments by ownership, must be recorded by forestry personnel and accounted for as part of the Money Records.

(2). Suggested requirements. The suggested accounting system for these harvesting documents differs from the more complex sales in that these are often single ownership. If a location includes sales, which contain allotments, consideration should be given to utilize the same format for consistency in the accountability format.

E. Other Forestry Collections. Examine the terminology section for comments on some of these items. Scaled sales may require establishing forest product categories in the accounting system for which collections are made. Other kinds of collections may not enter the Log Scale and Money Record. The timber contract defines these collections, some of which are: road use fees, road maintenance fees, road access fees, right-of-way timber, gravel, reforestation fees, and log scaling services.

## 6.5 Example of Timber Sale

### A. Logging Unit Information (Fictional Logging Unit).

- (1). A bid sale sold at advertised minimum for \$3,000,000. The species bid rates were the appraised rates. White fir and hemlock & other were non-biddable.
- (2). Sale is three-year adjusting rate quarterly. Bid Deposit is \$90,000. Minimum Advance Deposit Balance is \$50,000. Minimum Advance Deposit Request is \$100,000. Purchaser opted for cash bond of \$300,000.
- (3). Collect non-refundable fees of \$20,000 - Road surface replacement.
- (4). Collect refundable fee of \$75,000 - Slash disposal and stream cleanout.
- (5). Purchaser pays for all log scaling costs for third party scaling bureau.
- (6). Contract Species/Products are:
  - (a). Ponderosa pine, BF measure, \$200/MBF, rate adjusts.
  - (b). Douglas fir, BF measure, \$175/MBF, rate adjusts.
  - (c). White fir, BF measure, \$100/MBF, rate does not adjust.
  - (d). Hemlock & Other, Ton, \$10/ton, rate does not adjust.
- (7). Tribal ownership - No Advance Payment (AP). Appraised value \$2,320,000.
- (8). Allotment 100 - Value computed at bid rate \$200,000. Advance Payment \$50,000.
- (9). Allotment 200 - Value computed at bid rate \$80,000. Advance Payment \$20,000.
- (10). Allotment 300 - Value computed at bid rate \$400,000. Advance Payment \$100,000.
- (11). Reservation FMD is 10 %.

B. Example of Accountability (Fictional Logging Unit).

- (1). The (BD) Bid Deposit (upon acceptance of the high bidder) is the first accountable monies to be deposited into a non-trust account as described in the BIA Forestry Collections and Distribution Handbook. The Handbook describes how funds are handled pending successful execution of the contract. Usually these funds are converted to Advance Deposits (AD) or Advance Payments (AP), but they can also be converted to all or part of the performance bond. The BD may also be held in the BD account until the balance of funds is received under contract terms, and then transferred into the appropriate account or accounts. When the BD is deposited into one of the trust accounts, it becomes a line entry into an accounting system with the balance of all other deposits to follow. For this sample, the BD will be transferred to the AD account and immediately is considered an Advance Deposit Collection.
- (2). First Collection request for this sample. The Purchaser intends to begin falling road right-of-way timber within the next 30 days, on tribal ownership, with estimated cut value of \$60,000. The request for funds, which are all accountable, totals \$665,000 (AD \$100,000, AP \$170,000, Cash Bond \$300,000, Fees \$95,000). The log scaling costs are paid directly to the approved scaling bureau by the purchaser, so are not accountable.

Explanation of AD and AP Requests:

(a). AP value required is defined in the contract. Total Advance Payment to be collected is the summation of those amounts.

(b). AD request is a little more difficult to determine. The purchaser's next 30 day cut value is \$60,000 and must be covered by deposits. In this sample, the cut is on the tribal ownership, which has no AP credit, thus payment will reduce the AD balance on hand. The AD Balance is \$90,000 (Bid Deposit transferred to AD). The plan to cut timber would reduce the AD balance to \$30,000. The contract minimum balance required to be maintained is \$50,000. The purchaser cannot proceed with cutting until this calculated shortage is brought above the required minimum. This would require \$20,000, but contract terms call for a minimum \$100,000 request for funds each time funds are needed. Thus the request for \$100,000.

Had the purchaser cutting plans started in allotment 300, no AD funds would have been requested because the AP of \$100,000 exceeds the estimated cut of \$60,000. It becomes apparent that the contract and logging plan requirements can, at startup, affect the amounts of monies necessary to be on deposit. The sale administration portion of this volume helps describe the responsibility of the Officer in Charge to respond to underestimates, etc., which can instantly put an AD account into arrears.

(3). Accounting System setup.

(a). The contract elements determine items that must be accommodated in the accounting system, and are listed under the "Required" section of this volume. A Sale (Control) Report must reflect the total values accumulated and balances resulting from log scaling for each of the four different ownerships. Each ownership reflects the Advance Payment collections and disbursements related to it specifically. Most systems will have each ownership and the control form in exactly the same format, and are able to mathematically interact. In fact, this handbook proposes that a form, which will accommodate very complex situations, can also be utilized for all other cutting document Log Scale and Money Record accountability reports.

(b). Advance Deposits collections and disbursements are accountable against the total sale (Control) account, not each individual ownership account. An accounting system must reflect the changing balances within the Control Account. They are depleted as individual ownership log scale values are authorized to be disbursed by the AO. The Officer in Charge is required to estimate the value of timber on the ground plus the anticipated value to be cut in the next 30 days. AD for the sale are likely to be required when any ownership AP balance is going to be exceeded and/or the contract Minimum Advance Deposit requirement is not met.

(c). Advance Payment balances on individual ownerships must first be considered and accounted for before determining how much money may be disbursed from Advance Deposits. The purchaser is entitled to remove products from each ownership and receives "credit" for those funds he has already deposited as AP. If the purchaser logged on all allotments but never removed product values exceeding the AP on each ownership, and the estimated next 30-day cut on the allotment never exceeds the AP balance, no AD can be disbursed. Products have already been paid for to the owner as AP. However, the Balance of AP remaining is reduced after this logged value is recorded in the individual ownership accounting system. This is a complicated and very important accountability requirement when advance payments are utilized in a contract. For this sample sale, it is obvious that one, none, or all of the allotments may be logged at different times during the life of the contract.

(d). Forest Management Deductions are also primarily accounted for in the Sale Control account.

However, since FMD are transferred to the TFAS FM account when Advance Payments are disbursed for each ownership, accountability of the FMD balances must be maintained by ownership, as is done for the AP balances. The FMD values also transfer to the TFAS FM account when Advanced Deposits are disbursed.

(e). Example for the Fictitious Logging Unit. Allotment 100 required a \$50,000 AP. The owner receives 90 % (\$45,000) and the FM Account 10% (5,000). When logging occurs on this allotment, no AD disbursements will take place until the AP "credit" balance is exceeded. Then FMD will be withheld from that AD disbursement. When log scale is removed simultaneously from ownerships with and without AP balances, the Control AD disbursements are the basis for withholding FMD because it is an accumulation of scale removals from all ownerships. If the accounting system does not accommodate this accountability, the Approving Officer must assure FMD funds are not withheld twice.

(4). Sale Progression to Completion.

(a). Since this sample sale is an adjusting rate contract, the accountability system must have the ability to accommodate these changes. The Timber Sale Administration staff procedures need to have a system to make sure this happens. Crosschecks to authorize the change and verify it is done correctly are important to accountability. Signatures and dates for these actions are highly recommended.

(b). Most locations utilize a monthly period to end sale accumulations and authorize disbursements. There are a few large reservations that may use two (15-day) or three (10-day) periods within each month. In those cases, the Money and Scale Reports system accommodates input from the periods accumulated to a total for the month. As Fictitious Logging Unit progresses over the life of the contract, each of the monthly reports accumulates volume and value by ownership and to the Control. Once the Advance Payments Balance is zero, accounting relates to collecting and disbursing Advance Deposits.

(c). The selected sample includes an ownership which required Advance Payments. Logging took place but the Advance Payments were not exceeded. This format allows the system to account for that fact. Examination of the Control indicates that AP's were collected on other ownerships for a total amount of \$545,805.50. Advance Payments and Advance Deposits can be complex to accurately account for as this sample demonstrates.

(d). At sale closure, refund of excess Advance Deposits, certain fees collected, and the cash bond are refunded as specified by the BIA Forestry Collection and Distribution Handbook. If a location has used an accounting system that utilizes a ledger and includes such cash collections, these disbursements would also be recorded. Again, timber sale administration accountability for all required items includes those documents prepared according to the BIA Forestry Collections and Distribution Handbook.

If a system is automated, it makes sense to have it produce a Statement of Completion at sale closure. This is signed by the purchaser and the Approving Officer, and represents the final report for each ownership and the sale as a whole. It releases the purchaser from further responsibility and liability under the contract.

# ILLUSTRATIONS

- 1 - Power of Attorney (POA).
- 2 - Forestry Business Process for Removal of Forest Products.
- 3 - Categorical Exclusion Checklist.
- 4 - 516 DM 2.
- 5 - Timber Contract for the Sale of Estimated Volumes (Form BIA-5324).
- 6 - Subsidiary Allotment Timber Contract (Form BIA-5326).
- 7 - Timber Contract for the Sale of Predetermined Volumes (Form BIA-5327).
- 8 - Timber Sale Contract Part B Standard Provisions (Form BIA-5323).
- 9 - Performance Bond (Standard Form 25).
- 10 - Agreement and Power of Attorney for Cash Performance Bond.
- 11 - Agreement and Power of Attorney for US Securities Performance Bond.
- 12 - Irrevocable letters of credit Guidelines.
- 13 - Summary of Irrevocable Letter of Credit Requirements.
- 14 - Advertising Order (Standard Form 1143).
- 15 - Public Voucher for Advertising (Standard Form 1144).
- 16 - Sample Advertisement.
- 17 - Sample Prospectus.
- 18 - Abstract of Bids (Form BIA-4321).
- 19 - Bid Proposal (BIA-5318).
- 20 - Timber Sale Inspection Report.
- 21 - Bill for Collection (Form DI-1040).
- 22 - Transmittal and Reporting Sheet and Instructions (Form 5-473a).
- 23 - Sample Logging Plan.
- 24 - Load ticket.
- 25 - Load Ticket Procedures.
- 26 - Sample Consumer Scale Authorization.
- 27 - Sample Third Party Scaling Agreement.
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- 29 - Sample Regional Scaler Qualifications and Certification Standards.
- 30 - Appeal Notices.
- 31 - Sample Contract Modification.
- 32 - Timber Contract Assignment.
- 33 - Scale Sheet (Form 5-928C).
- 34 - Scale Sheet Summary (Form 5-928).
- 35 - Scale Report (Form 5-473).
- 36 - Instructions for Completing Scale Report Form.
- 37 - Report of Timber Cut (Form 5-486).
- 38 - Instructions for Completing Report of Timber Cut Form.
- 39 - Predetermined Volume Timber Account (Form 5-1485).
- 40 - Timber Account Index (Form 5-503a).
- 41 - Timber Money Record - Scaling Unit (Form 5-5322).
- 42 - Timber Scale Record - Scaling Unit (Form 5-5322).
- 43 - Instructions for Completing Timber Money Record – Scaling Unit.
- 44 - Instructions for Completing Timber Scale Record – Scaling Unit.
- 45 - Timber Money Record – Controlling Account (Form 5-503).
- 46 - Timber Scale Record – Controlling Account (Form 5-503).
- 47 - Instructions for Completing Timber Money Record – Controlling Account.
- 48 - Instructions for Completing Timber Scale Record – Controlling Account.
- 49 - Statement of Completion of Timber Contract (Form 5-5319).
- 50 - Summary of Operations Report (Form 5-5319)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
Bureau of Indian Affairs

POWER OF ATTORNEY FOR SALE OF ALLOTMENT TIMBER

\_\_\_\_\_ INDIAN RESERVATION \_\_\_\_\_  
(State)

KNOW ALL MEN BY THESE PRESENTS, that \_\_\_\_\_ the undersigned, hereby request, authorize, and  
(I or we)  
empower the Superintendent of the \_\_\_\_\_ Indian Agency to enter into contract for  
the sale of the timber upon the following-described lands: \_\_\_\_\_  
(Description of land)

\_\_\_\_\_  
\_\_\_\_\_ the same being the allotment of

\_\_\_\_\_ Allottee No. \_\_\_\_\_, and authorize him to perform  
(Name of reservation)

every act necessary and requisite to the consummation of such sale with the same validity as if \_\_\_\_\_ were  
(I or we)

personally present. Provided that no such contract shall be made hereunder at stumpage rates per thousand feet  
board measure of less than the following \_\_\_\_\_  
(Specify rates for different species)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

and \_\_\_\_\_ do also hereby agree to grant any contractor holding any contract hereunder and in  
(I or we)  
conformity herewith, reasonable right-of-way over the above-described lands, provided \_\_\_\_\_ shall receive  
(I or we)

reasonable compensation for any damage done or incurred through such right-of-way. The  
\_\_\_\_\_ or his representative shall definitely determine what shall be  
considered reasonable damages.

\_\_\_\_\_ furthermore agree that the proceeds arising from the sale of this timber may be disposed of in  
(I or we)

accordance with the regulations of the Department of the Interior, including those providing for the payment of the  
cost of administration.

Place \_\_\_\_\_, \_\_\_\_\_  
(State)

Date \_\_\_\_\_, \_\_\_\_\_

Witnesses:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## Forestry Business Process for Removal of Forest Products (9/16/03)

BIA PROCESS		OTFM PROCESS		Basic Rules
		FORMS/REPORTS	COLLECTION/DISTRIBUTION	COLLECTION/PAYMENT
<b>----- PRE-SALE -----</b>				
Identify tracts and stands needing treatment - through owner request, FMP, GIS, Aerial Photos, etc.				
Verify legal description and ownership status through maps, plat books, Realty records for all tracts.		TSR		A contract must contain one or more tracts of trust land.
Determine Feasibility - preliminary recon, preliminary economic and environmental analysis				
Secure approval from landowners - Tribal resolution or 50+% of restricted interest required. Acquired through contact with Tribal Council or preparing and sending out POA's and cover letters to tract owners. Forestry secures ownership name, address, percent interest, tract name, and tract number for each tract from Realty, Tribal Operations, or OTFM. May also secure from IRMS, MADD, or other local software program. Without approval, process ends (except in cases to prevent loss of values from natural catastrophies)		Power-of-Attorney for Sale of Allotment Timber (Form 5-5315), free form letter		
Complete environmental analysis (Environmental Assessment-EA, FONSI, NOA, EIS)				
Complete field work (cruise, marking, cutting boundaries, road/landing locations, boundary location, etc.)				
Complete document preparation (appraisal, Forest Officer Report-FOR, contract/permit package, advertisement - if applicable). Complete all pertinent information on all sale documents and add Timber Contract Standard Provisions Part B (Form 5-5323) to the Contract documents (do not add to the Permit documents)		Paid Permit (Form 5-5331), Free Use Permit (Form 5-5331), Special Allotment Timber Cutting Permit (SATCP Form 5-5328), Timber Contract for the Sale of Predetermined Volumes (Form 5-5327), or Timber Contract for the Sale of Estimated Volumes (Form 5-5324), Revocable Road Use and Construction Permit, Road Use Permit, Sand and Gravel Permit		Special Allotment Timber Cutting Permit (SATCP) only collect FM, FP, & PB. Paid Permits are limited to a total value of \$25,000/per fiscal year/per individual. Free Use permits are limited to \$5,000/per fiscal year/per individual. All forest product harvesting activities requiring a sale document must be approved by the Secretary or delegated authority.
<i>NEGOTIATED</i>	<i>ADVERTISED *</i>			
	Advertise sale as authorized	Free Form Advertisement, Advertising order (SF-1143), Public Voucher for Advertising (SF-1144).		Sales cannot be advertized for less than the appraised value.
	Issue Request for Bids	Bid Proposal Packages: Bid Form (XBIA-5318), Prospectus, Advertisement, map		Bid Deposit (BD) for sales of less than \$100,000 will be 10% but not less than \$1,000 or full value (whichever is less). BD for sales of \$100,000-\$250,000 will be 5%, but not less than \$10,000. BD for sales greater than \$250,000 will be 3%, but not less than \$12,500. Bid deposits may be in the form of guaranteed payment, including an irrevokable letter-of-credit.
	Receive Bid Proposal Forms from bidders within allotted timeframe			
	Conduct bidding or open bids			
	Prepare abstract of bids	Abstract of Bids (Form BIA-4321)		
	Approve Abstract of Bid and identify successful bidder			
<b>Assign Contract ID</b>				
Initiate Timber Money Record Book (TMRB)		Controlling Account Form 5-503, Scaling Unit Record Form No. 5-504	Setup the timber money record book with sale number, name, etc.	
	Collect Deposit with Bid of successful bidder. Also collect deposit with bid of bidders providing written request to hold pending bid acceptance or for administrative appeal	Bill For Collection (BFC DI-1040), Schedule of Collections (BIA-4284), and Deposit Ticket (SF-215).	Authorized Collector receipts on bottom of BFC, prepares the Schedule of Collections (BIA-4284), and sends the forms and check(s) to Division of Accounting Management (DAM) for deposit into Federal Finance System (FFS). DAM prepares SF-215 and deposits funds in bank.	Deposit with Bid usually becomes a portion of the contract required advance deposit in estimated volume contracts or an installment payment in predetermined volume contracts.
	Make entry in TMRB	Controlling Account Form 5-503	Enter deposit of the BD	
	Administrative Appeal resolved			
	Return Bid Deposits of unsuccessful bidders			
Complete sale documents (including Subsidiary Allotment Timber Contracts if applicable)		Timber Contract for the Sale of Estimated Volumes (BIA-5324), or Timber Contract for the Sale of Predetermined Volumes (BIA-5327), and Subsidiary Allotment Timber Contract (BIA-5326).		
Calculate advance payment. 25% for allotments, advance payments are not required on tribal sales, but can occur.				
Send sale document and performance bond form to successful bidder for signature.		Form Letter, Performance Bond (SF 25)		Performance Bond will be at least 20% for sales up to \$15,000, at least 15% (but not less than \$3,000) for sales \$15,001-\$150,000, at least 10% (but not less than \$22,500) for sales of \$150,001-\$350,000, and at least 5% (but not less than \$35,000) for sales over \$350,000.

BIA PROCESS		OTFM PROCESS		Basic Rules
	FORMS/REPORTS	COLLECTION/DISTRIBUTION	COLLECTION/PAYMENT	
Failure of successful bidder to execute sale document (sign and return sale document or provide performance bond - if applicable)	Free form letter			
Successful bidder forfeits deposit with bid, funds are distributed as damages to landowners	Voucher and Schedule of Withdrawals and Credits (SF-1081), Intra Bureau Cash Transaction Authorization (BIA-4285/BF-349).	Forestry prepares SF-1081 to IPAC funds from FFS to AP account in TFAS. Forestry prepares BIA-4285 to distribute funds from AP account to FM account and landowners PL or IIM accounts.	Receive funds through IPAC from FFS to TFAS. Receive documents, calculate interest earned, deposit principle and interest to identified accounts (FM, PL, IIM).	
Make entry in TMRB	Controlling Account (5-503),	Enter debit for BD		
Renegotiate sale	Readvertise sale			
Receive signed sale document and performance bond, and bond form from successful bidder	Performance Bond (SF-25)			
Cash Bond Option: Non-trust funds are deposited in the Federal Finance System (FFS).	Bill For Collection (BFC DI-1040), Schedule of Collections (BIA-4284), and Deposit Ticket (SF-215).	Authorized Collector receipts on bottom of BFC, prepares the Schedule of Collections (BIA-4284), and sends the forms and check(s) to Division of Accounting Management (DAM) for deposit into Federal Finance System (FFS). DAM prepares SF-215 and deposits funds in bank.		
Make entry in TMRB	Controlling Account (5-503)	Enter collection of the PB		
Non-Cash Bond Option: Corporate surety bond, irrevocable letter of credit, or negotiable gov't securities	Performance Bond (SF-25)	Held in safe by Collection Officer.		
Approve sale document		Provide sale document first page and approval page to OTFM		Contract approval date initiates 30 day due date for advance payment. Distribution cannot occur without an approved sale document (except on defaulted bid).
End of advertised/negotiated path)				

BIA PROCESS		OTFM PROCESS		Basic Rules	
		FORMS/REPORTS	COLLECTION/DISTRIBUTION	COLLECTION/PAYMENT	
<b>-----Sale Administration-----</b>					
Prepare logging plan detailing production rate (Estimates)		Free form document			
Return approved sale document to Purchaser and request payment of additional Advance Deposit (AD) and/or Advance Payment (AP) and other required collections (FMD and FP) within stipulated timeframe.		BFC DI-1040			
Transfer non-trust deposit with bid from FFS to trust AD or AP account in TFAS		Voucher and Schedule of Withdrawals and Credits (SF-1081)	Forestry prepares SF-1081 to IPAC funds from FFS to AD or AP account in TFAS and provides to Regional finance/Accounting Officer.	Regional OTFM Office faxes package to Albuquerque OTFM office.	
Receive Advance Deposit (AD)		BFC DI-1040	Deposit in Agency AD account	Authorized Collector receipts on bottom of BFC, deposits in AD account in TFAS, and issues collection Ticket (CT) number and date.	
Make entry in TMRB		Controlling Account (5-503)	Enter collection of the AD		
Verify monetary ownership prior to distribution (ongoing)			Contact Realty to verify ownership		
Receive Advance Payment (AP) or installment payment (for immediate distribution) Option 1:		BFC DI-1040	Collect money and deposit into FP account, FM Account, and landowner account from BFC. Continue with Scale Report.	Receipt on BFC and deposit to identified accounts.	
Receive Advance Payment (AP) or installment payment (for distribution through AP account) Option 2:					
	Deposit payment into AP account	BFC DI-1040	Make sure Reservation AP account set up. If not, contact OTFM to setup account and asset.	Setup account and asset as requested. Authorized Collector receipts on bottom of BFC, deposits in AP account in TFAS, and issues collection Ticket (CT) number and date.	
	Deduct Forestry Projects funds required, and deposit in special FP account.	BF-349/BIA-4285	Transfer \$ to Reservation FP account as an asset under the account. If no account, then contact OTFM to setup account and/or asset.	Setup account and/or asset as requested. Process BF-349/BIA-4285, calculate interest, and transfer funds between accounts.	Forestry Projects funds are deducted before assessing Forest Management Deductions.
	Deduct Forest Management Deduction %.	BF-349/BIA-4285	Transfer \$ to Reservation FM account as an asset under the account. If no account, then contact OTFM to setup account and/or asset.	Setup account and/or asset as requested. Process BF-349/BIA-4285, calculate interest, and transfer funds between accounts.	Default to 10%, but can be from 0-100%. Forest Management Deductions only on sales of \$5,001 or more.
	Distribute balance of Advance Payment to landowners	BF-349/BIA-4285, JV, or SF-1034 (PV)	Transfer AP to tribe's PL account or to IIM accounts for individual Indians (may include fee interest as "X" accounts). For known fee owners, use PV to distribute directly.	Process BF-349/BIA-4285, calculate interest, and transfer funds between accounts.	
Receive FMD and FP payment under Tribal Direct Pay or SATCP.		BFC DI-1040	Collect money and deposit into FP account and FM Account from BFC.	Authorized Collector receipts on bottom of BFC, deposits in identified accounts in TFAS, and issues collection Ticket (CT) number and date.	
Make entries in TMRB		Controlling Account (5-503), Scaling Unit (5-504)	Make individual line entries based on each form utilized (BFC, BIA-4285, JV, PV).		
Adjust sale product rates at sale designated intervals (ongoing)		Paid Permit (Form 5-5331), Free Use Permit (Form 5-5331), Special Allotment Timber Cutting Permit (SATCP Form 5-5328), Timber Contract for the Sale of Predetermined Volumes (Form 5-5327), or Timber Contract for the Sale of Estimated Volumes (Form 5-5324), Revocable Road Use and Construction Permit, Road Use Permit, Sand and Gravel Permit.			
Document harvested forest products by ownership (ongoing)		Scale Report (SR) Form 5-473	Prepares SR and enters into timber money record book.		
Make entries in TMRB		Controlling Account (5-503), Scaling Unit (5-504)	Make individual line entry for the scale report.		
Perform Sale Inspection (ongoing)		Sale Inspection form			
Invoice for payments as required		BFC DI-1040	Sale requires minimum advance deposit.		
Receive Payment (invoiced or not)		Field Receipt, BFC DI-1040	Issue receipt (field receipt, Bill For Collection), if applicable.	Receipt on BFC and authorized collector insures entry on Schedule of Collections, deposits in identified TFAS account(s), and issues CT number and date.	

BIA PROCESS		OTFM PROCESS	Basic Rules
	FORMS/REPORTS	COLLECTION/DISTRIBUTION	COLLECTION/PAYMENT
Make entries in TMRB	Controlling Account (5-503), Scaling Unit (5-504)	Make individual line entry for the collection.	
Prepare monthly Report of Timber Cut by sale (includes summary of collections and deductions)	Report of Timber Cut (ROTC) Form 5-486	Enter into timber money record book.	
Make entries in TMRB	Controlling Account (5-503), Scaling Unit (5-504)	Make individual line entry for the ROTC.	
Verify monetary ownership prior to distribution (ongoing)		Contact Realty to verify ownership.	
Distribute revenue to landowners as the sale progresses (less Forestry Projects funds and Forest Management Deductions)	BF-349/BIA-4285, Journal Voucher, PV SF-1034	Transfer AP and AD to tribe's PL account or to IIM accounts for individual Indians (may include fee interest as "X" accounts). For known fee owners, use PV to distribute directly.	Process BF-349/BIA-4285, calculate interest, and transfer funds between accounts and issue check for PV.
Make entries in TMRB	Controlling Account (5-503), Scaling Unit (5-504)	Make individual line entries based on each form utilized (BFC, BIA-4285, JV, PV).	
Determine modification necessary (change date(s), acres, rates, etc.)			
Prepare Sale Document Modification	Free form Modification document		
Send Modification to purchaser			
Received signed Modification			
Approve and return copy to purchaser (all parties to the sale)			

BIA PROCESS		OTFM PROCESS		Basic Rules
	FORMS/REPORTS	COLLECTION/DISTRIBUTION	COLLECTION/PAYMENT	
<b>-----Sale Closeout-----</b>				
Inspect total sale area and verify all sale requirements met and prepare final reports	Statement of Completion of Timber Contract and Summary of Operations Report (BIA-5319)			
Send Statement of Completion(s) to Purchaser for signature				
Receive and approve Statement(s) of Completion				
Return approved Statement(s) of Completion to Purchaser				
Refund unobligated advance deposits or payments to purchaser.	Public Voucher SF-1034	Prepare PV to refund any balances (with interest) and submit to OTFM.	Receive documents, calculate interest earned, issue check for principle and interest.	
Make entries in TMRB	Controlling Account (5-503), Scaling Unit (5-504)	Make individual line entry for the reimbursement (PV).		
Close AP and AD assets for the sale			Close assets.	
Refund cash Performance Bond, return non-cash Performance Bonds		Forestry notifies DAM of disbursement need and DAM processes payment by EFT or Treasury check.		
Make entries in TMRB	Controlling Account (5-503), Scaling Unit (5-504)	Make individual line entry for the reimbursement		

BIA PROCESS		OTFM PROCESS		Basic Rules
	FORMS/REPORTS	COLLECTION/DISTRIBUTION	COLLECTION/PAYMENT	
-----SALE REVOCATION-----				
Breach of sale as determined by the approving officer	Free form official notice with appeal rules			
Determine monetary damages	Free form damages assessment report			
Use Advance Deposits (AD) and Performance Bond (PB) and other purchaser assets to satisfy damages	SF-1081, BFC DI-1040, BF-349/BIA-4285, or SF-1034 (PV)	PB to be transferred from FFS to AD TFAS account first using SF-1081 to DAM. (Any funds back to the purchaser will be processed by DAM after notification by Forestry).	For AD, Process BF-349/BIA-4285, calculate interest, transfer funds to appropriate accounts, and close asset. (Any funds back to the purchaser will be by SF-1034.	
Make entries in TMRB	Controlling Account (5-503), Scaling Unit (5-504)	Make individual line entries based on each form utilized (BFC, BIA-4285, JV, PV)		

BIA PROCESS		OTFM PROCESS		Basic Rules
	FORMS/REPORTS	COLLECTION/DISTRIBUTION	COLLECTION/PAYMENT	
<b>-----Forestry Projects-----</b>				
Identify projects and specifications				
Develop project agreement				
Award the project to vendor				
BIA/Tribe inspects project and verifies completion				
Invoice submitted by vendor				
Pay invoice to vendor	Public Voucher for Refund (PV) SF-1034, BF-349/BIA-4285, SF-1081	Prepare appropriate form PV( to pay out), BF 349/BIA-4285 to transfer from FP to PL account, and SF-1081 to reimburse program funds in FFS and submit to OTFM.	Process BF-349/BIA-4285, calculate interest, and transfer funds between accounts and issue check for PV. Receipt on BFC and authorized collector insures entry on Schedule of Collections, deposits in identified account(s), and issues CT number and date.	
Close FP asset when all funds distributed and when asset no longer needed			Close asset.	

BIA PROCESS		OTFM PROCESS		Basic Rules
	FORMS/REPORTS	COLLECTION/DISTRIBUTION	COLLECTION/PAYMENT	
<b>-----Forest Management Deductions-----</b>				
Tribe completes and submits an annual Expenditure Plan (except on Public Domain/homestead allotments - BIA completes Expenditure Plan).	Expenditure Plan for Forest Management Deductions			
BIA approves expenditure plan		Send copy of the Expenditure Plan to OTFM		
Pay Tribe according to expenditure plan to tribal account or transfer to PL Account. Payment can be in advance or a reimbursement based on an invoice	Public Voucher (PV) for Refund (SF-1034) or BF-349/BIA-4285	If tribe requests direct payment, then prepare PV in the amount to be paid from FM account. If tribe requests deposit to their PL account, then prepare a BF-349/BIA-4285 to transfer \$ from the FM account to their PL account.	Process BF-349/BIA-4285, calculate interest, and transfer funds between accounts and issue check for PV	Interest is not added to the amount paid to the tribe. Can only pay or reimburse up to the amount authorized in the expenditure plan.

BIA PROCESS		OTFM PROCESS		Basic Rules
		FORMS/REPORTS	COLLECTION/DISTRIBUTION	COLLECTION/PAYMENT
<b>-----Trespass-----</b>				
Verify trespass location		Title Status Report		
Investigate to determine responsible parties and the species, volume, value, and location of trespass and prepare forest products trespass report		Free form report		
Complete an Appraisal of the forest products and value of damages				Full value is considered to be triple damages.
Prepare Notice of Trespass and send to all affected parties		Free form letter		
Send demand letter and Bill for Collection		BFC DI-1040		
Receive Payment				
	Receive from highest stumpage value to full value (either all at once or through scheduled payments) Option 1:	BFC DI-1040	Collect money and deposit pro-rata into FP account, FM Account based on single product value, program FFS account (if applicable), and landowner account from BFC.	Receipt on BFC and deposit to identified accounts.
	Receive from highest stumpage value to full value (either all at once or through scheduled payments) Option 2:			
	Deposit payment into TR account	BFC DI-1040	Make sure Reservation TR account set up. If not, setup the account by sending information to OTFM.	Setup TR account in TFAS. Authorized Collector receipts on bottom of BFC, deposits in TR account in TFAS, and issues collection Ticket (CT) number and date.
	Deduct pro-rata land restoration costs if required, and deposit in FP account.	BF-349/BIA-4285	Transfer \$ to Reservation FP account as an asset under the account. If no account, then contact OTFM.	Setup FP account as needed. Process BF-349/BIA-4285, calculate interest, and transfer funds between accounts.
	Deduct pro-rata law enforcement cost	SF-1081, Public Voucher (PV) for Refund (SF-1034)	Transfer \$ to BIA Law Enforcement Program FFS account, or PV or direct pay to Tribal Law Enforcement.	Process PV and issue check to tribe or transfer funds to FFS.
	Deduct Forest Management Deduction % based on gross proceeds.	BF-349/BIA-4285	Transfer \$ to Reservation FM account as an asset under the account. If no account, then contact OTFM to setup account.	Setup FM account as requested. Process BF-349/BIA-4285, calculate interest, and transfer funds between accounts.
	Distribute pro-rata share of full value to landowners	BF-349/BIA-4285, JV, or SF-1034 (PV)	Transfer TR to tribe's PL account or to IIM accounts for individual Indians (may include fee interest as "X" accounts). For known fee owners, use PV to distribute directly.	Process BF-349/BIA-4285, calculate interest, and transfer funds between accounts and issue check for PV.
	Received settlement up to highest stumpage value Option 1	BFC DI-1040	Collect money and deposit pro-rata into FP account, FM Account based on single product value, program FFS account (if applicable), and landowner account from BFC.	Receipt on BFC and deposit to identified accounts.
	Receive settlement up to highest stumpage value (either all at once or through scheduled payments) Option 2:			
	Deposit payment into TR account	BFC DI-1040	Make sure Reservation TR account set up. If not, contact OTFM to setup account.	Setup account as requested. Authorized Collector receipts on bottom of BFC, deposits in TR account in TFAS, and issues collection Ticket (CT) number and date.
	Deduct pro-rata land restoration costs if required, and deposit in FP account.	BF-349/BIA-4285	Transfer \$ to Reservation FP account as an asset under the account. If no account, then contact OTFM to setup account.	Setup account as requested. Process BF-349/BIA-4285, calculate interest, and transfer funds between accounts.
	Distribute pro-rata share of full value to landowners	BF-349/BIA-4285, JV, or SF-1034 (PV)	Transfer TR to tribe's PL account or to IIM accounts for individual Indians (may include fee interest as "X" accounts). For known fee owners, use PV to distribute directly.	Process BF-349/BIA-4285, calculate interest, and transfer funds between accounts and issue check for PV.
	Prepare Scale Report	Scale Report Form 5-473	Prepare Scale Report showing species, products, volumes, stumpage rates, and value. Will also include a line for the penalty value of double damages.	
	Closeout TR Account			Close account.

BIA PROCESS		OTFM PROCESS		Basic Rules
		FORMS/REPORTS	COLLECTION/DISTRIBUTION	COLLECTION/PAYMENT
<b>-----REPORTS-----</b>				
Timber Money Record Book		Controlling Account (5-503), Scaling Unit (5-504)	Official accounting set of books using the double entry accounting method where entries are made chronologically as each volume and value form is completed. (NOTE: A set of books should be completed for every individual sale and trespass.)	
Annual Report		Free form	Annual summary of volume and value cut by sale, by ownership, by product, by trespass.	

## CATEGORICAL EXCLUSION CHECKLIST

Project: \_\_\_\_\_ Date: \_\_\_\_\_

Nature of Action:

### Appendix 4

Exclusion category:

Evaluation of exceptions to actions within Categorical Exclusion:

- |    |  |          |           |
|----|--|----------|-----------|
| 1. | This action would have significant adverse effects on public health or safety.   | No _____ | Yes _____ |
| 2. | This action would have an adverse effect on unique geographical features such as wetlands, wild or scenic rivers, refuges, floodplains, rivers placed on nationwide river inventory, or prime or unique farmlands. | No _____ | Yes _____ |
| 3. | The action will have highly controversial environmental effects.   | No _____ | Yes _____ |
| 4. | The action will have highly uncertain environmental effects or involve unique or unknown environmental risk.   | No _____ | Yes _____ |
| 5. | This action will establish a precedent for future actions.   | No _____ | Yes _____ |
| 6. | This action is related to other actions with individually insignificant but cumulatively significant environmental effects.  | No _____ | Yes _____ |
| 7. | This action will affect properties listed or eligible for listing in the National Register of Historic Places.   | No _____ | Yes _____ |
| 8. | This action will affect a species listed or proposed to be listed as endangered or threatened.   | No _____ | Yes _____ |
| 9. | This action threatens to violate Federal, state, local, or tribal law or requirements imposed for protection of the environment.   | No _____ | Yes _____ |

A "yes" to any of the above exceptions will require that an EA be prepared.

NEPA Action --- CE \_\_\_\_\_, EA \_\_\_\_\_.

Preparer's Name and Title: \_\_\_\_\_

Regional Archeologist concurrence with item 7: \_\_\_\_\_

Concur: \_\_\_\_\_ Date: \_\_\_\_\_  
Regional Director/Superintendent

Concur: \_\_\_\_\_ Date: \_\_\_\_\_  
Agency/Regional Office Forester or  
Environmental Coordinator

# Department of the Interior Departmental Manual

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**Effective Date:** 6/30/03

**Series:** Environmental Quality Programs

**Part 516:** National Environmental Policy Act of 1969

**Chapter 2:** Initiating the NEPA Process

**Originating Office:** Office of Environmental Policy and Compliance

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## 516 DM 2

2.1 **Purpose.** This Chapter provides supplementary instructions for implementing those portions of the CEQ regulations pertaining to initiating the NEPA process.

### 2.2 **Apply NEPA Early (1501.2).**

A. Bureaus will initiate early consultation and coordination with other bureaus and any Federal agency which has jurisdiction by law or special expertise with respect to any environmental impact involved, and with appropriate Federal, State, local and Indian tribal agencies authorized to develop and enforce environmental standards.

B. Bureaus will also consult early with interested private parties and organizations, including when the bureau's own involvement is reasonably foreseeable in a private or non-Federal application.

C. Bureaus will revise or amend program regulations or directives to ensure that private or non-Federal applicants are informed of any environmental information required to be included in their applications and of any consultation with other Federal agencies, and State, local or Indian tribal governments required prior to making the application. A list of these regulations or directives will be included in each Bureau Appendix to Chapter 6.

### 2.3 **Whether to Prepare an EIS (1501.4).**

#### A. Categorical Exclusions (CX) (1508.4).

(1) The following criteria will be used to determine actions to be categorically excluded from the NEPA process: (a) The action or group of actions would have no significant effect on the quality of the human environment; and (b) The action or group of actions would not involve unresolved conflicts concerning alternative uses of available resources.

(2) Based on the above criteria, the classes of actions listed in Appendix 1 to this Chapter are categorically excluded, Department-wide, from the NEPA process. A list of CX specific to bureau programs will be included in each Bureau Appendix to Chapter 6.

(3) The exceptions listed in Appendix 2 to this Chapter apply to individual actions within CX. Environmental documents must be prepared for any actions involving these exceptions.

(4) Notwithstanding the criteria, exclusions and exceptions above, extraordinary circumstances may dictate or a responsible Departmental or Bureau official may decide to prepare an environmental document.

B. Environmental Assessment (EA) (1508.9). See 516 DM 3.

C. Finding of No Significant Impact (FONSI) (1508.13). A FONSI will be prepared as a separate covering document based upon a review of an EA. Accordingly, the words include(d) in Section 1508.13 should be interpreted as attach(ed).

D. Notice of Intent (NOI) (1508.22.). A NOI will be prepared as soon as practicable after a decision to prepare an environmental impact statement and shall be published in the Federal Register, with a copy to the Office of Environmental Policy and Compliance, and made available to the affected public in accordance with Section 1506.6. Publication of a NOI may be delayed if there is proposed to be more than three (3) months between the decision to prepare an environmental impact statement and the time preparation is actually initiated. The Office of Environmental Policy and Compliance will periodically publish a consolidated list of these notices in the Federal Register.

E. Environmental Impact Statement (EIS) (1508.11). See 516 DM 4. Decisions/actions which would normally require the preparation of an EIS will be identified in each Bureau Appendix to Chapter 6.

#### 2.4 **Lead Agencies** (1501.5).

A. The Assistant Secretary - Policy, Management and Budget will designate lead bureaus within the Department when bureaus under more than one Assistant Secretary are involved and will represent the Department in consultations with CEQ or other Federal agencies in the resolution of lead agency determinations.

B. Bureaus will inform the Office of Environmental Policy and Compliance of any agreements to assume lead agency status.

C. A non-Federal agency will not be designated as a joint lead agency unless it has a duty to comply with a local or State EIS requirement that is comparable to a NEPA statement. Any non-Federal agency may be a cooperating agency by agreement. Bureaus will consult with the Solicitor's Office in cases where such non-Federal agencies are also applicants before the Department to determine relative lead/cooperating agency responsibilities.

#### 2.5 **Cooperating Agencies** (1501.6).

A. The Office of Environmental Policy and Compliance will assist bureaus and coordinate requests from non-Interior agencies in determining cooperating agencies.

B. Bureaus will inform the Office of Environmental Policy and Compliance of any agreements to assume cooperating agency status or any declinations pursuant to Section 1501.6(c).

**2.6 Scoping (1501.7).**

A. The invitation requirement in Section 1501.7(a)(1) may be satisfied by including such an invitation in the NOI.

B. If a scoping meeting is held, consensus is desirable; however, the lead agency is ultimately responsible for the scope of an EIS.

**2.7 Time Limits (1501.8).** When time limits are established they should reflect the availability of personnel and funds.

## DEPARTMENTAL CATEGORICAL EXCLUSIONS

The following actions are categorical exclusions (CX) pursuant to 516 DM 2.3A(2). However, environmental documents will be prepared for individual actions within these CX if the exceptions listed in 516 DM 2, Appendix 2, apply.

- 1.1 Personnel actions and investigations and personnel services contracts.
- 1.2 Internal organizational changes and facility and office reductions and closings.
- 1.3 Routine financial transactions including such things as salaries and expenses, procurement contracts, guarantees, financial assistance, income transfers, audits, fees, bonds and royalties.
- 1.4 Law enforcement and legal transactions, including such things as arrests, investigations, patents, claims, legal opinions, and judicial activities including their initiation, processing, settlement, appeal, or compliance.
- 1.5 Regulatory and enforcement actions, including inspections, assessments, administrative hearings and decisions; when the regulations themselves or the instruments of regulations (leases, permits, licenses, etc.) have previously been covered by the NEPA process or are exempt from it.
- 1.6 Non-destructive data collection, inventory (including field, aerial and satellite surveying and mapping), study, research and monitoring activities.
- 1.7 Routine and continuing government business, including such things as supervision, administration, operations, maintenance and replacement activities having limited context and intensity; e.g. limited size and magnitude or short-term effects.
- 1.8 Management, formulation, allocation, transfer and reprogramming of the Department's budget at all levels. (This does not exclude the preparation of environmental documents for proposals included in the budget when otherwise required.)
- 1.9 Legislative proposals of an administrative or technical nature, including such things as changes in authorizations for appropriations, and minor boundary changes and land transactions; or having primarily economic, social, individual or institutional effects; and comments and reports on referrals of legislative proposals.
- 1.10 Policies, directives, regulations and guidelines of an administrative, financial, legal, technical or procedural nature; or the environmental effects of which are too broad, speculative or conjectural to lend themselves to meaningful analysis and will be subject

later to the NEPA process, either collectively or case-by-case.

- 1.11 Activities which are educational, informational, advisory or consultative to other agencies, public and private entities, visitors, individuals or the general public.
- 1.12 Hazardous fuels reduction activities using prescribed fire not to exceed 4,500 acres, and mechanical methods for crushing, piling, thinning, pruning, cutting, chipping, mulching, and mowing, not to exceed 1,000 acres. Such activities: Shall be limited to areas (1) in wildland-urban interface and (2) Condition Classes 2 or 3 in Fire Regime Groups I, II, or III, outside the wildland-urban interface; Shall be identified through a collaborative framework as described in “A Collaborative Approach for Reducing Wildland Fire Risks to Communities and the Environment 10-Year Comprehensive Strategy Implementation Plan;” Shall be conducted consistent with agency and Departmental procedures and applicable land and resource management plans; Shall not be conducted in wilderness areas or impair the suitability of wilderness study areas for preservation as wilderness; Shall not include the use of herbicides or pesticides or the construction of new permanent roads or other new permanent infrastructure; and may include the sale of vegetative material if the primary purpose of the activity is hazardous fuels reduction.
- 1.13 Post-fire rehabilitation activities not to exceed 4,200 acres (such as tree planting, fence replacement, habitat restoration, heritage site restoration, repair of roads and trails, and repair of damage to minor facilities such as campgrounds) to repair or improve lands unlikely to recover to a management approved condition from wildland fire damage, or to repair or replace minor facilities damaged by fire. Such activities: Shall be conducted consistent with agency and Departmental procedures and applicable land and resource management plans; Shall not include the use of herbicides or pesticides or the construction of new permanent roads or other new permanent infrastructure; and Shall be completed within three years following a wildland fire.

## EXCEPTIONS TO CATEGORICAL EXCLUSIONS

The following exceptions apply to individual actions within categorical exclusions (CX). Environmental documents must be prepared for actions which may:

- 2.1 Have significant adverse effects on public health or safety.
- 2.2 Have adverse effects on such unique geographic characteristics as historic or cultural resources, park, recreation or refuge lands, wilderness areas, wild or scenic rivers, sole or principal drinking water aquifers, prime farmlands, wetlands, floodplains or ecologically significant or critical areas, including those listed on the Department's National Register of Natural Landmarks.
- 2.3 Have highly controversial environmental effects.
- 2.4 Have highly uncertain and potentially significant environmental effects or involve unique or unknown environmental risks.
- 2.5 Establish a precedent for future action or represent a decision in principle about future actions with potentially significant environmental effects.
- 2.6 Be directly related to other actions with individually insignificant but cumulatively significant environmental effects.
- 2.7 Have adverse effects on properties listed or eligible for listing on the National Register of Historic Places.
- 2.8 Have adverse effects on species listed or proposed to be listed on the List of Endangered or Threatened Species, or have adverse effects on designated Critical Habitat for these species.
- 2.9 Require compliance with Executive Order 11988 (Floodplain Management), Executive Order 11990 (Protection of Wetlands), or the Fish and Wildlife Coordination Act.
- 2.10 Threaten to violate a Federal, State, local or tribal law or requirement imposed for the protection of the environment.

6/30/03 #3594  
Replaces 9/26/84 #3507

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
Bureau of Indian Affairs

Master

Tribal

Allotment

PART A

Contract No. \_\_\_\_\_

**TIMBER CONTRACT FOR THE SALE OF ESTIMATED VOLUMES**

\_\_\_\_\_ Logging Unit, \_\_\_\_\_ Indian Reservation

A1. **Authority.** This contract is made under the authority of Section(s) 7/and/or 8 of the Act of June 25, 1910 (25 U.S.C. 407 and 406) Section 305 of the Act of November 28, 1990, as amended by the Act of April 30, 1964, and in accordance with the regulations of 25 CFR 163.

A2. **Parties to the Contract.** The parties to this contract are \_\_\_\_\_  
\_\_\_\_\_  
hereinafter called the Seller, and \_\_\_\_\_  
\_\_\_\_\_ of \_\_\_\_\_, \_\_\_\_\_, hereinafter called the Purchaser.

- A3. Bureau of Indian Affairs Representatives.
  - (a) **Approving Officer.** The \_\_\_\_\_ or his authorized representative, is hereinafter called the Approving Officer.
  - (b) **Superintendent.** The \_\_\_\_\_ or his authorized representative, is hereinafter called the Superintendent.

A4. **Timber Sold.** The Seller agrees to sell to the Purchaser and the Purchaser agrees to buy, in accordance with the terms and conditions of this contract and the attached Part B, Standard Provisions, which are made a part hereof, all the merchantable timber, living or dead, designated for cutting by the Bureau of Indian Affairs on tribal and/or allotted lands within the boundaries of this logging unit.

The Purchaser further agrees, for the benefit of Indians holding trust allotments within this unit, that he shall enter into separate contracts on the approved form, subject to all the applicable terms and conditions of this contract, with such Indian allottees as desire to sell their timber. The Purchaser shall enter into such contracts within 30 days from the date of submission of such contracts to him by the Superintendent.

A5. **Contract Dates.** The contract year is the period \_\_\_\_\_, unless this contract is extended in accordance with Section B2.5 of the Standard Provisions, the Purchaser shall cut and pay for all designated timber on or before \_\_\_\_\_, \_\_\_\_\_, and shall complete all other obligations on or before the contract expiration date of \_\_\_\_\_.

A6. **Unit Description.** This unit is located in \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

And includes the following approximate area:		
	Area Within Unit Boundary, Acres	Area to be Logged Acres
Tribal		
Allotted		
Alienated		<b>NONE</b>
Total		

The unit boundaries are shown approximately on the map attached hereto as Exhibit A and made a part hereof. The boundaries have been marked on the ground by the Bureau of Indian Affairs unless otherwise specified in Section A17.

**A7. Estimated Volumes**

(a) **Designated Timber.** The estimated volume of timber to be designated for cutting is:

Species And Product	Unit	Estimated Volumes		
		Tribal	Allotted	Total

The foregoing is an estimate only and shall not be construed as a guarantee or a limitation of the volume to be designated for cutting. The actual volume of timber designated for cutting in accordance with the terms of this contract and the Bureau's approved procedures shall be controlling, regardless of whether it is more or less than the above estimate.

(b) **Additional Timber.** In addition to the timber specified above, this sale also includes any other timber on the contract area which must be cut or removed in clearing for roads, landings, camps and other improvements constructed by the Purchaser and all other timber seriously damaged in logging operations under this contract, if, in the opinion of the Approving Officer, the timber is merchantable for any product in accordance with customary standards and is present in sufficient quantities to permit economic removal to existing markets.

A8. **Payment for Timber.** The Purchaser shall pay for all timber covered by this contract in accordance with the provisions of Section B4.0 of the Standard Provisions. The minimum advance deposit shall be \$ \_\_\_\_\_. In no event shall the advance deposit requested result in a balance of less than \$ \_\_\_\_\_.

A9. **Stumpage Rates.**

(a) **Designated Timber.** The stumpage rates to be paid during the life of this contract for timber specified in Section A7(a) shall be the bid rates shown below:

Species and Product	Unit	Bid Rate Per Unit

(b) **Additional Timber.** Timber of species and products not specified in Section A9(a) above which may be cut pursuant to Section A7(b) shall be paid for during the life of this contract at the appraised rates shown below:

Species and Product	Unit	Appraised Rate Per Unit

(c) **Liquidated Damages for High Stumps.** Damage rates shall be charged for stumps cut in excess of the maximum height specified in Section B5.0 of the Standard Provisions at the rate of \$ \_\_\_\_\_ per stump.

*NOTE:* Remove this page if stumpage rate provisions are inserted.

A8. **Payment for Timber.** The Purchaser shall pay for all timber covered by this contract in accordance with the provisions of Section B4.0 of the Standard Provisions. The minimum advance deposit shall be \$\_\_\_\_\_. In no event shall the advance deposit requested result in a balance of less than \$\_\_\_\_\_.

A9. **Stumpage Rates.**

(a) **Designated Timber.** The stumpage rates to be paid for timber specified in Section A7(a) during the \_\_\_\_\_ period in which this contract is approved shall be the bid *(quarterly or monthly)* rates shown below. The term “quarterly period” shall mean the 3-month periods beginning January 1, April 1, July 1, and October 1 of each contract year. In no event shall the stumpage rates be reduced below the minimum rate shown below:

Species and Product	Unit	Bid Rate Per Unit	Minimum Rate Per Unit

The bid stumpage rates which are not subject to the periodic determination of stumpage rates and adjustment of stumpage rates are: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

(b) **Additional Timber.** Timber of species and products not specified in Section A9(a) above which may be cut pursuant to Section A7(b) shall be paid for during the life of this contract at the appraised rates shown below:

Species and Product	Unit	Appraised Rate Per Unit

(c) **Liquidated Damages for High Stumps.** Damage rates shall be charged for stumps cut in excess of the maximum height specified in Section B5.0 of the Standard Provisions at the rate of \$\_\_\_\_\_ per stump.

(d) **Periodic Determination of Stumpage Rates.** For the \_\_\_\_\_ periods  
(quarterly or monthly)

following the one in which this contract is approved, stumpage rates shall be adjusted by the procedure set forth as follows: In order to determine the stumpage rates to be paid for the timber cut under this contract, it is agreed that Western Wood Products Association index prices of lumber for the \_\_\_\_\_ period beginning

\_\_\_\_\_ are:  
(date)

Species	Index	Base Index Price

The Approving Officer shall obtain from the above-designated organization, through its published reports or otherwise, statements of the index prices of lumber for each period during the time provided for the Purchaser to cut and pay for all designated timber.

The stumpage rates which are to become effective for each period shall be the bid rates plus or minus \_\_\_\_\_ percent of the difference between the index prices for the period just passed and the stipulated base index prices.

(e) ***Adjustment of Stumpage Rates.***

***After Three Years.*** After the contract has been in effect for three years, if the determination of stumpage rates prescribed in Section A9 (d) no longer appears to provide an acceptable basis for stumpage rate determinations, the Approving Officer shall, on his own motion or upon submission in writing by the Seller or the Purchaser of evidence satisfactory to the Approving Officer, review the stumpage rates.

***In The Event Lumber Index Prices are not Available.*** If the average index prices of lumber set forth in the contract become unavailable for use in the procedure prescribed in Section A9 (d), the Approving Officer shall review the stumpage rates.

If, as a result of a review of stumpage rates, it appears equitable to consider changing the stumpage rates, the Approving Officer shall establish a one-month period for consultations with the Seller and the Purchaser either separately or collectively as circumstances and conveniences permit. During the consultation period the parties may submit any appropriate facts or recommendations they may desire. As soon as practicable after the close of the consultations, the Approving Officer shall evaluate the data submitted and, on the basis of such material and other available material that a prudent man would consider, either determine adjusted stumpage rates or that no adjustment should be made. The Approving Officer shall announce his decision and the basis upon which it was determined. In the event the decision provides for adjusted stumpage rates they shall become effective the date of the announcement.

It is agreed that any consideration of changes in the stumpage rates in accordance with this section must be based on changes subsequent to the bidding time in production costs, forest product prices, or other economic factors affecting the forest products industry of the region in which the timber is located or be justified by the necessity of making adjustments to meet situations which were not recognized or anticipated at the time the timber was sold. It is understood that a decision at any time by the Approving Officer, either to adjust or not to adjust stumpage in accordance with this section, shall not affect his authority in any subsequent adjustment studies to consider any pertinent changes that have occurred since the timber was sold.

It is further understood Adjustment of Stumpage Rates for each entitled cause above shall not be made oftener than once in each contract year.

- (f) ***Periodic Determination of Stumpage Rates After an Adjustment of Stumpage Rates.*** It is understood the determination of stumpage rates specified as to index, base index price and bid stumpage rate in Section A9 (d) shall have no further application after an adjustment of stumpage rates and that the adjusted rates may be made effective with or without reference to the periods established therein. Should the Approving Officer decide to continue a periodic determination of stumpage rates, he shall establish the adjusted stumpage rates in lieu of the bid rates of Section A9 (a) and establish a corresponding index base price for use of the procedures of Section A9 (d) and such determinations of stumpage rates shall proceed from the next period following the one in which the adjusted rates become effective.

A10. **Performance Bond.** The Purchaser delivers herewith and agrees to maintain a bond satisfactory to the Approving Officer in the sum of \$\_\_\_\_\_conditioned upon the faithful performance of all the terms of this contract.

A11. **Merchantability.** Trees, when designated for cutting, and products cut from those trees, shall equal or exceed the following minimum specifications.

SPECIES AND PRODUCT	PRODUCT SPECIFICATIONS				TREE SPECIFICATIONS
	Length (Feet)	Scaling Diameter (Inches)	Net Scale in Percent of Gross Scale	Net Scale (Board Feet)	Number of Minimum-Size Products per Tree

A12. **Designating Timber for Cutting.**

A13. **Cutting Schedule.**

(f) **Minimum Annual Cut.** The Purchaser shall cut and pay for not less than

\_\_\_\_\_  
 \_\_\_\_\_

during the contract year ending \_\_\_\_\_  
 and not less than \_\_\_\_\_

each subsequent contract year.

(g) **Maximum Annual Cut.** The maximum volume of timber that may be cut in any contract year shall be \_\_\_\_\_

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

A14. ***Scaling.***

(a) ***Designated timber.***

(b) ***Additional timber.***

A15. ***Slash and Cull Tree Disposal.***

A16. ***Road Construction and Maintenance.***

A17. ***Special Provisions.***

“The Purchaser will not receive interest on funds paid to or deposited with the Bureau of Indian Affairs except on the principal amount of funds returned or refunded to the purchaser. Interest accrued on the principal amount retained for default will be treated as a penalty and distributed to the beneficial land owner(s)”.

A18. **Effective Date.** This contract shall become effective on the date of approval by the Approving Officer.

WITNESSES:

PURCHASER

\_\_\_\_\_  
(Name)  
\_\_\_\_\_  
(Address)  
\_\_\_\_\_  
(Name)  
\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Name of Corporation, Partnership or Individual)  
By \_\_\_\_\_  
By \_\_\_\_\_  
\_\_\_\_\_  
(Date)

Witnesses are required if Purchaser is other than a corporation. If Purchaser is a corporation, the following certificate must be executed:

I, \_\_\_\_\_, certify that I am the \_\_\_\_\_ Secretary, of the corporation named as the Purchaser herein; that \_\_\_\_\_, who signed this contract was then \_\_\_\_\_ of said corporation: that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and within the scope of its corporate powers.

\_\_\_\_\_  
(corporate seal)

WITNESSES:

SELLER

\_\_\_\_\_  
(Name)  
\_\_\_\_\_  
(Address)  
\_\_\_\_\_  
(Name)  
\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Allottee or his legal representative)  
By \_\_\_\_\_  
By \_\_\_\_\_  
\_\_\_\_\_  
(Date)

Signed for the \_\_\_\_\_ pursuant to Resolution No. \_\_\_\_\_ passed by its tribal governing body in a meeting held at \_\_\_\_\_, on \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
(Name)  
\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Name)  
\_\_\_\_\_  
(Title)

APPROVING OFFICER

Approved: \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
(Name)  
\_\_\_\_\_  
(Title)

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
Bureau of Indian Affairs**

Contract No. \_\_\_\_\_  
Allotment No. \_\_\_\_\_

**SUBSIDIARY ALLOTMENT TIMBER CONTRACT  
SALE OF ESTIMATED VOLUMES**

\_\_\_\_\_ Logging Unit, \_\_\_\_\_ Indian Reservation

**1. Authority.** This contract is made under the authority of Section 8 of the *Act of June 25, 1910 (25 U.S.C. 406)* as amended by the Act of April 30, 1964, the regulations contained in 25 CFR 163 and the terms and conditions of Timber Contract No. \_\_\_\_\_, hereinafter called the Master Contract, covering the logging unit within this allotment is located.

**2. Parties to the Contract.** The parties to this contract are \_\_\_\_\_  
hereinafter called the Seller, as *represented by the* \_\_\_\_\_  
*under the authority of the attached power of attorney* and \_\_\_\_\_  
hereinafter called the Purchaser.

**3. Superintendent.** The \_\_\_\_\_ or his authorized representative, is hereinafter called the Superintendent.

**4. Timber Sold.** The Seller agrees to sell to the Purchaser and the Purchaser agrees to buy, in accordance with the terms and conditions of this contract, all the merchantable timber, living or dead, designated for cutting by the Bureau of Indian Affairs within the boundaries of this allotment. The estimated volumes of timber to be cut and the stumpage rates to be paid, subject to any stumpage adjustment provisions of the Master Contract, are:

Species and Product	Estimated Volumes	Unit	Rate Per Unit

NOTE: *Italic type to be deleted if inapplicable.*

The foregoing is an estimate only and shall not be construed as a guarantee or a limitation of the volume to be designated for cutting. The actual volume of timber designated for cutting in accordance with the terms of this contract and the Bureau's approved procedures shall be controlling, regardless of whether it is more or less than the above estimate.

In addition to the timber specified above, this sale also includes any other timber on the contract area which must be cut or removed in clearing for roads, landings, camps and other improvements constructed by the Purchaser and all other timber seriously damaged in logging operations under this contract, if, in the opinion of the Approving Officer, the timber is merchantable for any product in accordance with customary standards and is present in sufficient quantities to permit economic removal to existing markets.

**5. Allotment Description.** This allotment is described as \_\_\_\_\_

\_\_\_\_\_ under  
comprising lands allotted to \_\_\_\_\_ under  
the provisions of the \_\_\_\_\_ (\_\_\_\_\_ Stat. \_\_\_\_\_).

(act or treaty)

The allotment contains approximately \_\_\_\_\_ acres of which approximately \_\_\_\_\_ acres are to be logged.

**6. Terms and Conditions.** All of the terms and conditions of the Master Contract are incorporated herein by reference insofar as they are applicable to the sale of allotment timber. Any changes in the stumpage rates and any modifications, extensions of time or other changes in the terms and conditions of the Master Contract are hereby made a part of this contract insofar as they are applicable.

**7. Special Provisions.**

**8. Effective Date.** This contract shall become effective on the date of approval by the Approving Officer.

Witnesses:

**PURCHASER**

_____	_____
(Name)	(Name of Corporation, Partnership or Individual)
_____	By _____
(Address)	_____
_____	By _____
(Name)	_____
_____	_____
(Address)	(Date)

**SELLER**

_____	_____
(Name)	<sup>1</sup> Allottee
_____	_____
(Address)	(Date)
_____	
(Name)	
_____	
(Address)	

**APPROVAL**

<sup>2</sup> Signed as authorized representative of Seller and Approved:

Name \_\_\_\_\_

Title \_\_\_\_\_

\_\_\_\_\_

(Date)

If Purchaser is a corporation, the following certificate must be executed:

I, \_\_\_\_\_, certify that I am the \_\_\_\_\_ Secretary, of the corporation named as the Purchaser herein; that \_\_\_\_\_, who signed this contract was then \_\_\_\_\_ of said corporation: that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and within the scope of its corporate powers.

\_\_\_\_\_ (corporate)  
( seal )

<sup>1</sup> If the Allottee has not executed a power of attorney, he signs here and the italics wording in the "APPROVAL" section is deleted.

<sup>2</sup> If the Allottee has authorized the Superintendent to act for him, no deletion is necessary and lines in the "SELLER" section are left blank.

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
Bureau of Indian Affairs**

Tribal

Allotment

**PART A**

Contract No.

**TIMBER CONTRACT FOR THE SALE OF PREDETERMINED VOLUMES**

\_\_\_\_\_ Logging Unit, \_\_\_\_\_ Indian Reservation

**A1. Authority. This contract is made under the authority of Section(s) 7 and/or 8 of the Act of June 25, 1910 (25 U.S.C. 407 and 406) as amended by the Act of April 30, 1964, and in accordance with the regulations contained in 25 CFR 163.**

**A2. Parties to the Contract. The parties to this contract are** \_\_\_\_\_  
\_\_\_\_\_  
**hereinafter called the Seller, and** \_\_\_\_\_  
\_\_\_\_\_  
**of** \_\_\_\_\_, \_\_\_\_\_ **hereinafter called the Purchaser.**

**A3. Bureau of Indian Affairs Representatives.**

**(a) Approving Officer. The** \_\_\_\_\_  
**or his authorized representative, is hereinafter called the Approving Officer.**

**(b) Superintendent. The** \_\_\_\_\_  
**or his authorized representative, is hereinafter called the Superintendent.**

**A4. Timber Sold. The Seller agrees to sell to the Purchaser and the Purchaser agrees to buy, in accordance with the terms and conditions of this contract and the attached Part B, Standard Provisions, which are made a part hereof, the following timber:**

**(a) Designated Timber. All timber, living or dead, which has been designated for cutting by the Bureau of Indian Affairs within the boundaries of this unit. The volume of designated timber, which has been determined as stated in A10. (a) herein, the bid stumpage rates and the total purchase price of such designated timber are shown in the following tabulation.**

Species	Volume	Unit	Bid Rate Per Unit	Total Purchase Price

**The Purchaser agrees to pay the total purchase price shown above regardless of whether the actual volume of the timber designated for cutting is more or less than the volumes shown above.**

*(b) Additional Timber. In addition to the timber specified above, this sale also includes any other timber on the contract area which must be cut or removed in clearing for roads, landings, camps and other improvements constructed by the Purchaser and all other timber seriously damaged by logging operations under this contract, if, in the opinion of the Approving Officer, the timber is merchantable for any product in accordance with customary standards and is present in sufficient quantities to permit economic removal to existing markets.*

A5. Contract Dates. The contract year is the period \_\_\_\_\_.  
 Unless this contract is extended in accordance with Section B2.5 of the Standard Provisions, the Purchaser shall cut and pay for all designated timber on or before \_\_\_\_\_ 20 \_\_\_\_, and shall complete all other obligations on or before the contract expiration date of \_\_\_\_\_, 20\_\_.

A6. Unit Description. This unit is located in \_\_\_\_\_

and includes the following approximate area:

	Area Within Unit Boundary, Acres	Area To Be Logged, Acres
Tribal		
Allotted		
Alienated		NONE
TOTAL		

**The unit boundaries are shown approximately on the map attached hereto as Exhibit A and made a part hereof. The boundaries have been marked on the ground by the Bureau of Indian Affairs unless otherwise specified in Section A13.**

*A7. Payment For Timber.*

- (a) The Purchaser shall pay the total purchase price of the timber shown in Section A4.(a) herein by \_\_\_\_\_ payment(s). Single payment shall be paid on or before the approval of the contract by the Approving Officer and Sections B4.2 and B4.3 of the Standard Provisions shall not apply. Installment payments shall be paid in such amounts and at such times as called for by the Superintendent and Section B4.3 of the Standard Provisions shall not apply.**
  
- (b) The Purchaser shall pay for additional timber which may be cut pursuant to Section A4.(b) herein in such amounts and at such times as called for by the Superintendent. Payment for additional timber shall be computed at the appraised rates shown below:**

Species and Product	Unit	Rate Per Unit

**A8. Performance Bond. The Purchaser delivers herewith and agrees to maintain a bond satisfactory to the Approving Officer in the sum of \$ \_\_\_\_\_ conditioned upon the faithful performance of all the terms of this contract.**

*A9. Designating Timber for Cutting.*

*A10. Scaling*

*(a) Designated Timber.*

*(b) Additional Timber.*

*A11. Slash and Cull Tree Disposal.*

*(a) A12. Road Construction and Maintenance.*

*A13. Special Provisions.*

**A14. Effective Date. This contract shall become effective on the date of approval by the Approving Officer.**

**PURCHASER**

WITNESSES:

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Name of Corporation, Partnership or individual)

By \_\_\_\_\_

By \_\_\_\_\_

\_\_\_\_\_  
(Date)

**Witnesses are required if Purchaser is other than a corporation. If Purchaser is a corporation, the following certificate must be executed:**

**I, \_\_\_\_\_, certify that I am the \_\_\_\_\_ Secretary, of the corporation named as the Purchaser herein; that \_\_\_\_\_, who signed this contract was then \_\_\_\_\_ of said corporation: that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and within the scope of its corporate powers.**

**SELLER**

WITNESSES :

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
Allottee or his legal representative

\_\_\_\_\_  
(Date)

**Signed for the \_\_\_\_\_, pursuant to Resolution No. \_\_\_\_\_ passed by its tribal governing body in a meeting held at \_\_\_\_\_, on \_\_\_\_\_, 20\_\_\_\_.**

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

**APPROVING OFFICER**

**Approved: \_\_\_\_\_, 20 \_\_\_\_**

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

UNITED STATES DEPARTMENT OF INTERIOR  
BUREAU OF INDIAN AFFAIRS

**TIMBER SALE CONTRACT**  
**PART B**  
**STANDARD PROVISIONS**

<i>Section</i>	<i>Title</i>	<i>Page</i>	<i>Section</i>	<i>Title</i>	<i>Page</i>
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B2.0	General Conditions	2		B9.1 Treatment of Slash	
	B2.1 Title and Risk of Loss			B9.2 Burning Slash	
	B2.2 Interpretation of Contract			B9.3 Cull Tree Felling	
	B2.3 Modification		B10.0	Transportation Facilities	5
	B2.4 Assignment of Interest			B10.1 Authorization	
	B2.5 Extension of Time			B10.2 Road Construction	
	B2.6 Suspension of Operations			B10.3 Road Maintenance	
	B2.7 Failure to Complete Contract			B10.31 Existing Bureau Roads	
	B2.8 Termination of Contract			B10.32 Roads Constructed by Purchaser	
	B2.9 Closure of Contract			B10.4 Used by Other Parties	
	B2.10 Disputes			B10.5 Improvements	
	B2.11 Appeals				
	B2.12 Bureau Representative		B11.0	Fire Prevention and Suppression	5
B3.0	Timber to be Reserved	2		B11.1 Fire Plan	
B4.0	Payments and Deposits	3		B11.2 Fire Precautions	
	B4.1 Method of Payment			B11.3 Fire Suppression	
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The following Standard Provisions are hereby prescribed for use in contracts for the sale of timber from Indian lands except as otherwise provided by the Secretary of the Interior or his authorized representative in particular sales.

**B1.0 Definitions.** As used in these provisions and in Part A of the contract to which they are attached:

**"Approving Officer"** means the officer approving the contract or his authorized representative.

**"Commissioner"** means the Commissioner of Indian Affairs or his authorized representative.

**"Area Director"** means the Area Director of the Bureau of Indian Affairs Area within which the sale area is located, or his authorized representative.

**"Superintendent"** means the Superintendent or other officer in charge of the Indian Agency having jurisdiction over the sale area, or his authorized representative.

**"Officer in Charge"** means the forest officer of highest rank assigned to the supervision of forestry work at the Indian Agency having jurisdiction over the sale area, or his authorized representative.

**"Seller"** means the Indian tribe or the individual owner or owners of the timber sold under the contract.

**"Purchaser"** means the purchaser of timber under the contract and his successors in interest.

**"Bureau"** means the Bureau of Indian Affairs, or the Commissioner, or any person or persons or board duly authorized to act for the Bureau of Indian Affairs or the Commissioner.

**"Contract Year"** means calendar year or other period of time defined in the contract.

**B2.0 General Conditions.**

**B2.1 Title and Risk of Loss.** Title to the timber covered by the contract shall not pass to the Purchaser until it has been scaled, paid for, and removed from the contract area. The risk of loss for all timber which has been cut shall be borne by the Purchaser. The risk of loss as to all standing timber and the fallen timber not a result of the Purchaser's acts or omissions shall remain with the Seller except for those sales based on tree measurement or other determination of total volume obtained prior to sale, in which cases the risk of loss shall pass to the Purchaser upon the approval of the contract by the Approval Officer, and, except as otherwise provided herein with respect to fire damage. Nothing in this paragraph shall be construed to relieve either party of liability for negligence.

**B2.2 Interpretation of Contract.** The decision of the Approving Officer shall prevail in the interpretation of the contract, subject to the right of appeal prescribed in Section B2.11 herein.

**B2.3 Modification.** The conditions of sale as set forth in the contract may be modified only through a written agreement between the Seller and the Purchaser prior to the expiration of the contract. No modification shall become effective until approved by the Approving Officer. When a surety bond has been furnished by the Purchaser, he must either obtain a commitment from the surety to continue the bond under the modification or furnish a new bond.

**B2.4 Assignment of Interest.** The assignment by the Purchaser of any or all of his interest under the contract shall not affect any of the obligations of the parties or the Bureau under the contract until the assignment has been approved by the Approving Officer after consultation with the Seller. The party to whom an interest is assigned must provide a bond as specified in the contract or obtain a commitment from the previous surety to be bound by the assignment when approved. The approval of an assignment by the Approving Officer shall not operate to change the provisions of the contract. Unless otherwise provided

for therein, an assignment shall not relieve the assignor of any of the responsibilities and liabilities under the contract.

**B2.5 Extension of Time.** An extension of time for the performance of the contract is a modification of contract and shall be treated as provided in Section B2.3 herein.

**B2.6 Suspension of Operations.** The Superintendent may, after written notice to the Purchaser, suspend any or all of the Purchaser's operations under the contract if the Purchaser violates any of the requirements of the contract. The Officer in Charge may stop any portion of the Purchaser's operations until the Superintendent's written notice is delivered if such suspension is necessary to mitigate damages to the land or other property of the Indians or the Government. Such notice should be delivered within 10 working days. Such suspension of operations may be continued by the Superintendent until there is satisfactory compliance. After written notice from the Superintendent, continued failure to comply with any of the requirements of the contract shall be grounds for the revocation by the Approving Officer of all rights of the Purchaser under the contract and the Purchaser shall be liable for all damages resulting from his breach of contract as described in the following section.

**B2.7 Failure to Complete Contract.** In the event of failure to complete all obligations assumed under the contract, the Purchaser shall be liable for the depreciation in the value for the remaining timber and for any costs or expenses incurred by or caused to the Seller or the Government as a result of such failure, in an amount to be determined by the Approving Officer.

**B2.8 Termination of Contract.** The contract may be terminated at any time by written agreement between the Seller and the Purchaser. Termination agreements shall not become effective until approved by the Approving Officer.

**B2.9 Closure of Contract.** Upon completion of all obligations of the timber sale contract the Purchaser shall be given appropriate notice from the Approving Officer.

**B2.10 Disputes.** Either of the parties to the contract may submit complaints of any action or decision under the contract by the Superintendent or the Officer in Charge in accordance with the following procedure. Complaints shall be made in writing to the Superintendent. If the Superintendent is not the Approving Officer of the contract and the dispute is not resolved to the satisfaction of the parties, a written complaint may then be submitted to the Area Director. If the Area Director is not the Approving Officer and his decision is not satisfactory to the parties, a complaint may be submitted in writing to the Commissioner. Complaints shall be made within 30 days of the action or decision in dispute unless the party making the complaint furnishes reasons satisfactory to the officer receiving the complaint for granting a longer period of time, in which case the officer may extend the period for such length of time as he deems reasonable.

**B2.11 Appeals.** The parties to this contract may appeal, in accordance with the regulations set forth in 25 CFR Part 2, any action or decision taken by the Approving Officer or his superior officers.

**B2.12 Bureau Representative.** Notices, requests or other action where formal written notice or report is required herein, or is appropriate, shall be accepted for the Bureau by the Superintendent.

**B3.0 Timber To Be Reserved.** No timber may be cut except that which is designated by the Officer in Charge. A strip of timber on each side of streams, roads and trails, along lake shores, in the vicinity of camping places and recreational or ceremonial grounds, and timber in immature stands or other areas which should not be disturbed because of silvicultural, watershed protection or other reasons, may be reserved in which little or no cutting shall be allowed.

**B4.0 Payments and Deposits.**

**B4.1 Method of Payments.** The Purchaser shall pay for the timber covered by the contract in advance of cutting, as a single payment or installment payments in sales of predetermined volumes or in the form of advance payments or advance deposits in sales of estimated volumes. Payments and deposits shall be by check or postal money order, drawn payable to the Bureau of Indian Affairs, or in cash, and shall be transmitted to the Superintendent.

**B4.2 Advance Payments on Allotment Timber.** Advance payments are partial payments of the estimated value of timber to be cut on each allotment and are required in all sales of allotment timber in which the cutting period exceeds two years. Advance payments may be paid to the allotment owner as soon as received, and are not refundable. Such payments shall be credited against the allotment timber as it is cut and scaled, at the stumpage rates in effect at the time of scaling. The Purchaser shall pay 25 percent, unless otherwise specified in the Contract, of the estimated value of the timber to be cut, computed at the bid rates, within 30 days from the date of approval of each allotment contract and before cutting begins. The Purchaser may be required to make additional advance payments if specified in the contract. If additional advance payments are specified in the contract, advance deposits previously applied against timber cut on the allotment shall be included in computing the payments. The Approving Officer may, in his discretion, reduce the original estimate of the volume of timber to be cut on any allotment because of error of estimate, losses from fire or other causes, or for similar reasons, but not because of depletion from cutting. If the advance payments on any allotment exceed the total value of timber cut on that allotment by the Purchaser, the amount of the advance payments shall be declared to be the value of the timber so cut. Advance payments on allotment timber shall not operate to reduce the size of the advance deposits that may be required by the Superintendent.

**B4.3 Advance Deposits.** Advance deposits are used in the sale of estimated volumes to maintain an operating balance against which the value of timber to be cut from tribal or allotted lands will be charged. The Purchaser shall make advance deposits at such times as called for by the Superintendent and in such amounts as required by the contract. The Superintendent may reduce the minimum size of the last advance deposit before completion of the sale or before periods of approximately three months or longer during which no timber cutting is anticipated. In no event shall the advance deposit requested result in a balance of less than the amount designated in the contract.

**B4.31 Payment for Timber.** Advance deposits shall be applied first to timber cut from tribal lands and shall be applied to allotment timber only after the advance payments on the allotment have been exhausted. All timber shall be paid for at the stumpage rates in effect at the time of scaling except as otherwise provided in the contract.

**B4.32 Advance Deposit Balance.** To compute the advance deposit balance, the estimated value of timber cut but not yet scaled shall be deducted from the amount of advance deposits currently available.

**B4.33 Suspension of Operations.** If advance deposits are not received within 15 days of written request therefore, or if at any time the balance in advance deposits is reduced below the required minimum advance deposits balance, the Superintendent may suspend all or any part of the operations until the requested advance deposit is received.

**B4.34 Refund of Advance Deposits.** At times when cutting operations may be inactive for approximately three months or longer, and if the balance of advance deposits is in excess of the required minimum advance deposit balance specified in the contract, such excess may be refunded at the request of the Purchaser, and at the discretion of the

Superintendent. However, no refund shall be made if an unexcused deficiency in minimum cutting requirements exists. Final refund of the total unobligated balance of advance deposits may be authorized by the Approving Officer after all the timber covered by the contract has been paid for.

**B5.0 Utilization.**

**B5.1 Sales of Estimated Volumes.** In sales in which the volume of timber is to be determined by measurement of cut products, timber shall be cut to utilize fully the merchantable material and to yield the maximum stumpage value. Timber cut into lengths or products of lesser value shall be scaled as if cut to yield the maximum value of products covered by the contract. Stumps shall be cut as low as practicable to avoid waste. The mean height of any stump shall not exceed one-half of its diameter, except that where this height is considered to be impracticable, higher stumps may be authorized by the Officer in Charge. Stumps which exceed the maximum height shall be paid for by the Purchaser at the rates per stump specified in the contract, which charges, in view of the difficulty of determining the actual damage to the Sheller, shall be regarded as fixed, agreed and liquidated damages. In addition, the Officer in Charge may require the Purchaser to recut such stumps to the maximum allowable height.

**B5.2 Sales of Predetermined Volumes.** In sales in which the volume of timber sold was determined prior to the sale, the Officer in Charge may require the Purchaser to recut stumps which exceed the maximum height as defined in Section B5.1. In these sales, the Purchaser is expected to practice full utilization but no charge shall be made for poor utilization of timber represented by the predetermined volumes.

**B6.0 Cutting Schedule.**

**B6.1 Minimum Volume.** The Bureau will make a reasonable and conscientious effort to keep scaling current, but the volume presented for scaling by the Purchaser within the contract year will not be counted as part of the minimum volume unless actually scaled. During the last year for cutting and paying under the contract, the actual volume of timber designated for cutting shall be controlling if less than or more than the minimum volume required in the contract.

**B6.11 Relief from Minimum Requirements.** If the Purchaser fails to meet the minimum cutting requirements specified in the contract, the Superintendent at the request of the Purchaser and after consultation with the Seller, may relieve the Purchaser in whole or in part from the minimum annual cutting and paying requirement when, in the opinion of the Superintendent, the Purchaser is prevented by factors beyond his control from meeting the minimum cutting requirements, or when such relief is in the best interest of the Seller.

**B6.12 Payment for Deficiencies.** If the Purchaser fails to meet the minimum cutting requirements and no relief is granted, the Purchaser shall pay, as liquidated damages, an amount for losses to the Seller arising from deterioration of deficient volume, a delay or loss of growth in the residual stand, delay in establishing a new stand, and from delay in receipt of planned income or other causes, if provided for in the contract. The volume of timber scaled during the following contract year shall not be applied to the minimum requirements for that year until the existing deficiency has been made up. All timber scaled to correct a cutting deficiency shall be paid for at the stumpage rates in effect at the end of the contract year in which the deficiency occurred or at the rates in effect at the time of scaling, whichever are higher, plus the liquidated damage amount, if provided for in the contract. Normal stumpage rate procedures shall be applied at the start of the first monthly period subsequent to the monthly reporting period in which the deficiency is satisfied.

**B6.2 Maximum Volume.** The volume of timber cut on the sale area during any contract year, not including the cutting deficiencies from any previous year or years or the volume of timber salvaged pursuant to Section B6.3 herein, shall not exceed the maximum volume specified in the contract without the consent of the Superintendent after consultation with the Seller. Logging performance in any contract year beyond the minimum required therefore shall not be applied against the cutting requirements of subsequent contract years unless authorized by the Superintendent after consultation with the Seller.

**B6.3 Salvage of Damaged Timber.** Any timber within the unit of the species and minimum merchantability specified in the contract which is damaged but not rendered unmerchantable by insects, disease, windthrow, fire or by other forces subsequent to the date the contract is approved, shall be termed merchantable. In contracts for the sale of predetermined volumes in which minimum merchantability standards are not specified, merchantability shall be determined in accordance with customary standards. The Purchaser shall cut and pay for damaged merchantable timber as expeditiously as possible and as the Superintendent may direct. If, in the opinion of the Approving Officer, additional salvage operations are necessary to prevent losses to the Indian owners, he may offer all or part of the damaged timber for sale under one or more separate contracts. When the damage has resulted in an appreciable diminished value of the timber for which the risk of loss remains with the Seller, the Approving Officer shall prescribe the stumpage rates applicable to the damaged timber. In the event any timber covered by the contract is lost, destroyed or damaged by fire, wind, flood, insects, diseases or other causes, to the extent that it is unmerchantable, there shall be no obligation on the part of the Bureau to designate, or on the part of the Purchaser to accept and pay for, other timber in lieu of that destroyed or damaged.

**B7.0 Scaling.** The term "scaling" as used in these Provision may include various volume determination methods such as log rule, measuring, linear measuring, counting, weighing, sampling, tree measurement before felling or any reasonable method prescribed by the Approving Officer. All scaling shall be conducted by employees of the Bureau unless a written agreement is entered into to accept scaling services of an established scaling organization acceptable to the Approving Officer.

**B7.1 Scaling Specifications.** Unless otherwise provided for in the contract, the following specifications are prescribed for scaling logs: (a) the Scribner Decimal C log rule shall be used, (b) maximum length of a single log shall be 20 feet, (c) all logs exceeding the maximum scaling length shall be scaled as two or more logs, (d) trim allowance shall be made as follows:

<i>Log Length</i>	<i>Trim Allowance (Inches)</i>
8-20 feet.....	6
21-34 feet.....	12
35 feet and longer.....	14

No scaling deduction shall be made if any defect or damage is due to the carelessness of the Purchaser. Products presented for scaling in other than sawlog form shall be scaled as provided in the contract.

**B7.2 Convenience in Scaling.** The Purchaser shall roll out, deck or otherwise present products in a manner suitable for economical scaling as the Officer in Charge may reasonable direct. The points at which products shall be presented for scaling shall be designated by the Officer in Charge. Products shall not be moved from the designated scaling point until they have been scaled and until they have been stamped, numbered or otherwise released by the Officer in Charge. Products that are

moved contrary to the instructions of the Officer in Charge shall be paid for by the Purchaser at double the contract stumpage rates. The Officer in Charge may require that products be decked, stacked or otherwise held for scaling when the average daily volume produced is too small to permit economical scaling.

**B7.3 Scaling Unmerchantable Material.** Material which is more defective than the minimum merchantable percentage and material smaller than the minimum merchantable size, as specified in the contract, shall be culled if left in the woods, but any material more defective than the minimum merchantable percentages as set forth in the contract, which is removed from the unit at the Purchaser's option, with the intent of manufacture or sale, will be paid for on the basis of net merchantable content or shall be paid for as specified in the contract.

**B7.4 Scaling of Waste Material.** Waste in long butts, tops, broken and partially sound logs, in other products, and in all trees designated for cutting which are not cut or which are left felled, lodged or badly damaged by the logging operations shall be paid for by the Purchaser at the contract stumpage rates, except that no additional charge shall be made for such waste material in trees the volume of which was determined prior to the sale.

**B7.5 Damage to Timber.** The Purchaser may be required to pay at double the contract stumpage rates for merchantable timber not designated for cutting which is cut or seriously injured through carelessness or negligence. If timber is injured or damaged to the extent that, in the opinion of the Officer in Charge, it will constitute a hazard to residual trees if not removed, the Purchaser may be required to remove such injured or damaged timber. Any waste material or injured or damaged timber which is paid for shall become the property of the Purchaser and may be removed from the sale area at any time prior to the expiration of the contract.

**B7.6 Marking Products.** When a separate record of the volume of timber cut from allotments or other areas is required by the Bureau, the Purchaser shall mark all unscaled products with distinctive brands, or perform other procedure as directed by the Officer in Charge to permit positive identification of the products with the land from which they were cut.

**B7.7 Reports of Scale.** A copy of each scale report or other authorized document showing the volume and value of all products scaled under the contract during the reporting period shall be furnished to the Purchaser by the Superintendent. A copy of each Report of Timber Cut or other appropriate reports, showing the volume and value of timber scaled and the balances in advance payments and advance deposits, shall be furnished to the Purchaser.

**B7.8 Check Scales.** The Purchaser may arrange with the Bureau, through the Officer in Charge, for a check scaler employed by the Purchaser or representing the Purchaser, to conduct a check scale and compare his scale with that of the Bureau. All data compiled by each party shall be exchanged.

**B8.0 Logging Requirements.**

**B8.1 Logging Plans.** The Superintendent may require the Purchaser to present seasonal plans of logging operations for approval before operations begin. When a logging plan has been approved, there shall be no substantial departure from it without the written consent of the officer who approved the plan. The areas to be logged in any season may be designated by the Superintendent when, in his discretion, such action is necessary to prevent deterioration of timber from fire, insects, disease or other cause, or to insure that the sale area is logged in such a manner as to protect fully the interests of the Seller and the Government

**B8.2 Logging Methods.** The Purchaser's logging methods shall avoid unnecessary damage to reserved trees, young growth, lands, other property and other values of the Indians or

Government, and shall employ practices recommended for the protection of water quality. The operation of all logging equipment shall be subject to such restrictions as the Officer in Charge may prescribe.

**B8.3 Protection of Streams.** Logging practices and road construction shall be conducted in a manner that will minimize damage to the course and sides of all streams whenever encountered in such activities. Streams as here referred to include both flowing and intermittent water courses. Written approval of the Officer in Charge is required for the hauling, skidding or yarding through any stream.

**B8.4 Soil Erosion.** Logging practices and road construction shall be conducted in a manner that will minimize soil erosion and damage. Soil and water conditions in naturally moist meadows shall be protected. Where soil is particularly susceptible to erosion, the Purchaser may be required to take reasonable and practicable measures to retain road surfaces and prevent the gulying of roads and skid trails. Barren areas as created by landings and camp and maintenance sites may be required to receive similar care. The Officer in Charge may suspend operations in whole or in part for such periods as he may deem necessary to avoid excessive damage when ground conditions are unfavorable.

**B8.5 Safety.** The Purchaser shall conduct his operations in compliance with prescribed safety practices and Federal Law. Appropriate warning signs may be required to be posted concerning hazardous conditions arising from his operations.

**B9.0 Slash and Cull Trees**

**B9.1 Treatment of Slash.** Treatment of slash as specified in the contract shall be accomplished by the Purchaser concurrently with other phases of logging operations. Slash shall mean limbs, tops, damaged young growth and other material resulting from logging, road construction or other operations of the Purchaser.

**B9.2 Burning Slash.** The Purchaser shall lop and pile all slash compactly for burning unless otherwise specified in the contract. Slash piles shall be placed a sufficient distance from reserved trees and reproduction to prevent unnecessary damage in burning. The Purchaser shall burn slash in such a manner at such times as the Officer in Charge may direct. Whenever the Purchaser allows fire to run through slash, except in compliance with the instructions of the Officer in Charge, the Purchaser may be required to lop and scatter, or repile and reburn the slash. The Purchaser shall make every reasonable effort to control and suppress all fires which may spread from his slash burning operations. The Purchaser may be relieved in whole or in part of slash disposal requirement on specifically designated areas by the Superintendent.

**B9.3 Cull Tree Felling.** The Purchaser shall fell all unmerchantable dead trees and designated live cull trees within the area of cutover which are 14 inches or more in diameter at breast height and 16 feet or more in total height. Cull tree felling shall be completed in each part of the sale area as soon as practicable after yarding or skidding and before the slash is burned, if burning is required. The Purchaser may be relieved of cull tree felling requirement on specifically designated areas by the Superintendent.

**B10.0 Transportation Facilities.**

**B10.1 Authorization.** The Purchaser is authorized to construct and maintain on the contracted area and on other unallotted Indian lands such roads, bridges and other transportation facilities as are necessary for logging operations under the contract, subject to applicable regulations and such conditions as the Bureau may impose. Construction of transportation facilities shall not convey the right of exclusive use to the Purchaser. In these Provisions, "Construction" shall also include reconstruction.

**B10.2 Road Construction.** The location and design of all roads to be constructed by the Purchaser shall minimize damage to land, improvements, and the environment. The Bureau may, before construction begins, require approval of location and design by inspection or through the submission of plans and specifications for the location and design of roads and appurtenant structures.

**B10.3 Road Maintenance.** All roads and trails which are designated by the Officer in Charge as being necessary for the administration and protection of Indian lands shall at all times be kept free of obstructions resulting from the Purchaser's operations.

**B10.31 Existing Bureau Roads.** Bureau roads are open to public use but may be closed for reasons of public safety, fire prevention or suppression, fish and game protection or to prevent damage to unstable roadbeds. During any period in which the Purchaser uses existing Bureau roads he shall maintain such roads, in proportion to his share of use, as determined by agreement between the Purchaser and the Superintendent. In the event of disagreement, the determination shall be made by the Superintendent.

**B10.32 Roads Constructed by Purchaser.** Main roads which are designated by the Bureau as roads that will be used as principal access for subsequent administration, management or protection of Indian timber shall be maintained by the Purchaser to prevent deterioration in periods of non-use during the life of the contract and maintenance may be required on such designated roads prior to abandonment.

**B10.4 Use by Other Parties.** Roads constructed by the Purchaser under authority of the contract, or on rights-of-way held by the Bureau, may be used by other parties as authorized by the Bureau, provided that, in its opinion, the use by other parties will not cause unreasonable interference with the operations of the Purchaser. Such other parties shall provide improvements and maintenance to the roads as may be reasonable and equitable to prevent appreciable increases in the Purchaser's costs of operation as a result of joint use. The extent of such obligations shall be agreed upon by the parties concerned, subject to final determination by the Superintendent if the parties disagree.

**B10.5 Improvements.** All bridges, drainage structures, cattle guards or other improvements installed on any road by the Purchaser shall be left intact at the completion of logging operations, unless the removal of such improvements is authorized or required by the Superintendent.

**B11.0 Fire Prevention and Suppression.**

**B11.1 Fire Plans.** When requested by the Bureau, the Purchaser shall prepare, in cooperation with the Officer in Charge, a plan for the prevention and suppression of fires on the sale area. The plan shall fully reflect the Purchaser's fire protection obligations under the contract. Neither the approval of the plan nor anything contained therein shall relieve the Purchaser from any responsibility under the terms of the contract.

**B11.2 Fire precautions.** The Purchaser shall furnish and maintain in good and serviceable condition such fire fighting tools and equipment, provide such fire protection personnel and take such fire prevention measures as may be required by the Superintendent to meet the fire protection requirements of the contract and the existing fire danger. The requirements shall not be less than are required under the laws of the State in which the sale area is located.

**B11.3 Fire Suppression.** The Purchaser shall take immediate and independent initial fire suppression action on all fires on the sale area and shall use all necessary manpower and equipment at his disposal, including the employees and equipment of his subcontractors engaged on or near the sale area in construction or in logging, removing or processing timber. When called upon by the Superintendent, the Purchaser shall

make available any or all of his manpower and equipment, including that of his subcontractors, for hire by the Bureau and to work under the direction of any authorized employee of the Bureau in the suppression of any fire on or threatening Indian lands.

**B11.4 Fire Suppression Costs.**

**B11.41 Purchaser Fires.** The origin or spread of all fires on the sale area or operating vicinity for which the Purchaser, including his employees, his subcontractors or their employees, are responsible by act or neglect are hereinafter called Purchaser fires.

**B11.411 Purchaser-Neglect Fires.** All suppression costs including those incurred by the Bureau of suppressing any such Purchaser fire negligently caused shall be borne by the Purchaser.

**B11.412 Purchaser-Operations Fire.** The Purchaser shall pay one-half of the total suppression costs for Purchaser fires caused by operations or activities of the Purchaser, but not through neglect, provided that the Purchaser obligation shall be limited in any contract year to a maximum of two percent of the total estimated value of the maximum volume of timber authorized to be cut under the contract during the contract year in which the fire occurred, and provided the Purchaser may be reimbursed for his costs in suppressing Purchaser-operations fires which spread from his slash burning operations. The said total estimated value shall be computed by applying the contract bid rates per unit measure in accordance with the proportionate species composition shown in the contract.

**B11.42 Non-Purchaser Fires.** Fires on or outside the sale area for which the Purchaser or his employees, his subcontractors or their employees, are in no way responsible by act or neglect are hereinafter called non-Purchaser fires. The Purchaser's cost of suppressing such fires shall be reimbursed at rates authorized by the Bureau. The provision of this section shall not be construed as relieving the Purchaser of fire suppression costs for which he is otherwise liable under State law or Federal law.

**B11.5 Fire Damage.** The Purchaser's liability for timber damage sustained from Purchaser-operations and non-Purchaser fires shall follow the risk of loss; otherwise the Purchaser shall pay for all damages caused by the Purchaser fire to timber or any other property of the Indians or the Government in an amount to be determined by the Bureau.

**B12.0 Improvements.**

**B12.1 Existing Improvements.** The Purchaser may be given permission to use existing improvements which are already on lands covered by the contract and which are necessary for his logging operations under the contract, subject to applicable regulations and such conditions as the Superintendent may impose. All telephone lines, fences, roads, trails and other improvements shall be protected as far as possible in all phases of the Purchaser's operations and, whenever they are damaged, the Purchaser may be required to repair them promptly to as good a condition as before the damage.

**B12.2 Damage to Land and Other Property.** Damage to land or other property of the Indians or the Government which cannot be repaired shall be paid for by the Purchaser in an amount to be determined by the Bureau. In determining the amount of such damages, the Bureau shall consider the value of any permanent improvements made by the Purchaser. The Purchaser shall protect all survey monuments, witness corners, reference monuments, and bearing trees against destruction, obliteration or damage during its operation. If any monuments, corners or accessories are destroyed, obliterated or damaged by such operations, the Purchaser shall hire a licensed surveyor to reestablish or restore the same, using survey procedures in accordance with the Manual of Instructions for the survey of the

public lands of the United States, and shall record such survey in appropriate county records.

**B12.3 Construction of Improvements.** The Purchaser, with the approval of the Bureau and subject to such conditions as it may impose and to applicable regulations, may construct on lands covered by the contract such improvements as are necessary for the operations under the contract.

**B12.4 Use of Timber.** Fuelwood and improvements shall be made as far as practicable from unmerchantable timber and such material shall not be charged to the Purchaser. The use of any material not covered by the contract from Indian lands may be restricted by the Bureau.

**B12.5 Removal of Property.** The Purchaser shall remove all the improvements he may construct in accordance with Section B12.3 herein and other of his property within six months of the contract expiration date unless he is otherwise authorized by the Bureau. After that time, the title of all improvements and to other property shall attach to the land.

**B12.6 Refuse Control and Sanitation.** Landings and areas where equipment has been operated or repaired shall be cleaned up immediately following use. Improvements constructed or used by the Purchaser on lands belonging to the Indians or the Government and the grounds adjacent thereto shall be maintained in a clean and sanitary condition and thoroughly cleaned upon abandonment or removal of improvements. All equipment, rubbish, garbage, litter, temporary buildings, and other refuse resulting from the Purchaser's operations and occupancy shall be removed and disposed of properly. Purchaser shall not service tractors, trucks or other equipment on Indian lands where pollution to lakes, streams or estuaries is likely to occur.

**B13.0 Other Conditions.**

**B13.1 Other Sales Within Sale Area.**

**B13.11 Salvage Sales of Minor Volumes.** Separate sales of minor volumes of timber covered by the contract may be made to salvage scattered single trees or small groups of trees that cannot be reasonably removed in the Purchaser's operations, provided there is agreement in writing between the Purchaser and the Approving Officer.

**B13.12 Other Material.** Other sales may be made within the sale area of material not included in the terms of the Purchaser's contract, provided such sales will not, in the judgment of the Superintendent, cause unreasonable interference with operations of the Purchaser. Other Purchasers may be required to provide improvements to Purchaser-constructed roads in accordance with Section B10.4 herein.

**B13.2 Rights-of-Way.** Rights-of-way may be granted to other parties through any portion of this sale area during the life of the contract provided such rights-of-way will not, in the judgment of the Superintendent, cause unreasonable interference with the operations of the Purchaser.

**B13.3 Bureau Services.** The Bureau will furnish scaling, marking and other services within a basic workweek of 8 hours per day for 5 days per week, exclusive of Saturdays, Sundays and Government holidays, unless additional services are requested by the Purchaser and approved by the Superintendent. The Purchaser shall pay for such additional services as required by the Act of July 30, 1956 (25 U.S.C. 407d).

**B13.4 Purchaser and Bureau Representatives on Sale Area.** At all times when construction or logging operations are in progress, the Purchaser shall have a representative readily available in the area of such operations who shall be authorized to receive in behalf of the Purchaser any notices or instructions from the Bureau in regard to performance under the contract and to take such action thereon as is required by the terms of the contract. Written designation of the representative may be required by the Bureau. At the request of the Purchaser the

Bureau shall designate in writing its representative who shall supervise operations under the contract.

**B13.5 New Bond.** Whenever any bond furnished to guarantee obligations under the contract shall be unsatisfactory to the Approving Officer he may require the Purchaser to furnish a new bond.

**B13.6 Indian Labor.** When the Purchaser is operating concurrently with a common crew, under a contract with a federal government agency, the non-discrimination clause of the federal government contract shall prevail, except that preferential treatment to Indians may be granted under a publicly announced employment practice within the provisions of Section 703(i) of Public Law 88-352, the Civil Rights Act of 1964 (78 Stat.257). Preferential treatment to Indians shall include employment by the Purchaser and his subcontractors under this contract, of Indians at the same wages as other labor, and in preference to other labor not already in his employment, whenever Indian labor seeking employment is qualified. The Purchaser may be required to make available to the Bureau employment and payroll records as is necessary to enable the Bureau to ascertain compliance with this section, such records shall be considered confidential and shall be available only to Bureau employees whose official duties require access to the information therein.

**B13.7 Financial Statements.** The requirements of this section shall apply unless otherwise specified in the contract. At the close of each yearly period used by the Purchaser as a basis for his records, and no later than the date specified by the Bureau, the Purchaser shall submit to the Bureau copies of each of a balance sheet, profit and loss statement and detailed statement of operating costs and sales. The statements shall be of a form satisfactory to the Bureau and shall be certified by a certified

public accountant and the Purchaser. In addition to or in lieu of the statements by the Purchaser, the Bureau in its discretion may require the Purchaser to submit such certified statements for his divisions and subsidiaries (wholly owned or controlled), or his subcontractors which are engaged in operation under the contract or in the manufacture or sale of products produced thereunder. The statements shall be considered as confidential material and shall be available only to Bureau employees whose official duties require access to the information therein.

**B13.8 Purchaser's Records.** Records pertaining to the logging, manufacture and sale of material covered by the contract, by the Purchaser, his divisions and subsidiaries (wholly owned or controlled) and his subcontractors, and such other records as it may be necessary to review to confirm the statements submitted by the Purchaser, shall be open to inspection at any reasonable time by authorized Bureau employees for the purpose of obtaining information of the type used by the Bureau in appraisals and redetermination of stumpage rates. The information so obtained shall be regarded as confidential and the right of inspection shall extend for a reasonable time beyond the expiration date of the contract to provide the Bureau an opportunity to obtain relevant information for the full contract period.

**B13.9 Maintenance of Law and Order.** The Purchaser shall comply with all laws and regulations relating to the maintenance of Law and Order on Indian reservations.

**B13.10 Officials Not to Benefit.** No Member of, or Delegate to Congress, or Resident Commissioner, shall be admitted to any share or part of this contract or to any benefit that may arise therefrom unless it is made with a corporation for its general benefit.

Standard Form 25 June 1967 Edition General Services Administration FED PROC. REG. (41 cfr) 1-16.801		<b>PERFORMANCE BOND</b> (See Instructions on reverse)		DATE BOND EXECUTED <i>(Must be same or later than date of contract)</i>	
PRINCIPAL <i>(Legal name and business address)</i>			TYPE OF ORGANIZATION ("X" one) <input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> PARTNERSHIP  <input type="checkbox"/> JOINT VENTURE <input type="checkbox"/> CORPORATION STATE OF INCORPORATION		
SURETY(IES) <i>(Name(s) and business address(es))</i>			PENAL SUM OF BOND (\$)		
		MILLIONS	THOUSANDS	HUNDREDS	CENTS
			CONTRACT DATE		CONTRACT NO.
<p>KNOW ALL MEN BY THESE PRESENTS, That we, the Principal and Surety(ies) hereto, are firmly bound to the United State of America (hereinafter called the Government) in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally: <i>Provided</i>, That, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" as well as "severally" only for the purpose of allowing a joint action or actions against any and all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety, but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.</p> <p>THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the Principal entered into the contract identified above;</p> <p>NOW, THEREFORE, if the Principal shall:</p> <p>(a) Perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of said contract during the original term of said contract and any extensions thereof that may be granted by the Government, with or without notice to the Surety(ies), and during the life of any guaranty required under the contract, and shall also perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of any and all duly authorized modifications of said contract that may hereafter be made, notice of which modifications to the Surety(ies) being waived; and</p> <p>(b) If the said contract is subject to the Miller Act, as amended (40 U.S.C. 270a-270e), pay to the Government the full amount of the taxes imposed by the Government which are collected, deducted, or withheld from wages paid by the Principal in carrying out the construction contract with respect to which this bond is furnished; then the above obligation shall be void and of no effect.</p> <p>IN WITNESS WHEREOF, the Principal and Surety(ies) have executed this performance bond and have affixed their seals on the date set forth above.</p>					
<b>PRINCIPAL</b>					
Signature(s)	1. _____ <i>(seal)</i>	2. _____ <i>(Seal)</i>	<i>Corporate Seal</i>		
Name(s) & Titles <i>(Typed)</i>	1. _____	2. _____			
<b>INDIVIDUAL SURETY(IES)</b>					
Signature(s)	1. _____ <i>(Seal)</i>	2. _____ <i>(Seal)</i>			
Name(s) <i>(Typed)</i>	1. _____	2. _____			
<b>CORPORATE SURETY(IES)</b>					
<b>S U R E T Y</b>	Name & Address		STATE OF INC.	LIABILITY LIMIT	<i>Corporate Seal</i>
	Signature(s)	1. _____	2. _____		
	Name(s) & Title(s) <i>(Typed)</i>	1. _____	2. _____		

Illustration 9 (Page 1 of 2)

CORPORATE SURETY(IES) (Continued)					
S U R E T Y  B	Name & Address		STATE OF INC.	LIABILITY LIMIT	<i>Corporate Seal</i>
	Signature(s)	1.	2.		
	Name(s) & Title(s) <i>(Typed)</i>	1.	2.		
S U R E T Y  C	Name & Address		STATE OF INC.	LIABILITY LIMIT	<i>Corporate Seal</i>
	Signature(s)	1.	2.		
	Name(s) & Title(s) <i>(Typed)</i>	1.	2.		
S U R E T Y  D	Name & Address		STATE OF INC.	LIABILITY LIMIT	<i>Corporate Seal</i>
	Signature(s)	1.	2.		
	Name(s) & Title(s) <i>(Typed)</i>	1.	2.		
S U R E T Y  E	Name & Address		STATE OF INC.	LIABILITY LIMIT	<i>Corporate Seal</i>
	Signature(s)	1.	2.		
	Name(s) & Title(s) <i>(Typed)</i>	1.	2.		
S U R E T Y  F	Name & Address		STATE OF INC.	LIABILITY LIMIT	<i>Corporate Seal</i>
	Signature(s)	1.	2.		
	Name(s) & Title(s) <i>(Typed)</i>	1.	2.		
S U R E T Y  G	Name & Address		STATE OF INC.	LIABILITY LIMIT	<i>Corporate Seal</i>
	Signature(s)	1.	2.		
	Name(s) & Title(s) <i>(Typed)</i>	1.	2.		

BOND PREMIUM	□	RATE PER THOUSAND	TOTAL
		\$	\$

### INSTRUCTIONS

<p>1. This form is authorized for use in connection with contracts for construction work or the furnishing of supplies and services. There shall be no deviation from this form without approval by the Administrator of General Services.</p> <p>2. The full legal name and business address of the Principal shall be inserted in the space designated "Principal" on the face of this form. The bond shall be signed by an authorized person. Where such person is signing in a representative capacity (e.g., an attorney-in-fact), but is not a member of the firm; partnership, or joint venture, or an officer of the corporation involved, evidence of his authority must be furnished.</p> <p>3. (a) Corporations executing the bond as sureties must be among those appearing on the Treasury Department's list of approved sureties and must be acting within the limitations set forth therein. Where more than a single corporate surety is involved, their names and addresses (city and State) shall be inserted in the spaces (SURETY A, SURETY B, etc.) headed</p>	<p>"CORPORATE SURETY(IES)", and in the spaces designated "SURETY(IES)" on the face of this form only the letter identification of the Sureties shall be inserted. (b) Where individual sureties execute the bond, they shall be two or more responsible persons. A completed Affidavit of individual Surety (Standard Form 28), for each individual surety, shall accompany the bond. Such sureties may be required to furnish additional substantiating information concerning their assets and financial capability as the Government may require.</p> <p>4. Corporations executing the bond shall affix their corporate seals. Individuals shall execute the bond opposite the word "Seal" and, if executed in Maine or New Hampshire, shall also affix an adhesive seal.</p> <p>5. The name of each person signing the performance bond should be typed in the space provided.</p>
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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS

AGREEMENT AND POWER OF ATTORNEY

Depositing Cash as Performance Bond

Timber Contract \_\_\_\_\_, \_\_\_\_\_ Logging Unit

KNOW ALL MEN BY THESE PRESENTS, That (I)(the) \_\_\_\_\_,  
Herein referred to as the Purchaser, and having an office and principal place of business  
at \_\_\_\_\_, \_\_\_\_\_, herewith deposit with the  
Superintendent of the \_\_\_\_\_ Agency the sum  
of \_\_\_\_\_ to be  
held as a cash penal bond to guarantee full performance under the terms of the Timber  
Contract on the \_\_\_\_\_ Logging Unit approved by the  
\_\_\_\_\_ on \_\_\_\_\_.

The Purchaser hereby constitutes and appoints the Regional Director, and his successors  
in office, as his Attorney in Fact, and agrees that in case of any default in the  
performance of any of the conditions or stipulations of the contract, the said Attorney in  
Fact shall have full power to apply the deposit in the satisfaction of any damages,  
demands, or deficiency arising by reason of the default as he may deem best and the  
Purchaser hereby for himself, heirs, executors, administrators, successors and assigns,  
ratifies and confirms whatever said Attorney in Fact shall do by virtue of these presents.

IN WITNESS WHEREOF, the said Purchaser hereunder sets his hand and seal this  
\_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
PURCHASER SIGNATURE

(Note: Execution of this document is the same as the Purchaser execution of the Timber Contract. Modification of this document should be reviewed and approved by the appropriate solicitor.)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS

AGREEMENT AND POWER OF ATTORNEY

Depositing U.S Bonds or Notes as Performance Bond

Timber Contract \_\_\_\_\_, \_\_\_\_\_ Logging Unit

KNOW ALL MEN BY THESE PRESENTS, That ( \_\_\_\_\_  
a corporation duly incorporated under the laws of the State of \_\_\_\_\_,  
having its principal office in the City of \_\_\_\_\_, State of  
\_\_\_\_\_) or ((I), (We) \_\_\_\_\_,  
State of \_\_\_\_\_, (an individual)(partners) doing business as  
\_\_\_\_\_), herein referred to as the Purchaser, hereby  
deposits with the \_\_\_\_\_ Regional Director of the Bureau of Indian  
Affairs as the Assistant Secretary of Indian Affairs authorized representative, the  
following described bonds or notes of the United States:

together with all unmatured interests and dividends, and attached interest coupons.  
Subject to the approval of the \_\_\_\_\_ Regional Director or his  
authorized representative, these bonds or notes may be replaced from time to time by  
other bonds or notes having like value. Pursuant to the authority conferred by Section 15  
of the Act of July 30, 1947, (6 U.S.C. § 15), and subject to the provisions thereof and of  
Treasury Department Circular No. 154, revised July 1, 1978, the above deposited bonds  
or notes and their replacements, if any, have been or will be deposited and accepted as  
security for the faithful performance of any and all conditions and provisions of the  
Purchaser's Timber Contract identified herein. Purchaser shall be entitled to all accrued  
interest and/or dividends from the deposited bonds or notes. Upon Purchaser's  
completion of all obligations of the Timber Contract and notice of the Approving Officer,  
the deposited bonds or notes shall be returned to the Purchaser.

The Purchaser does hereby constitute and appoint the Area Director of the Bureau of Indian Affairs and his successors in office as attorney-in-fact for said Purchaser in its name and place to have full power to collect, or to sell, assign, and transfer the same or any part thereof without notice at public or private sale, free from any equity of redemption and without appraisal or valuation, notice and the right to redeem being waived upon such terms and conditions and under such covenants as the Regional Director or his authorized representative shall see fit, and to apply the proceeds or such collection or sale in whole or in part, to the satisfaction of any damages, demands, or deficiency arising by reason of such default, as its said attorney may deem best; and the undersigned further agrees that such authority herein granted is irrevocable.

This instrument is executed pursuant to a resolution of the Purchaser's Board of Directors passed on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, a duly certified copy of which is attached hereto.

IN WITNESS WHEREOF, the said Purchaser hereunder sets his hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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PURCHASER SIGNATURE

(Note: Execution of this document is the same as the Purchaser execution of the Timber Contract. Modification of this document should be reviewed and approved by the appropriate solicitor.)

## GUIDELINES FOR PREPARING IRREVOCABLE LETTER OF CREDIT (ILOC)

Sales of Indian trust timber under competitive bid procedures normally require bid deposits and performance bonds. The following procedures apply when using irrevocable letters of credit to secure bid deposits and/or performance bonds. For the purposes of this document, irrevocable letter of credit will also be referred to as “letter of credit” or “ILOC”.

### A. Irrevocable Letter of Credit Defined

- (1) A letter of credit is a document furnished by a bank on behalf of a Principal (Timber Purchaser) certifying that the Beneficiary (Seller of timber – Bureau of Indian Affairs on behalf of owners) may draw funds on bank drafts provided by the bank up to a guaranteed amount as specified in the ILOC agreement. It is an arrangement between the principal and the bank to which the beneficiary is not a party. The term “irrevocable” means that neither the principal nor the bank may modify the terms of the letter of credit without the consent of the beneficiary.
- (2) Except under conditions specified in A(3) below, only letters of credit issued by banks which are members of the Federal Reserve System or are insured by the Federal Deposit Insurance Corporation are accepted and may be used to secure bid deposits or performance bonds.
- (3) Use of irrevocable letters of credit issued by tribal credit committees or equivalent to their own member(s) may be authorized by the Regional Director. Each such use will be judged on its’ own merits and must follow the procedures outlined herein for bank issued irrevocable letters of credit.

### B. Irrevocable Letter of Credit Format

- (1) General – There is no uniform ILOC format. Each bank will issue letters of credit on its’ prescribed form or letterhead. Each ILOC presented to the Bureau of Indian Affairs must include:
  - (a) The Bank’s letter of credit number.
  - (b) A clear statement this it is irrevocable.
  - (c) The name of the bank’s customer; that is, the principal (the timber purchaser).
  - (d) The amount of credit extended [maximum limit – see B(2)(b) and B(3)(c)].
  - (e) A statement that the issuer will honor drafts or other demands for payment of the Bureau of Indian Affairs, USDI.
  - (f) A certification stating that the person issuing and signing the letter of credit is authorized to sign for the bank.

(2) Securing Bid Deposits

- (a) The sale advertisement and prospectus must state that an irrevocable letter of credit may be used for this purpose.
- (b) The maximum amount of credit extended must equal or exceed the amount required as a deposit with bid as stated in the timber sale advertisement.
- (c) Each ILOC must include a statement that the Bureau of Indian Affairs will certify to the bank, upon submission of a sight draft, or other demand for payment, principal was the successful bidder and, (i) failed to execute the contract, or (ii) failed to substitute cash for the bid deposit within the required time.
- (d) The ILOC of the apparent high bidder, and of others who submit written requests to have their bids considered for acceptance, will be retained pending acceptance or rejection of the bids. All other letters of credit will be promptly returned to bidders following the opening and posting of bids.
- (e) Each ILOC must state an unqualified expiration date for presentation of drafts for payment. The expiration date shall be no less than 60 days from the date of bid opening. A longer period may be required. The sale advertisement and prospectus must specify the expiration date to be used.
- (f) The ILOC securing a bid deposit must include a statement that partial drawings are not permitted.
- (g) An example of an ILOC securing bid deposit is provided on page 5 of this Illustration.

(3) Letters of Credit Securing Contract Performance

- (a) The sale advertisement and prospectus must state that an irrevocable letter of credit may be used for this purpose.
- (b) Use SF-25, Performance Bond, for all bonds where a letter of credit is posted as surety. The following statement will be inserted in the name and address block labeled "Surety(ies)" on SF-25. "In lieu of surety(ies) hereon, I/we the undersigned principal(s) hereby offer an irrevocable letter of credit in the amount of \$\_\_\_\_\_. Said letter of credit is pledged as security for the performance and fulfillment of the contract designated hereon."
- (c) The maximum amount of credit must equal or exceed the penal sum or penalty for which the irrevocable letter of credit is pledged to secure.

- (d) Each ILOC must include a statement that the Bureau of Indian Affairs will certify by registered letter to the bank, upon submission of a draft or other demand for payment that the principal has defaulted in the terms and conditions of Contract No. \_\_\_\_\_ dated \_\_\_\_\_.
- (e) Each ILOC must include an unqualified expiration date for the presentation of drafts or other demand for payment. The expiration date must exceed by at least 180 days, the timber contract expiration date. Note, any significant extension of that contract date will require modification or replacement of the letter of credit.
- (f) An ILOC securing contract performance must include a statement declaring whether partial drawings are or are not permitted. Normally, partial drawing authority would be desirable. This determination needs to be made at the time the unit is advertised.
- (g) An example of an ILOC securing contract performance is shown on page 6 of this illustration.

C. Acceptance of Letters of Credit.

- (1) Irrevocable letters of credit securing bid deposits.
  - (a) The BIA official conducting the bid opening will determine whether an ILOC is acceptable.
  - (b) Upon contract award, the accepted ILOC will be retained by the BIA official responsible for receiving and depositing bid deposits. The letter of credit shall be kept in a locked depository. Any other letters of credit retained will be handled in the same manner until returned.
  - (c) Copies of the ILOC must be included in all contract files.
- (2) Irrevocable letters of credit securing contract performance.
  - (a) The Approving Officer of the timber contract will determine whether an offered ILOC is acceptable.
  - (b) After approval, irrevocable letters of credit securing contract performance, will be retained in a locked depository by the local Collection Officer or submitted to the Regional Finance Officer for safekeeping. Copies of associated letters of credit will be part of each contract file.
- (3) Since there is no standard ILOC form, each ILOC should be carefully reviewed to ensure that minimum requirements are met. If there are additions to, or omissions from, the minimum requirements of the letter of credit, the timber contract Approving Officer will determine whether such omissions, additions, qualifications, etc., can be

accepted or whether they warrant rejection. If rejected, the Approving Officer may grant bidder(s) and purchaser(s) an appropriate period, usually not to exceed 30 days, to provide an acceptable letter of credit or other performance bond.

D. Amendments to Letters of Credit.

An amendment correcting a letter of credit, changing the credit limit and/or expiration date for presentation of drafts, becomes a part of the original letter of credit. Normally, the need for such amendment will apply only when the timber contract period has been extended. Amendments are subject to the same requirements and restrictions noted in Section A. As an alternative, the Timber Contract Approving Officer may accept a new ILOC to replace the one requiring change.

E. Disposition.

Disposition of letters of credit will be as follows:

(1) An ILOC must not be returned to an issuing bank if a draft has been drawn against it. It must be retained in the file. If a bank requests cancellation of such letter of credit, appropriate notice will be issued after collection of the draft amount. The illustration on page 7 is an example of a letter serving this purpose.

(2) An ILOC against which no draft has been drawn, will be returned directly to the issuing bank following completion of contractual obligations and Approving Officer closure of the contract. The illustration on page 8, illustrates the form of letter to be used.

F. Payments of Drafts to the BIA.

Should it become necessary to exercise a letter of credit, this must be initiated well before its expiration date. An example of a demand letter for collection for a letter of credit used to secure contract performance is included on page 9. Disposition of cash received by the BIA shall be as follows:

(1) Where no dispute exists, which will usually be the case when a letter of credit guaranteed the bid deposit and for undisputed bond forfeiture, funds will be distributed to the appropriate account(s) upon receipt from the bank.

(2) When an actual or potential dispute exists, the funds will be collected into an Escrow account within the Federal Finance System (FFS) and labeled solely for the subject timber contract until the dispute is settled or it has been adjudicated.

Sample Letter of Credit to Secure Bid Deposit  
(Printed Letterhead)  
(Name of Issuing Bank)  
(City and State)

(Date)  
Irrevocable Letter of Credit  
Number \_\_\_\_\_

Bureau of Indian Affairs  
(Local Address)

Gentlemen:

We hereby establish an Irrevocable Letter of Credit in your favor for account of (Name of Principal) up to an aggregate amount of (written Amount) (\$ Numerical Amount) available by your draft or other demand for payment and accompanied by:

Your signed statement certifying that (Principal) has been the successful bidder on the \_\_\_\_\_ Timber Sale, Contract No. \_\_\_\_\_, \_\_\_\_\_ Reservation, State of \_\_\_\_\_, held (bid opening date) and has failed to execute the contract.

Or:

Your signed statement certifying that (Principal) has been the successful bidder on the \_\_\_\_\_ Timber Sale, Contract No. \_\_\_\_\_, \_\_\_\_\_ (Name) \_\_\_\_\_ Reservation, State of \_\_\_\_\_, held (bid opening date) and has failed to substitute cash for the bid deposit within the required time.

Partial drawings are not permitted.

We hereby agree that all drafts or other demand for payment drawn under and in compliance with the terms of the credit will be duly honored upon presentation to the drawee on or before (expiration date).

Very truly yours,

(Name of bank with byline for signature of person authorized to sign and his title)

Corporate Seal  
Or  
Notary Statement

(Signature Certification by Bank Official)

Sample Letter of Credit to Secure Performance Bond  
(Printed Letterhead)  
(Name of Issuing Bank)  
(City and State)

(Date)  
Irrevocable Letter of Credit  
Number \_\_\_\_\_

Bureau of Indian Affairs  
(Local Address)

Gentlemen:

We hereby establish an Irrevocable Letter of Credit in your favor for account of (Name of Principal) up to an aggregate amount of (written Amount) (\$ Numerical Amount) available by your draft or other demand for payment and accompanied by:

Your signed statement certifying that (Principal) has defaulted in terms and conditions under Contract No. \_\_\_\_\_, \_\_\_\_\_ Logging Unit, on the \_\_\_\_\_ Reservation, in the State of \_\_\_\_\_.

Partial drawings are permitted.

We hereby agree that all drafts or other demand for payment drawn under and in compliance with the terms of the credit will be duly honored upon presentation to the drawee on or before (expiration date).

Very truly yours,

(Name of bank with byline for signature of  
person authorized to sign and his title)

Corporate Seal  
Or  
Notary Statement

(Signature Certification by Bank Official)

SAMPLE Cancellation of letter of Credit  
When Draft has been Drawn Against Letter of Credit  
(BIA Letterhead)

(Date)

REGISTERED MAIL, RETURN RECEIPT REQUESTED

(Name and Location of Issuing Bank)

Gentlemen:

The Bureau of Indian Affairs consents to the cancellation of the following letter of credit effective this date.

Number \_\_\_\_\_  
Date of Letter \_\_\_\_\_  
Credit Amount \_\_\_\_\_  
For Account of \_\_\_\_\_

Sincerely,

\_\_\_\_\_  
(Name and Title of Approving Officer)

SAMPLE Cancellation and Return of Letter of Credit  
When No draft was Drawn Against Letter of Credit  
(BIA Letterhead)

(Date)

REGISTERED MAIL, RETURN RECEIPT REQUESTED

(Name and Location of Issuing Bank)

Gentlemen:

The Bureau of Indian Affairs consents to the cancellation of the following letter of credit effective this date.

Number \_\_\_\_\_  
Date of Letter \_\_\_\_\_  
Credit Amount \_\_\_\_\_  
For Account of \_\_\_\_\_

No draft was drawn against this letter of credit. It is returned herewith.

Sincerely,

\_\_\_\_\_  
(Name and Title of Approving Officer)

Enclosure

SAMPLE Demand Letter for Collection Against Letter of Credit  
(BIA Letterhead)

REGISTERED MAIL; RETURN RECEIPT REQUESTED

(Name and title of Approving Bank Official)  
(Name and Address of Issuing Bank)

Dear (Name of approving bank official),

The Bureau of Indian Affairs accepted Irrevocable Letter of Credit # \_\_\_\_\_ in the amount of \$ \_\_\_\_\_ from your bank on (ILOC approval date) on behalf of \_\_\_\_\_ (Principal) for timber to be harvested on the \_\_\_\_\_ Indian Reservation. \_\_\_\_\_ (Principal) has not fulfilled his contractual obligations, and we now require a bank draft in the amount of \$ \_\_\_\_\_ to satisfy provisions of \_\_\_\_\_ logging unit contract, Contract No. \_\_\_\_\_.

Please make your draft payable to the Bureau of Indian Affairs, and deliver it to the above address. Thank you for your cooperation.

Sincerely,

(Signature of Approving officer)

(Title)

**SUMMARY OF IRREVOCABLE LETTER OF CREDIT (LOC)**  
**REQUIREMENTS**  
**FOR TIMBER SALES ON INDIAN TRUST LANDS**

Irrevocable LOC may be used to secure bid deposits and performance bonds on sales of forest products from Indian trust lands. The timber sale advertisement and prospectus must authorize the use of LOC's before they may be accepted.

Only irrevocable LOC's issued by banks which are members of the Federal Reserve System or insured by the Federal Deposit Insurance Corporation (FDIC), the Federal Savings and Loan Insurance Corporation (FSLIC), or the National Credit Union Administration (NCUA) are acceptable.

There is no uniform LOC format. Each institution will issue LOC's on its' prescribed form or letterhead. Each irrevocable LOC presented to the Bureau of Indian Affairs must include:

1. The financial institution's LOC number.
2. A clear statement that it is irrevocable and that it is being used to secure the bid deposit or the performance bond.
3. The name of the institution's customer; that is, the principal (timber purchaser).
4. The amount of credit extended.
5. A statement that the issuer will honor drafts or other demands for payment by the institution in favor of the Bureau of Indian Affairs.
6. Issuing date and expiration date (LOC's securing performance shall have an expiration date that exceeds the contract expiration date by at least sixty (60) days).
7. Statement declaring whether partial drawings are or are not permitted (partial drawings are not permitted for bid deposits).
8. Timber sale or logging unit name.
9. Timber contract number (Use FOR or sale tract number for bid deposits and contract number for performance bonds).
10. Reservation name.
11. A certification stating that the person issuing and signing the LOC is authorized to sign for the financial institution.

# ADVERTISING ORDER

	ORDER NUMBER
DEPARTMENT OR ESTABLISHMENT, BUREAU OR OFFICE	DATE

The publisher of the publication named below is authorized to publish the enclosed advertisement according to the schedule below provided the rates are not in excess of the commercial rates

charged to private individuals with the usual discounts. It is to be set solid, without paragraphing, and without any display in the heading unless otherwise expressly authorized in the specifications.

NAME OF THE PUBLICATION ADVERTISED IN	
SUBJECT OF ADVERTISEMENT	EDITION OF PAPER ADVERTISEMENT APPEARED
NUMBER OF TIMES ADVERTISEMENT APPEARED	DATE(S) ADVERTISEMENT APPEARED
SPECIFICATIONS FOR ADVERTISEMENT	
COPY FOR ADVERTISEMENT	
<b>AUTHORITY TO ADVERTISE</b>	<b>INSTRUMENT OF ASSIGNMENT</b>
NUMBER	NUMBER
DATE	DATE
SIGNATURE OF AUTHORIZING OFFICIAL	TITLE

### INSTRUCTIONS TO PUBLISHERS

Extreme care should be exercised to insure that the specifications for advertising to be set other than solid be definite, clear, and specific since no allowance will be made for paragraphing or for display or leaded or prominent headings, unless specifically ordered, or for additional space required by the use of type other than that specified. Specifications for advertising other than solid and the advertisement copy submitted to the publisher will be attached to the voucher. The following is a sample of solid line advertisement set up in accordance with the usual Government requirements.

Your bill for this advertising order should be submitted on the "Public Voucher for Advertising" form, which is printed on the reverse of this form, immediately after the last publication of the advertisement. If copied of the printed advertisement are not available, complete the affidavit provided on the voucher. Submit the voucher and a copy of the printed advertisement to >

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DEPARTMENT OF HIGHWAYS & TRAFFIC, D.C. Bids are requested for first spring 2004 cement concrete repair contract including incidental work, Washington, D.C., Invitation No. C-5576-H, consisting of 11,000 sq. yds. PCC Class BB sidewalk and 2,000 cu. Yds. PCC Class A pavement, alley, & driveway repair, both cut repairs only. Bidding material available from the Procurement Officer, D. C. Sealed bids to be opened in the Procurement Office at 8:00 p.m., November 15, 2003.

### IMPORTANT

Charges for advertising when a cut, matrix, stereotype, electrotype is furnished is furnished will be based on actual space used and no allowance will be made for shrinkage. In no case shall the advertisement extend beyond the date and edition stated in this order.

<b>PUBLIC VOUCHER FOR ADVERTISING</b>		For Agency Use Only
DEPARTMENT OR ESTABLISHMENT, BUREAU OR OFFICE		VOUCHER NUMBER
PLACE VOUCHER PREPARED	DATE PREPARED	SCHEDULE NUMBER
NAME OF PUBLICATION		PAID BY
NAME OF PUBLISHER OR REPRESENTATIVE		
ADDRESS <i>(Street, room number, city, State, and ZIP code)</i>		

**CHARGES**

TYPEFACE		<i>(size of type)</i>	<i>(inch, square, word, or folio)</i>
		POINT PER	
<b>Line Rates</b>		NUMBER OR LINES <i>(Indicate counted or space)</i>	COST PER LINE
	FIRST INSERTION		\$
	ADDITIONAL INSERTIONS GIVE NUMBER >		\$
	<b>TOTAL</b>		\$
<b>Other Rates</b>		NUMBER OF UNITS <i>(Indicate inch, square, word, folio)</i>	COST PER LINE
	FIRST INSERTION		\$
	ADDITIONAL INSERTIONS GIVE NUMBER >		\$
	<b>TOTAL</b>		\$
Attach one copy of advertisement <i>(including upper and lower rules)</i> to each copy of voucher here. If copy is not available sign the following affidavit.		TOTAL LINE RATES AND OTHER RATES	
		LESS DISCOUNT AT %	
		BALANCE DUE \$	
		VERIFIED <i>(Initials)</i>	

**AFFIDAVIT**

This represents a true billing for the attached advertising order, with specifications and copy, which has been completed.	
SIGNATURE OF PUBLISHER OR REPRESENTATIVE	
TITLE	DATE

**FOR AGENCY USE ONLY**

ADVERTISEMENT PUBLISHED IN	DATE PUBLISHED
I certify that the advertisement described above appeared in the named publication and that this account is correct and eligible for payment.	
SIGNATURE AND TITLE OF CERTIFYING OFFICER <sup>1</sup>	DATE
SIGNATURE AND TITLE OF AUTHORIZING OFFICER	DATE
ACCOUNTING CLASSIFICATION	PAID BY CHECK NUMBER

<sup>1</sup> If the ability to certify and authority to approve are combined in one person enter "N/A *(not applicable)* here."

SAMPLE ADVERTISEMENT  
For  
SALE OF TIMBER

SALE OF TIMBER, FROG POND LOGGING UNIT, ANYWHERE INDIAN RESERVATION. Sealed bids in duplicate on forms provided therefore marked outside, BID FOR TIMBER, FROG POND LOGGING UNIT, and addressed to the Superintendent, Continental Agency, P.O. Box 1234, Smallville, NM 01234, will be received until 9:00 am Mountain Standard Time at place of bid opening, March 1, 2003, for the purchase of merchantable timber designated for removal on Tribal lands within the Anywhere Indian Reservation described as the "Frog Pond Logging Unit." The Unit includes approximately 335 acres of timbered land designated for cutting with an estimated total net volume to be cut of 620 thousand board feet consisting of 141 MBF of ponderosa pine sawlogs – scaling segment 12 inches DIB scaling class and greater, and 294 MBF of ponderosa pine sawlogs – scaling segment 11 inches DIB scaling class and smaller, and 183 MBF of Douglas-fir and other species sawlogs, for which estimates are not guaranteed. Each bidder must state the price per thousand board feet, Scribner Decimal C log scale, that will be paid for the timber cut and scaled prior to any adjustment rates as specified in the contract. Sale information, including the prospectus and bid package, may be obtained from the Superintendent, Continental Agency, P.O. Box 1234, Smallville, NM 01234, telephone (505) 444-4111.

PROSPECTUS  
FROG POND LOGGING UNIT (FPLU)  
ANYWHERE INDIAN RESERVATION

I. INTRODUCTION

The purpose of this Prospectus is to furnish sufficient information in addition to that contained in the published advertisement to enable prospective bidders to decide whether further investigation of the sale is warranted.

Information given here or otherwise provided is not part of the timber sale contract unless stated therein. Detailed conditions of the sale are contained in the Sample Timber Sale Contract, Form 5-5324. In the event a contradiction exists between the Prospectus and the Sample Timber Sale Contract, the Contract governs. The sale area and Sample Contract should be inspected before submitting a bid.

II. LOCATION

The FPLU is comprised of approximately 518 gross acres of which approximately 335 are to be harvested. The unit is located entirely on Anywhere Reservation land approximately 10 air miles west of Someplace, New Mexico and north of Deep Canyon on the Anywhere Reservation, Sand County, New Mexico. The unit lies in all or part of the following sections: Sections 1, 2, and 3 of Township 21 North, Range 6 East, Sand County, New Mexico Principal Meridian. See Figure 1.

III. SALE DESCRIPTION

A. Ownership

The sale is located entirely on Anywhere Tribal land. Approximately 335 acres of Tribal land are to be logged.

B. Stand Volume Data

Volumes of this sale are estimated and are not guaranteed. For this reason, bidders are urged to examine the timber sale area and make their own volume estimates. THIS WILL BE A SCALED SALE.

C. Average Sale Characteristics

1. Total Estimated Net Cut Volume

a. Total Estimated Volume Large Pine MBF = 141.6

- (12" DIB scaling class and greater)
- b. Total Estimated Volume Small Pine MBF = 294.4  
(11" DIB scaling class and smaller)
- c. Total Estimated Volume Douglas-fir and other species sawlogs = 183 MBF
- d. Total = 620 MBF
2. Species
- |                       |       |
|-----------------------|-------|
| Ponderosa pine        | = 75% |
| Douglas-fir and other | = 25% |
3. Average DBH:
- |  |         |
|--|---------|
| a. Large Pine                                    | = 20.0" |
| b. Small pine, Douglas-fir,<br>And other species | = 12.0" |
| c. Sale Average                                  | = 14.0" |
4. Total Estimated Defect  
30.0% (scaling, wood's, breakage)
5. Net Cut Volume/Acre  
1,850 board feet/Acre

In addition to the sawlog volume, there is an undetermined volume of woodlogs on the sale. Woodlogs are a non-bid item with a fixed stumpage rate per thousand board feet gross scale. Woodlogs may be removed at the purchaser's option subject to approval of the Officer-in-Charge. Woodlogs are defined as all logs presented for scaling but not meeting product specifications as set forth below.

#### IV. MERCHANTABILITY AND UTILIZATION

##### A. Minimum Merchantable Tree Specifications:

1. Species = ponderosa pine, Douglas-fir, white fir
2. Minimum Diameter Breast Height = nine (9.) inches
3. Minimum of One (1) Contiguous Sixteen (16) foot log
4. Minimum Net Scale in percent of gross scale = thirty three and one third (33 1/3)
5. Net Scale = Twenty (20) Board feet

##### B. Minimum Product Specifications

1. Ponderosa pine sawlogs, scaling segment 12 inches DIB scaling class and larger:
  - a. length in feet = eight (8)
  - b. scaling diameter = eleven and one half (11.5) inches
  - c. net scale in percent of gross scale = thirty three and one third (33 1/3)
  - d. net scale in board feet = ten (10)
  
2. Ponderosa pine sawlogs, scaling segment 11 inches DIB scaling class and smaller:
  - a. length in feet = eight (8)
  - b. scaling diameter = five and one-half (5.5) inches
  - c. net scale in percent of gross scale = thirty three and one third (33 1/3)
  - d. net scale in board feet = ten (10)
  
3. Douglas-fir and other species sawlogs:
  - a. length in feet = eight (8)
  - b. scaling diameter = five and one-half (5.5) inches
  - c. net scale in percent of gross scale = thirty three and one third (33 1/3)
  - d. net scale in board feet = ten (10)
  
4. Woodlogs (all species): all logs presented for scaling and not meeting product specifications as set forth above.

All merchantable trees designated for harvest will be harvested and yarded to landings. Small merchantable material will not be permitted to be left on the sale area. Any unutilized material meeting the Contract merchantability specifications will be scaled for waste and paid for at double the contract stumpage rates. If waste is excessive, the purchaser may be required to return to an area and remove excess merchantable material.

## V. HARVEST DESIGNATION AND METHOD

### A. General Guidelines

All trees marked with blue paint are to be left. Unmarked trees meeting merchantability standards as designated in the contract are to be cut and removed.

### B. Boundary Designations

The following boundary designations will be used for the Frog Pond Logging Unit.

Boundaries of cutting are marked with red horizontal stripes roughly 4 feet above the ground on various tree species. Stripes face into the cutting unit. These exterior boundaries are also designated with Sale Boundary signs that face into the unit. Painted boundary trees are leave trees unless cutting is authorized by the Officer-in-charge.

SALE AREA BOUNDARY = The sale area boundary is shown on the Sale Area Map and is generally defined by operability limits and fire damage severity.

ARCHEOLOGICAL SITE BOUNDARY = Blue and pink flagging hanging together is placed on the outer edge of the sites.

#### C. Harvest Method

All merchantable stems designated for harvest will be harvested and yarded to landings. Grapple skidders and/or tracked skidders may be used. Due to the existence of steeper topography (30-40%) in numerous areas throughout the logging unit, it is highly recommended that tracked skidders are available for use in those portions of the sale area. In addition, aerial based systems may be utilized with the approval of the Officer-in-Charge.

### VI. SLASH DISPOSAL

#### A. Lopping

The purchaser is obligated to lop and/or crush slash to a maximum height of 24" over the entire sale area. This may be accomplished either by hand or by machine.

#### B. Landing Slash

The purchaser is obligated to machine pile landing slash on and adjacent to approximately 20 landings within the sale area. In addition, all cull logs on and within 50 feet of landings will be removed back to the surrounding stand.

### VII. ACCESS

The sale can be accessed from the northern city limits of Someplace, NM. Turning west on SFNF 123, travel 7.4 miles, then turn west 0.7 miles to the Anywhere Reservation boundary on a road known as AP 678. The northern reservation boundary is the northern boundary of the FPLU. See Figure 2.

### VIII. ROAD CONSTRUCTION, MAINTENANCE, AND CLOSURE

The installation of 1, 24" permanent culvert will be required.

The purchaser is obligated to perform light maintenance on approximately 12 miles of road within the Logging Unit and along the Haul route. Additional blading during the operating season may be required based on the discretion of the Officer-in-Charge.

The purchaser is obligated to perform final erosion control on approximately 50 miles of road. Final erosion control may consist of reworking damaged grade dips, installing water bars, outsloping, etc. The required work will be identified by the Officer-in-Charge.

#### IX. LOGGING SEASON

No hauling activities will be allowed during spring breakup or when moisture conditions are such that excessive damage occurs to roadbeds.

No skidding operations will be allowed when soil moisture conditions are such that excessive damage will occur.

Other than the restrictions stated above, no additional seasonal restrictions on logging and log hauling activities are anticipated on the Frog Pond Logging Unit. However, if in the judgment of the Officer-in-Charge, local conditions become such that logging, log hauling, or road construction activities will have a detrimental effect on resource values, logging and related activity will be suspended as necessary to protect resource values.

#### X. SPECIAL PROVISIONS

##### A. Minimum Cut

The total sale volume designated for harvest shall be cut and paid for by October 31, 2005, and other provisions of the contract will be completed by December 31, 2005.

##### B. Logging Plan

An annual logging plan will be required.

##### C. Archeological Clearance

The cultural resource survey for the DVCSLU is completed and sites are flagged with blue and pink combined flagging.

Additionally, if in connection with operations of this contract, the Purchaser, his contractor, subcontractors, or their employees discovers, encounters, or becomes aware of any additional object or site of cultural value on the

contract area such as historical or prehistorical ruins, graves, or grave markers, fossils or artifacts, the Purchaser shall immediately suspend all operations in the vicinity of the cultural value and notify the Officer-in-Charge of the finding.

Operations may resume at the discovery site upon receipt of written notice from the Superintendent.

## XI. BIDDING PROCEDURES

Sealed bids, in duplicate on forms provided therefore marked outside, "BID FOR TIMBER, FROG POND LOGGING UNIT," and addressed to the Superintendent, Continental Agency, P.O. Box 1234, Smallville, NM 01234, will be received until 9:00 am Mountain Standard Time at place of bid opening, March 1st, 2003 for the purchase of merchantable timber designated for removal on Tribal lands within the Anywhere Indian Reservation described as the "Frog Pond Logging Unit." Any further questions regarding the Frog Pond Logging Unit should be directed to Bud Bark at the Continental Agency, Branch of Forestry (505) \_\_\_ - 6543. Site tours will be conducted upon request. Transportation will not be provided for these trips.



**U. S. DEPARTMENT OF THE INTERIOR  
 Bureau of Indian Affairs**

**Bid Proposal**

For the purchase of timber on the \_\_\_\_\_ Logging Unit on the \_\_\_\_\_ Indian Reservation, the undersigned, hereby bid for the timber advertised as follows:

SPECIES AND PRODUCT		BID PRICE PER _____
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

The undersigned, remit herewith a certified check, cashier's check, bank draft or postal money order, drawn payable to the Bureau of Indian Affairs, or in cash, in the amount of \_\_\_\_\_ dollars and \_\_\_\_\_ Cents, (\$ \_\_\_\_\_) as required by the notice of sale, and agree that if this bid is accepted and the undersigned shall fail to fulfill this agreement in accordance with the regulations governing the sale, then the amount of this deposit shall be retained as liquidated damages for use and benefit of the timber owners. It is understood that if this bid is not the apparent high, bid, the deposit will be returned immediately following the bid opening, unless the undersigned makes a written request to have this bid considered for acceptance.

\_\_\_\_\_  
 (Date)

\_\_\_\_\_  
 (Signed)

\_\_\_\_\_  
 (Title)

\_\_\_\_\_  
 (Representing)

**INSTRUCTIONS**

Enclose this proposal, in duplicate, in a sealed envelope addressed as required by the notice of sale, and plainly mark on the outside of the envelope "Proposal for \_\_\_\_\_ Logging Unit, to be opened \_\_\_\_\_, \_\_, "

If the proposal is made by individuals, acting neither as a firm nor as a corporation, each must sign.

If the proposal is made by a copartnership, the signature must consist of the name of the firm followed by the signature of each of the members of the firm.

If the proposal is made by a corporation, the signature should consist of the name of the corporation followed by the name of the proper officer or officers, as required by the laws of the corporations.

The following receipt form is to be completed when the apparent unsuccessful bidders are present in person and desire the return of their bid deposit immediately.

Receipt is acknowledged of the return of (my) (our) bid deposit of \$ \_\_\_\_\_  
(Cash or Amount  
& Check Number)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Representing)

\_\_\_\_\_  
(Date)



## BILL FOR COLLECTION

Bill No. \_\_\_\_\_

Make Remittance Payable To: \_\_\_\_\_ Date \_\_\_\_\_  
*(Bureau or Office)*

Mail Payment To: \_\_\_\_\_  
*(Address)*

PAYER:

**Please detach top portion of  
 this bill and return with  
 remittance.**

Amount of Payment \$ \_\_\_\_\_

-----  
 (Detach and submit with payment)  
 -----

Date	Description	Quantity	Unit Price		Amount	
			Cost	Per		
AMOUNT DUE THIS BILL					\$	

NOTE: A receipt will be issued for all cash remittances and for all other remittances when required by applicable procedures. Failure to receive a receipt for cash payment should be promptly reported to the bureau or office shown above.

UNITED STATES  
DEPARTMENT OF INTERIOR  
BUREAU OF INDIAN AFFAIRS  
Branch of Forestry

**TRANSMITTAL AND REPORTING SHEET**

<b>A.</b> AGENCY	RESERVATION		
PURCHASER	TIMBER SALE AREA		
PERIOD COVERED From: _____	To: _____		
<b>B.</b> The following scale reports and/or sheet summaries are attached:	<b>C.</b> Estimate of timber cut but not scaled at the close of the reporting period.		
SCALING UNIT	VOL. (UNIT)	VALUE	
Total		<del>XXXX</del>	\$
		<b>D.</b> Estimate of volume of timber to be cut through _____, 20	
SPECIES	VOL. (UNIT)	PRICE	VALUE
Total		<del>XXXX</del>	\$
<b>E.</b> Volume scaled this contract year (start of this report period)			
Volume scaled since last report (Section B)			
Volume scaled TO DATE this contract year			
<b>FOR USE OF TIMBER CLERK</b>			
Advance deposit balance (start of this report period)			\$
Less: Value - Section B		\$	
Value - Section C		\$	
Value - Section D		\$	\$
Balance To Date			\$
Advance deposits to be requested			\$

G. STATUS OF PURCHASER'S CONTRACTUAL OBLIGATIONS

Check "Yes," "No," "N/A" (Not applicable), after each of the items: (Additional remarks may be made in the space below the list.)

ITEM	QUESTION	COMPLETED		
		Yes	No	N/A
Slash	Has required piling and disposal of slash been completed?			
Snags	Have these been felled?			
Waste	Has all pick-up scale been completed?			
Roads	Have roads been cleared and maintained to prevent futur deterioration?			
Improvement	Have building improvements been removed and site left in sanita condition?			
Stream	Has logging debris been removed from stream to permit prope drainage?			
Other Liability	Has damage to land and property been repaired or paid for and ˆ other liabilities settled?			

H. REMARKS:

I. Signature: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

## Instructions for Completing Transmittal and Reporting Sheet (Form 5-473a)

- (a). Form Headings. Completion of headings in Section A is self-explanatory.
- (b). Scale Reports and/or Scale sheet summaries. In Section B, the “Scaling Unit” column, is used to identify the scaling units. If there are multiple scaling units for tribal land, the numerical designations for the associated sections, townships, and ranges are entered in this column. The total volume and value scaled since the last report of each scale report is recorded in the “Volume (Unit)” and “Value” columns. When scale reports are prepared at a location other than where this report is first prepared, the person who prepares the scale report will enter the total value scaled since last report in the “Value” column. The person who first prepares this report will enter the total volume scaled since last report in the “Volume (Unit)” column. Add all entries in each column to determine the total volume and value.
- (c). Estimate of timber cut but not scaled. Section C is completed to help in determining the balance of the advance deposit and the need for an additional payment. Sale inspections/observations provide the basis for the information recorded in this section. Species and/or type of forest product are recorded in the “Species” column. There may be instances when it would be more practical to show the general type of timber stand, (i.e. pine/fir) instead of listing each species separately. The estimated volumes are recorded in the “Vol. (Unit)” column. Current contract prices are recorded in the “Price” column. The “Value” is determined by multiplying the volume by the price for each Species line. The sum of the volumes and values for the section are recorded in the “Total” row.
- (d). Estimate of volume of timber to be cut. Section D is also completed to help in determining the balance of the advance deposit and the need for an additional payment. The logging plan and logging progress are used to estimate the information recorded in this section. Species and/or type of forest product are recorded in the “Species” column. There may be instances when it would be more practical to show the general type of timber stand, (i.e. pine/fir) instead of listing each species separately. The estimated volumes of timber to be cut are recorded in the “Vol.(Unit)” column. Current contract prices are recorded in the “Price” column. The “Value” is determined by multiplying the volume by the price for each Species line. The sum of the volumes and values for the section are recorded in the “Total” row.
- (e). Volume scaled. Section E records the volume scaled for the contract year to aid in determining if the minimum and maximum cutting requirements are being met. The first line volume is the total volume scaled for the contract year prior to the current report. The second line for volume scaled since the last report is the total from Section B of the current report. The third line is the combined volume of the first two lines.
- (f). For use by the Timber Clerk. This section is usually completed by the individual who prepares the scale reports or scale sheets. The items in Section F are self-explanatory. The information shows the current status of the purchaser’s advance deposit balance and the amount to be requested from the purchaser to meet contract required minimum balances and payments.
- (g). Status of Purchaser’s Contractual Obligations. Section G is completed after all cutting operations are completed on the timber sale area. All questions should be answered, with additional remarks made when necessary. After all contractual requirements have been completed, or the financial arrangements have been made for their completion, the Officer in Charge uses this report to show the recommendation to close the sale.
- (h). Remarks. Section H is used for information related to remarks to be used on Report of Timber Cut (Form 5-486) or for any remarks pertinent to the operation.
- (i). Signature; Title; Date. In Section I, the person preparing the report, signs the form, adds their title, and dates the form before submitting the report and supporting scale reports and/or scale sheets.

**BUREAU OF INDIAN AFFAIRS - CONTINENTAL AGENCY**

**LOGGING PLAN**

**RESERVATION:** Anywhere  
**SALE OR PERMIT NAME:** Frog Pond Logging Unit  
**DATE COVERED BY PLAN:** November 1, 2003 –July 31, 2004  
**PURCHASER:** Big Timber Forest Products

**I. Designation of Purchaser's Representative and Timber Sale Officer**

<b>Title/Name</b>	<b>Home Phone</b>	<b>Work Phone</b>	<b>Address</b>
Purchaser Representative <b>Allan Bark</b>	N/A	234-5678	P. O. Box 78 Next Town, NM 88340
Purchaser Alt. - Owner <b>Henry Stump</b>	234-1234	234-7890	P. O. Box 117 Next Town, NM 88340
Purchaser Alt. - Woods Boss <b>Frank Crown</b>	234-4567	234-7890	P. O. Box 117 Next Town, NM 88340
Timber Sale Officer <b>Sam Green</b>	444-4567	444-4444	P. O. Box 1234 Smallville, NM 01234
Alt. T. Sale Officer <b>Sean Oakes</b>	444-5678	444-4444	P. O. Box 1234 Smallville, NM 01234
Timber Sales Supv. <b>John Cutter</b>	444-6789	444-4444	P. O. Box 1234 Smallville, NM 01234
Officer in Charge <b>Ben Right</b>	444-7890	444-4444	P. O. Box 1234 Smallville, NM 01234

**II. Cutting Requirements**

	<b>Date</b>	<b>Volume (MBF)</b>
<b>Minimum Volume Requirements</b>	<b>7-31-2004</b>	<b>5,000</b>

**III. Monthly Production Schedule**

<b>MONTH/YEAR</b>	<b>VOLUME (MBF)</b>
November 03	800
December 03	800
January 04	800
February 04	800
March 04	800
April 04	800

May 04	800
June 04	800
July 04	800
<b>TOTAL</b>	<b>7,200</b>

#### IV. Slash Treatment

##### A. Slash Disposal Requirements

Lop and scatter to a height of 24 inches or less above ground all slash within 150 feet from the edge of any road (both sides of the road) used within the timber sale. Lop and scatter to a height of 36 inches above ground all slash outside of the 150-foot corridor on both sides of the road but within the timber sale area. All damaged unmerchantable material must be severed at ground level and lopped to the appropriate height above ground as detailed above.

Machine pile all landing slash. Piles will be compact, free of dirt, rootwads and no closer than 50 feet to the residual trees. Juniper and oak logs >7 inches diameter root collar (d.r.c.), chunks > 10 inches diameter (large end) and 4 feet in length and cull logs will not be piled but will be decked separately from the piled landing slash. A tractor-mounted brush blade will be used for all slash piling. A one-dozer blade width fireline will be constructed down to mineral soil around each pile.

##### B. Acceptable Slash Backlog

TREATMENT	AMOUNT
Machine Pile Landings	6 Landings/Side
Slash Lopping	Slash generated from the logging of the six landings.

All road right-of-ways and landings will be cleared of trees, logs, rootwads, and large debris before skidding equipment moves to a different drainage. Except during periods of wet weather, or at the discretion of the Officer in Charge, all piling, grade dips and lopping will be completed within one week after hauling the last load of the drainage. Suspension of all or part of the logging operations may occur if the backlog is exceeded.

#### V. Incomplete Projects

Need to remove equipment from previous log plan areas (Sky Hook).

#### VI. Proposed Operational Plan

As indicated on the attached maps, the following proposed logging activities will take place for the logging plan period.

**A. Roads to be Constructed**

Road construction will commence in Township 14 South, Range 12 East sections 8, 9, 16, 17, 20, and 21, then proceeding east to sections 10, 11, 14, 15, and 22.

The table on the following page provides road numbers, total distance and classification.

Table 1. Mileage and Classification of Roads on Nogal Logging Unit. Some of these roads have already been constructed.

Road No.	New Construction (Feet)	Recon-Struction (Feet)	Blade & Shape (Feet)	No Road Work	Total Distance (Feet)	Classification		
						III	IV	V
3-10	5700	2000			7700			7700
9-00	900	10200	7300		18400			18400
9-10	3600	10600	1300		15500			15500
9-11		5700			5700			5700
9-13		9400			9400			9400
9-14	1400	700			2100			2100
9-20	1000	3500			4500			4500
9-31		7100			7100			7100
9-33		7400			7400			7400
9-60		5900			5900			5900
<b>TOTAL</b>	13900	61200	8600	0	83700	0	0	83700
<b>MILES</b>	<b>2.6</b>	<b>11.6</b>	<b>1.6</b>		<b>15.8</b>			<b>15.8</b>

All road right-of-way timber from new construction and reconstruction will be felled, skidded and decked prior to grubbing and excavation work. All road right-of-way timber from new construction and reconstruction will be loaded and hauled to the sawmill within six months of being felled. Root and stump wads > 6 inches (d.r.c.) which are grubbed from right-of-ways will be skidded into the woods and will not be visible from the road.

**B. Road Improvements**

Grade dip installation will be completed within one week after hauling the last load out of a drainage.

Archeological Surveys:

Archeological field surveys have been completed for all the road alignment in the logging area covered by this plan. If a cultural resource site is discovered, operations will be suspended in the immediate area until written or verbal notice is received from the Tribal Archeologist.

**C. Areas to be Logged.**

Logging will commence in Township 14 South, Range 12 East sections 30 and 31, then proceeding east to Township 15 South, Range 12 East, sections 2, 3, 9, 10, 11, 14, 15 and 16. Refer to the attached maps for location.

#### **D. Areas Requiring Special Logging Methods and Equipment.**

There is a 61 acre "Pilot Biomass Project" area that will require cutting all live pine and fir trees larger than 9.0 inches diameter breast high that are not "leave tree" marked with green paint. Separate log books and scaling frequencies (MFP I = 1:3 , MFP II = 1:3) will be used for removing the timber from the four landings in this area . The project area is located in the SW corner of section 2, Township 15 South, Range 12 East.

As stated in Section A.17 provision 'h' of the Timber Sale Contract, the timber sale area will require designated skid trails with a minimum spacing of 80 feet between designated skid trails. Winching of felled timber to the skid trails is not required. Layout and flagging of all skid trails are the responsibility of the Purchaser. Layout must be completed a minimum of three days prior to felling to allow adequate time for the layout to be checked and approved by the Officer in Charge.

All the landing locations will be approved in advance by the Timber Sale Officer. There will be no more than one landing per 15 acres of harvested area unless authorized by the Officer in Charge. Total area in landings will not exceed 5 % of the total harvested area.

At the discretion of the Officer in Charge, the Purchaser will be required to utilize the practice of "hot decking" in order to minimize landing size and the potential for site compaction due to excessive landing size. Hot decking shall be defined as the practice of delimiting trees and/or logs at the landing concurrent with skidding activities in an effort to maximize the amount of volume decked in as small a landing space as possible.

Section A.17 provision 'q' of Part A of the Timber Sale Contract notwithstanding: There shall be restricted riparian buffers of 200 feet from the edge of the timber around all wetlands, springs, and ponds to protect water quality and to conserve the riparian wildlife habitat. Existing roads may be used for log hauling and other travel except as per Section B8.3 of Part B. Logging activity within these buffers will be limited only to removal of high-risk trees that can be felled outside the buffer zone. Adjustments to these specifications will be coordinated with the BIA Branch of Natural Resources and the Mescalero Apache Tribe Division of Natural Resource Management and Protection. Equipment may enter buffers for road relocation and culvert installation. Approximate locations of all riparian areas requiring 200 foot buffers are shown on map Exhibit A.

Active logging can be done on a maximum of six landings per side concurrently. Active logging includes skidding, decking, delimiting and loading.

All fences that are damaged by logging activity or fences that are cut to gain access to timber must be repaired immediately upon completion of lopping the landing area.

During periods of extreme wet weather, skidding and/or hauling activities may be suspended to prevent public safety hazard, damage to soils, water quality, or road surface integrity.

#### **E. Areas Requiring Special Timing or Other Measures for Mitigation of Impacts on Other Resources.**

Within all occupied Mexican spotted owl PACs, cutting and skidding will not be allowed from March 1 through June 1 in the March-through-May Buffer, and will not be allowed from March 1 through August 31 in the March-through-August Buffer. Additionally, if the owls are nesting, the no cutting and skidding provision will extend for ¼ mile radius from the nest site. Vehicle traffic on unsurfaced logging roads within the 100-acre nest site will be avoided. However, if circumstances are such that an existing unsurfaced logging road within the 100-acre nest stand must be used, vehicle traffic is prohibited from two hours before sunset until two hours after sunrise. Speed limits of 15 to 20 miles per hour on unsurfaced logging roads will be posted and enforced within the 400-acre PAC from March 1 through August 31 of each year. The restrictions listed above do not apply if the PAC is determined to be unoccupied.

In the event of the discovery of an eagle (bald or golden) roosting site within the timber sale area, seasonal no entry restrictions will be enforced within 800 feet of the roost site from November 15 through April 15.

#### **F. Location of Camps**

Logging camps will be permitted in areas designated by the Timber Sale Officer subject to Tribal Approval. These locations will be made known to the Anywhere Conservation Department. A camping permit will be required. Colored windshield stickers may be issued by the Anywhere Conservation Department.

### **VII. Log Movement Control Instructions**

#### **A. Loading**

1. Waste Scale - Waste scale and unscaled logs should not be mixed on the same load without prior approval from the Timber Sale Officer.

Loads containing both waste scaled and unscaled logs require 100% scale truck tickets, not a sample scale truck ticket. The scaler must be notified of the mixed load and will not scale the logs marked with white paint.

2. Clean up and Right-of-Way Logs - Partial loads may be hauled due to last load clean up or right-of-way logs. These partial loads must be 100% scaled, with the approval of the Timber Sale Officer. Loads weighing less than 65,000 lbs. gross will be 100% scaled. This minimum is intended for conventional log trucks and will not be applied to other types of trucks such as flatbed trailers, etc. The corresponding tab on the frequency card should be pulled regardless of the gross weight of the load. The loader operator should write "Clean -up" on the BIA truck ticket before stapling the ticket to the load.

**B. Log Load Accountability**

1. Truck Ticket Books

<b>RECEIVE TRUCK TICKET BOOKS</b>	
<b>NAME</b>	<b>TITLE</b>
<b>Henry Stump</b>	<b>Owner</b>
<b>Frank Crown</b>	<b>Side Rod</b>
<b>Butch Tower</b>	<b>Loader Man</b>

<b>ISSUE TRUCK TICKET BOOKS</b>	
<b>NAME</b>	<b>TITLE</b>
<b>Sam Green</b>	<b>Timber Sale Officer</b>
<b>Sean Oakes</b>	<b>Alt. Timber Sale Officer</b>
<b>John Cutter</b>	<b>Supv. Forester- Timber Operations</b>
<b>Burl Jones</b>	<b>Lead Scaler</b>
<b>Bob Smith</b>	<b>Scaler</b>

Completed truck ticket books will be returned within one week after finishing the book. All unused truck ticket books, or portions thereof, will be returned to the Timber Sale Officer or Continental Agency, Branch of Forestry office within 48 hours of completion of hauling from the sale area. The BIA will provide a receipt indicating that the book has been returned.

2. Sample Frequency Cards - Will be pre-numbered and posted by the Scaler or designate at Big Timber Forest Products. All unused, or partially used cards, will be returned to the Bureau of Indian Affairs, Continental Agency, Branch of Forestry office.
3. Log Load Identity - The identity of each load of logs must be maintained and kept separate until scaled. Truck tickets must be filled out and stapled on each load by the loader operator, according to the procedure agreed upon by the Timber Sale Officer and the Purchaser Representative. Loads arriving at the scaling point without a proper truck ticket will be charged double the current stumpage.
4. Scaling Frequency - This sale will be 100% or sample scaled as specified by the Forest Officer. Sample frequencies will be determined by the BIA using standard statistical methods. All loads will be weighed; thus a double sampling procedure will be used.

Sample loads will be determined randomly using a **1:15** sample frequency card at Big Timber Forest Products. The purchaser will be notified in advance if the frequency changes.

When a load arrives at the scaling point the truck ticket is compared with the corresponding pull tab number on the sample frequency card. Tabs may not be pulled prior to the loads arriving at the scaling location. When a sample load is identified, the load shall be placed in the scaling bay and prepared for scaling.

Sample loads "lost" due to incorrectly pulled tabs, improper tickets, or improper decking shall be charged for at double the current stumpage rates, based on the volume and species distribution of the largest sample load (net scale) scaled during the previous month. Any load arriving at the scaling location with an improperly completed truck ticket or missing a truck ticket, or any load with illegible or missing weights on the weight ticket will be charged for at double the current stumpage rates, based on the volume and species distribution of the largest sample load (net scale) scaled during the previous month.

5. Dumped Loads -If a load accompanied by either a sample or 100% scale ticket is dumped or breaks down before it reaches the scaling point, the driver will notify the Timber Sale Officer. If the integrity of the dumped load is questionable, the load will be 100% scaled and entered on the scale sheet as a dumped load. The log ends will be marked with white paint and/or stamped with an identifying brand. If the integrity of the load is intact the load should be reloaded on to another truck using the same ticket. When this load arrives at the scaling location it will be treated as normal load.

When one or more logs are removed or dropped from a load before it reaches the scaling point, the driver will paint the load number on the end of each dropped log with white paint. The driver should notify the scaler or Timber Sale Officer that he removed or lost part of the load. The remainder of the load and dropped log(s) will be 100% scaled.

6. Ownership Inspection - The driver at various times and places may be asked by a BIA representative to produce a truck ticket. If the driver cannot produce a ticket showing ownership of the load, he will be asked to wait until the proper law enforcement agency has been notified.

7. Load Identification - Each load will be identified before leaving the loader by **RED** paint marking the last three digits of the truck ticket number on at least 3 log ends on the back of each sawlog load. The "BIA" truck ticket portion of the 4-part ticket books issued for log hauling will be stapled onto a bunklog on the rear of the load so that the "BIA" letters are plainly visible. During periods of wet weather, the truck ticket should be placed in a clear plastic bag prior to stapling to the load. During periods of extremely wet weather, the bottom portion of the BIA ticket can be carried in the cab. The TSO should be notified if the weather makes this practice necessary.

The "BIA" truck ticket will be deposited into the BIA locked box at the scaling location along with the weight ticket for the load. The second ticket from the bottom of the 4-part

ticket is left on one log end on the load of logs. The logging contractor may keep the "trucker's receipt". The top ticket stays in the book and is returned to one of the individuals listed above under item 1 when the book is used up.

8. Scaling Locations

LOCATION	HAUL ROUTE
Big Timber Forest Products	From Route M1 northwest to the paved portion of Deep Canyon Road and continuing north to Highway 100 then proceeding east to the mill.

Loaded trucks may park along the designated haul route for that load's destination or at the respective logging company's shop. Tribal member drivers may park at their residence provided it is located within the reservation.

Trucks are not allowed to use Jake brakes from road closure cable to Highway 100 in Deep Canyon. The road closure cable needs to be locked every night, unless otherwise directed by sale officer or conservation officer.

Bus schedules are from 7AM to 7:30AM and 3:30PM to 4PM. Empty trucks may pass through during bus schedule but no loaded trucks during these times. Loaded trucks during bus schedule can go up Deep Canyon to South Canyon to Highway 100.

The logging contractor or purchaser representative are responsible for notifying the Timber Sale Officer, Alternate TSO, or BIA Scaler about any load that breaks down along the haul route, and will provide relevant information such as log truck ticket number, location, expected length of delay, reloading possibility, etc. The load will not be moved until such notification occurs. Movement of loads contrary to instructions by the BIA will be grounds for unauthorized movement and double stumpage will be charged.

The Timber Sale Officer must be given 48 hours notice prior to any scaling point change, start-up of hauling, or change in haul routes. If such notice is not given and approved by the Timber Sale Officer, loads will be charged at double the current stumpage rates.

9. Presentation for Scaling - To facilitate accurate and safe scaling conditions, logs shall be presented in the scaling yard in the following manner:

- a. The scaling area shall be well drained and free of mud. It shall be maintained to prevent the accumulation of bark and debris.
- b. Sufficient yard space shall be provided to prevent crowded unsafe working conditions in and around the scaling site and to provide adequate room to spread the scaling site and to provide adequate room to spread all sample loads. The scaling site shall be a safe distance from cold decks and traffic.

- c. Log stackers or loaders are not permitted to work in the bay or adjacent bays that are currently being scaled if it presents a hazard to the scaler.
- d. If more than one load is spread in the same scaling bay, loads will be clearly marked.
- e. Loads shall be spread in bays in a manner that will allow the scaler to see the defect indicators and measure individual logs safely and accurately. Logs will be spread so there is sufficient room for the scaler to walk between them.
- f. To provide for unannounced check scales, enough loads to provide 200 logs shall be retained in the bay at all times. The Scaler will paint loads to be picked up –PU-. The scaler will paint loads that have been scaled with an –S-.
- g. Scaling of sample loads will be completed by close of business of the third working day (Monday through Friday exclusive of holidays) after the 15th and the end of the month.

**VIII. Flagging and Paint Codes**

<b>FLAGGING CODES</b>	
<b>COLOR</b>	<b>PURPOSE</b>
Red	No-cut / sale boundary
Pink	Road centerlines, missed trees
Blue	Landings
Red/White	Culverts, turnouts and erosion control features.
Orange	Silvicultural prescription boundary
Yellow	Backline for cutting and skidding
Blue	Skid trails
Red, Pink, Orange, Red/White	T & E Species Survey Route

<b>PAINT CODES</b>	
<b>COLOR</b>	<b>PURPOSE</b>
Green	Leave Tree Mark
Orange	Cut Tree Mark
Red	Sale Boundary and No-Cuts
Red	Load Identification

White	Waste Scaled Material and Dumped Loads
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**IX. Other Remarks**

Hazardous Material Spills:

Spills of hazardous materials within the Anywhere Indian Reservation are a serious matter. Spills of over one gallon must be cleaned-up immediately. Spills of over ten gallons must be reported to the Anywhere Tribe Office of Environmental Protection and the Timber Sale Officer. All service trucks need to have hazardous spill clean-up equipment on-hand at all times. More information on clean-up measures and requirements is available by contacting the Anywhere Tribe, Division of Natural Resource Management and Protection at 444-4111.

**X. Authorization**

The following parties agree to the contents of this Logging Plan:

_____	_____
Purchaser or Designated Representative	Date
_____	_____
Contractor	Date
_____	_____
Timber Sale Officer	Date
_____	_____
Officer in Charge (Forest Manager)	Date
<b>APPROVED:</b>	
_____	_____
Agency Superintendent	Date

USDI  
BUREAU OF INDIAN AFFAIRS

WOODS  
RECEIPT

RETURN TO:  
U.S. DEPARTMENT OF INTERIOR  
Bureau of Indian Affairs

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**THIS BOOK TO BE RETURNED  
TO THE BIA, FORESTRY BRANCH**

1. When all Woods Receipts have been used.
2. During sale inactivity.
3. During seasonal shutdown.
4. At close of sale.
5. At the request of the Forest Officer in Charge.

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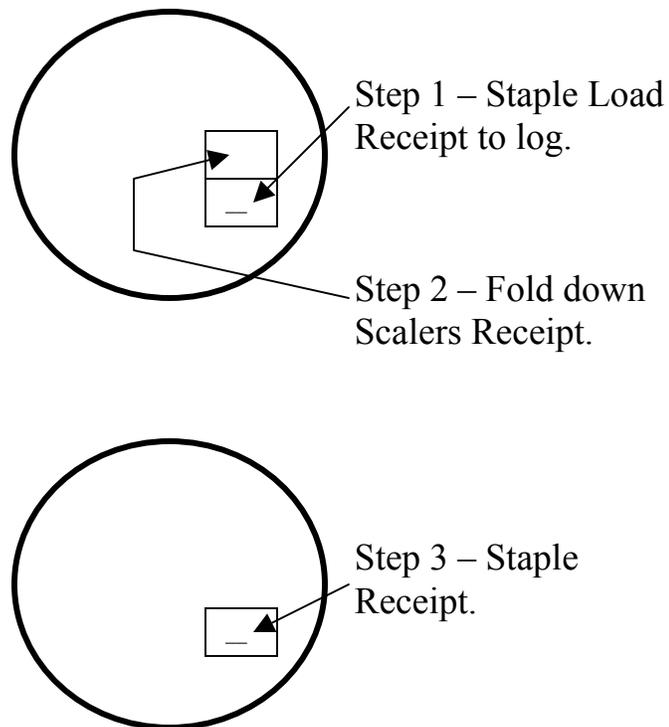
**NOTE:** EACH LOAD RECEIPT TICKET  
IS ACCOUNTABLE PROPERTY TO THE  
BUREAU OF INDIAN AFFAIRS.

**BOOK NO.** \_\_\_\_\_

## INSTRUCTIONS FOR USE

- 1. PURCHASER-OPERATOR: Fill out receipts. Retain Woods Receipt in book.**
- 2. DRIVER: Sign Woods Receipt.**
- 3. Detach and staple Load and Scaler Receipts to bunk or wing log at the front or back of load on the driver's side. Truck-trailer "mule train" loads require a receipt for each unit.**

NOTE: Operator – use books in sequence by numbers where sample scale is involved.



**BUREAU OF INDIAN AFFAIRS – WOODS RECEIPT**

DATE			No.
LOG BRAND	TRUCK #	NO. OF LOGS	SALE NAME
DESTINATION			BLOCK NO.
DRIVERS SIGNATURE			SEAL NUMBER

**PURCHASER: FILL OUT TICKETS  
RETAIN STUB IN BOOK.**

**BUREAU OF INDIAN AFFAIRS – TRUCKER RECEIPT**

DATE	TRUCK NO.	No.
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**BUREAU OF INDIAN AFFAIRS – SCALER RECEIPT**

DATE		No.
		SEAL NUMBER

SCALER: Detach Scaler Receipt, staple to BIA copy of scale ticket, return daily to address above.

**BUREAU OF INDIAN AFFAIRS – LOAD RECEIPT**

DATE	No.
LOG BRAND	PURCHASER: Staple Load and Scaler Receipts to the bunk or wing log at the front or back of load on the driver's side. (SEE INSTRUCTIONS)

**SCALER RECORD LOAD NO. ON SCALE TICKET.**

## Load/Truck Ticket Procedures

Ticket books should normally remain on the sale with the top portion intact and the other portions removed according to procedures identified in the contract, logging plan, and/or consumer scale agreement. If the book is assigned to a particular truck, then the book will accompany the truck and a portion of the ticket must be deposited in a lockbox on the sale before the load leaves the sale area. All portions of the load ticket must be completed before the load leaves the sale area.

The header portion of each part of the ticket should include the name of the issuing office. Trucks transporting Indian timber to a mill can be stopped and checked to see that the load tickets have been completed and completed properly. Penalties for violating consumer scale procedures must be included in the timber contract or the consumer scale agreement.

Two-part ticket. Two-part ticket books should never leave the sale area. The top portion is the book stub and contains information that identifies the truck, the sale name, date, species and piece count or approximate volume being hauled. The bottom portion of the ticket identifies the harvest unit, approximate volume, date, and destination of products being hauled and functions as the trucker or mill receipt. The trucker keeps the bottom portion with him as he transports the load to the mill. Both parts must be completed before the truck leaves the sale.

Three-part ticket. The logging plan must identify who will be receiving the ticket books and who will be responsible for them.

Ticket book remains on the sale area. When the book must remain on the sale area, the top portion will always be the book stub and contain information that identifies the truck, sale name and/or name with scaling unit, date, species and piece count or approximate volume being hauled, load destination, and driver's signature. The center portion of the ticket is attached to the load and identifies the logging unit. The bottom portion of the ticket identifies the truck, logging unit, scaling unit, species and product, date, destination, scaler's initials, and remarks. The center and bottom portions may be folded together and stapled to the load. The bottom portion is presented to the scaler or weigh master at the scaling location. The scaler or weigh master initials the form and attaches it to the log scale/weight slip and returns it to the issuing office at an agreed upon frequency.

Ticket book stays in the log truck. When the book accompanies the truck, the three-part ticket is used differently. The Top portion will always be the book stub and contain information that identifies the truck, sale name or number, date, species and piece count or approximate volume being hauled, load destination, and driver's signature. The center part of the ticket is presented to the scaler or weigh master at the receiving mill, and normally contains the same information as the top portion. The center part is returned to the issuing office along with the mill scale/weight slip. It is important for the issuing agency to fill in the name and address of the office that will be processing the scale on this part of the ticket.

The bottom portion of the ticket identifies the sale, species/product, date and destination of the products being hauled, and is retained by the on-site operator or is deposited by the trucker in a “lockbox” before leaving the sale area.

#### Four-part Ticket.

Ticket book remains on the sale area. When the book must remain on the sale area, the top portion will always be the book stub and contain information that identifies the truck, sale name and/or name with scaling unit, date, species and piece count or approximate volume being hauled, load destination, and driver’s signature. The second part is the trucker’s receipt with only a date and load number on it. The third stub contains at least the sale number and ticket number. The fourth stub identifies the truck, logging unit, scaling unit, species and product, date, destination, scaler’s initials, and remarks. The third and fourth parts can be folded together and stapled to the load or just the third part is stapled to the load. The fourth part is either removed by the scaler or weigh master or it is provided by the trucker at the scaling location. The scaler or weigh master initials the form and attaches it to the log scale/weight slip and returns it to the issuing office at an agreed upon frequency. The third part stays attached to the load until it is processed.

Ticket book stays in the log truck. When the load ticket book accompanies the truck, the top portion will always be the book stub and contain information that identifies the truck, sale name and/or name with scaling unit, date, species and piece count or approximate volume being hauled, load destination, and driver’s signature. The fourth part or bottom portion (which identifies the sale, species/product, date and destination of the products being hauled) is deposited by the trucker in a “lockbox” before leaving the sale area. The second stub contains at least the sale number and ticket number and the third stub identifies the truck, logging unit, scaling unit, species and product, date, destination, scaler’s initials, and remarks. The second and third parts can be folded together and stapled to the load or just the second part is stapled to the load. The third part is either removed by the scaler or weigh master or it is provided by the trucker at the scaling location. The scaler or weigh master initials the form and attaches it to the log scale/weight slip and returns it to the issuing office at an agreed upon frequency. The second part stays attached to the load until it is processed.

SAMPLE CONSUMER SCALE AUTHORIZATION

For

Purchaser: \_\_\_\_\_

Timber Contract No: \_\_\_\_\_

Approved: \_\_\_\_\_

It is mutually agreed that the forest products listed below, produced under the authority of the above designated timber sale contract may be removed from the sale area subject to the conditions listed herein.

Species/Product	Scaling Site	Conversion Rate	Consumer Mill

At scaling points listed above, products covered by this authorization must be placed in a location agreed to by the Forest Officer in Charge of administering the sale, in such a condition as to permit safe, efficient, and accurate scaling.

Unscaled products included in this authorization will be kept separate from timber from other sources until scaled.

Sale Code \_\_\_\_\_ is assigned to identify all products that will be scaled off this sale area. It is to be used exclusively on products from this sale area, and may not be used to mark products from any other sale area. If no sale code is required, type "NA" in the space.

The Purchaser or his assigned agent will supervise the marking of products and execute product removal permits, as specified below.

1. If required, all products will be properly coded prior to removal from the sale area. These code marks will be applied to make a permanent and legible mark.
2. All products measured in cords (pulpwood, boxbolts, chemical wood, etc.) will have the sale code marked on at least 5% of the pieces.
3. Each load of products to be scaled will be accompanied by the receipt portion of the Woods Receipt for Bureau of Indian Affairs Cordwood Products. These tickets will be issued to the purchaser by the Bureau at the time this authorization is signed. The purchaser will issue the receipt portion to the driver with instructions for the destination and disposition of the

product, and directions to submit the receipt portion of the ticket to the person authorized to receive it.

It is further mutually agreed and understood that:

1. When hauling operations from this sale area are to be suspended for a period in excess of 30 days, all unused tickets issued for use on this sale will be promptly returned to the issuing officer.
2. The Purchaser shall be responsible for the loss of any products covered by this authorization. Loss of any permit slips (truck tickets) issued to the purchaser, and not accounted for by scaling or returned to the issuing officer will be considered a loss of forest products. The forest products may be charged for at the stumpage rate of an average load of the highest value product covered by this agreement, or at a rate deemed appropriate by the Forest Officer in Charge of the timber sale.
3. This authorization shall be coterminous with the designated timber sale contract unless said authorization is terminated earlier. Each party to this authorization has the right to terminate the authorization by giving the other party ten (10) days advanced notice in writing.
4. Failure on the part of either party to comply with the above listed provisions may be construed as sufficient grounds for voiding this authorization.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

BUREAU OF INDIAN AFFAIRS

PURCHASER

\_\_\_\_\_  
Agency

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Approving Officer Signature

\_\_\_\_\_  
Address

\_\_\_\_\_  
Title

\_\_\_\_\_  
Address

SAMPLE THIRD PARTY SCALING AGREEMENT  
For  
Consumer Scale of Forest Products

MEMORANDUM OF AGREEMENT entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ between the Bureau of Indian Affairs and \_\_\_\_\_ hereinafter called the Scaling Party.

WHEREAS, the Bureau of Indian Affairs is authorized to accept third party scaling in lieu of scaling by Bureau of Indian Affairs employees for certain forest products, and there are mutual advantages in this procedure, and ;

Whereas, the Bureau of Indian Affairs has obligations to protect the interests of the Indian Owners and the United States Government,

NOW, THEREFORE, it is mutually agreed between the Scaling Party and the Bureau of Indian Affairs, that the third party scale will be accepted in lieu of Bureau of Indian Affairs scale when requested by a purchaser of Indian or Government stumpage, and agreed to by the Bureau of Indian Affairs. In order to insure satisfaction to both the Bureau of Indian Affairs and the Third Party, it is further agreed:

1. That the scaling party will accept unscaled forest products from lands under the Bureau of Indian Affairs jurisdiction only when such products are covered by a properly completed Woods Receipt.
2. That the scaling party will provide records to the Bureau of Indian Affairs of each scaling transaction involving such products by providing scale slips, weight slips, or summaries of scaling transactions as requested by the Bureau of Indian Affairs.
3. That the scaling party will permit periodic reviews of scale records or summaries of the interest of the Indian Owners and the United States Government.
4. That this agreement may be cancelled by written notification by either party giving cause for cancellation and allowing 30 calendar days for the Bureau of Indian Affairs to cancel it's agreement with purchaser.
5. That the scaling party will provide the conversion factors to be used to convert weight to cords when returning the signed agreement for approval.
6. That the scaling party will provide documentation showing that the scales utilized for weighing products are state certified.



SAMPLE ADDENDUM TO THE CONSUMER SCALE AUTHORIZATION

Between  
Bureau of Indian Affairs  
And

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Consuming Mill/Purchaser

In the event the consuming mill identified in the Consumer Scale Authorization (of which this addendum is made part) is also the purchaser of Indian timber, the mill shall scale the timber covered by those Bureau of Indian Affairs contracts only under the following conditions:

1. The consuming mill/purchaser shall not scale timber from any Bureau of Indian Affairs contract unless such timber has been cut and skidded by an independent producer. For the purposes of this addendum "independent producer" means a person, partnership, corporation, or other legal entity which has contracted with the consumer/purchaser to log the Bureau of Indian Affairs contract for a consideration based upon the amount of timber delivered to the consuming mill, and excludes any person, partnership, corporation or other legal entity in which the consuming mill/purchaser has any legal interest.
2. If the consuming mill/purchaser or independent producer violates any of the terms of the Consumer Scale Authorization or this addendum, the Superintendent may cancel or suspend all Bureau of Indian Affairs contracts or permits held by the consuming mill/purchaser which are being logged by that independent producer. The Superintendent may also take action to cancel or suspend any other Bureau of Indian Affairs timber contracts and permits held by the consumer/purchaser.
3. In addition to #2 above, any violations of the terms of the Consumer Scale Authorization or this addendum will be treated as a timber trespass and subject to penalties specified in the timber contract or permit and applicable State and Federal statutes.

CONSUMER:

BIA APPROVAL:

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Company Name

---

Approving Officer Signature

---

Signature

---

Title

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

## Sample Regional Scaler Qualifications and Certification Standards

1. Certification. Insures that individuals are competent to perform accurate and uniform volume determination, enhances the status of personnel having scaling duties, and provides quality control of the scaling program.

All BIA or tribal personnel who assess the volume and value of sawlogs and other forest products removed from or waste remaining on Indian timber sales must have complied with the requirements for the appropriate level of certification. Agency Line Officers will maintain individual training records and must assure that scalers under the administrative control are properly certified. This also includes assuring that non-BIA or tribal scalers meet or exceed standards established by the BIA.

2. Certification levels. There could be five levels of Certification which include; Utilization Scaler, Qualified Scaler, Senior Scaler, Advanced Scaler, and Check Scaler. Scalers must be certified at the appropriate level before assignment to scaling duties. Certification oversight for the Utilization, Qualified, Senior, and Advanced scalers will be by a certified Check Scaler or Regional Forester. Certification will be approved by the BIA Line Officer. Check Scalers will be certified by a BIA Line Official.

a. Utilization Scaler. This certification level is for those individuals who perform incidental scaling of lost logs or waste scaling in conjunction with timber sale administration, and occasional scaling of minor amounts of sawlogs. All sale administrators who will be called upon to judge the merchantability of logs in the woods should be certified at this level. Minimum certification standards include:

- (1). Attend a classroom or field review of scaling methods, utilization standards, and merchantability specifications.
- (2). Visit a sawmill to observe how defect is sawn from logs similar to those removed from local timber sales. The mill visit must be documented and include species and type of defects observed.
- (3). Practice scale at least 100 log segments at an appropriate site and compare the scale with that of a Check Scaler or other certified scaler designated by the BIA Line Official.
- (4). Demonstrate an adequate understanding of scaling principles and the use of log rules to determine gross and net volumes of merchantable material left in the woods by successfully completing a field comparison with a Check Scaler. If applicable, log grades or other quality calls may also be required.

b. Qualified Scaler. This level is the minimum for those individuals who determine volume and value of sawlogs or other timber products on a regular basis. This level is generally reserved for scalers with less than six (6) months experience or for scalers whose scaling duties represent less than 50% of their time during the normal logging season. Individuals must have met the requirements for certification as a Utilization Scaler and must also meet the following standards to be certified as a Qualified Scaler.

- (1). Must have performed at least 40 hours of actual scaling under the direct supervision of a Check Scaler or other certified scaler designated by the BIA Line Officer.
- (2). Demonstrate ability to record and maintain scaling records and/or the ability to use automated data entry equipment used for recording scale.
- (3). Pass a check scale to the standard of accuracy established by their respective Region. Accuracy may be determined from the National Forest Log Scaling Handbook or from some other source which establishes a minimum accuracy level.

c. Advanced Scaler. This level is for experienced scalers whose duties require more than 50% of their time for scaling during the normal logging season. Individuals must meet all requirements for the Qualified Scaler and must also meet the following standards to be certified as an Advanced Scaler.

(1). Must have six (6) months experience scaling at the Qualified Scaler level.

(2). Consistently pass check scales to standards of accuracy for the Region in which they work and pass at least two consecutive check scales at the fully acceptable level of at least 200 log segments each.

d. Senior Scaler. This level is also for experienced scalers whose duties require more than 50% of their time for scaling. Individuals must meet all the requirements for the Advanced Scaler and must meet the following standards to be certified as a Senior Scaler.

(1). Two years experience as an Advanced Scaler with at least 12 months accumulative time spent in scaling for payment purposes.

(2). Demonstrated continuous scaling proficiency and capability for assignment to any production scaling situation.

(3). Demonstrated ability to train and instruct lower level scalers.

e. Check Scaler. Responsibilities will be determined by the Regional Forester. Duties will normally include certifying scalers, establishing certification and education requirements, facilitating scaling training, conducting check scales, and reviewing and recommending changes to jurisdiction log rules or other measurement systems. Individuals must meet all requirements for the Senior Scaler and must also meet the following requirements.

1. Must have twelve (12) months experience scaling at the Senior Scaler level.

2. Must be recommended by supervisor or Scaling Committee for certification and be approved by responsible BIA Line Officer.

## APPEAL PARAGRAPH FOR SUPERINTENDENT'S DECISIONS

This decision may be appealed to the Regional Director, \_\_\_\_\_, in accordance with the regulations in 25 CFR Part 2 (copy enclosed). Your notice of appeal must be filed in this office within 30 days of the date you receive this decision. The date of filing your notice of appeal is the date it is postmarked or the date it is personally delivered to this office. Your notice of appeal must include your name, address, and telephone number. It should clearly identify the decision being appealed. If possible, attach a copy of the decision. The notice and the envelope in which it is mailed should be clearly labeled "Notice of Appeal." Your notice of appeal must list the names and the addresses of the interested parties known to you and certify that you have sent them copies of the notice. You must also send a copy of your notice of appeal to the Regional Director, at the above address. (Insert this additional sentence when affected party is an Indian or Indian tribe: If you are not represented by an attorney, you may request assistance from this office in the preparation of your appeal.)

You may include a statement of reasons with your notice of appeal, explaining why you believe the decision being appealed is in error. If you do not include your statement of reasons with your notice of appeal, you must mail or deliver it to this office within 30 days after you file your notice of appeal. The statement of reasons and the envelope in which it is mailed should be clearly labeled, "Statement of Reasons." It must be accompanied by or otherwise incorporate all supporting documents. You must send copies of your statement of reasons to all interested parties.

If no appeal is timely filed, this decision will become final for the department of the Interior at the expiration of the appeal period. No extension of time may be granted for filing a notice of appeal.

**NOTICE OF RIGHT TO FURTHER APPEAL**  
**(Add to all Regional Director's Decisions)**

This decision may be appealed to the Interior Board of Indian Appeals, 4015 Wilson Boulevard, Arlington, Virginia 22203, in accordance with regulations in 43 CFR 4.310-4.340. Your Notice of Appeal to the Board must be signed by you or your attorney and must be mailed within 30 days of the date you received this decision. It should clearly identify the decision being appealed and if possible, attach a copy of that decision. You must send copies of your Notice of Appeal to (1) the Assistant Secretary – Indian Affairs, 4140 MIB, U.S. Department of the Interior, 18<sup>th</sup> and C Streets, NW, Washington D.C. 20240, (2) each Interested Party known to you, and (3) this office. Your Notice of Appeal sent to the Board of Indian Appeals must certify that you have sent copies to these parties. If you file a notice of appeal, the Board of Indian Appeals will notify you of the further appeal procedures.

If no appeal is timely files, this decision will become final for the Interior Department at the expiration of the appeal period. No extension of time may be granted for filing a Notice of Appeal.

**MODIFICATION #** \_\_\_\_\_

**MODIFICATION OF TIMBER CONTRACT NO.** \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
**LOGGING UNIT  
RESERVATION**

**WHEREIN**, the Superintendent, \_\_\_\_\_ Agency, approved Timber Contract No. \_\_\_\_\_, \_\_\_\_\_ Logging Unit between \_\_\_\_\_, Seller and \_\_\_\_\_, Purchaser on \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_,

**WHEREAS**, in accordance with Provision A5 of the contract, "...the Purchaser shall cut and pay for all designated timber on or before \_\_\_\_\_, \_\_\_\_\_, and shall complete all other obligations on or before the contract expiration date of \_\_\_\_\_, \_\_\_\_\_", and

**WHEREAS**, following the completion of the "cut and pay" obligation of the contract, it was observed that substantial additional mortality was occurring in the residual trees of the logged over area, and

**WHEREAS**, the Forest Officer in Charge of the contract has requested the inclusion of additional timber and an extension of the contract expiration dates, and

**WHEREAS**, it is mutually beneficial to the Seller and the Purchaser to add additional designated timber and to extend the expiration dates of the contract.

**NOW, THEREFORE, IT IS HEREBY AGREED**, additional timber will be designated and re-logging will occur on selected areas within the \_\_\_\_\_ Contract, and the "cut and pay" and final expiration dates will be extended by \_\_\_\_\_ months to \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_, \_\_\_\_\_, respectively.

**FURTHER**, it is agreed that this modification is without penalty, and that process and price adjustments will occur as originally specified in the contract.

**FURTHER**, it is agreed that the waste utilization scale on the original harvest volume will be conducted using the original "cut and pay" date.

**FURTHER**, it is mutually understood and agreed that except as herein expressly modified, the timber contract shall remain in full force and effect and binding upon the parties hereto, and this Modification of the Contract shall become effective upon approval by the Approving Officer.

WITNESSES:

PURCHASER

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Name of Corporation, Partnership or Individual)

By \_\_\_\_\_

By \_\_\_\_\_

\_\_\_\_\_  
(Date)

Witnesses are required if Purchaser is other than a corporation. If Purchaser is a corporation, the following certificate must be executed:

I, \_\_\_\_\_, certify that I am the Secretary, of the corporation named as the Purchaser herein; that \_\_\_\_\_, who signed this contract was then \_\_\_\_\_ of said corporation: that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and within the scope of its corporate powers.

\_\_\_\_\_  
(corporate seal)

WITNESSES:

SELLER

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Allottee or his legal representative)

By \_\_\_\_\_

By \_\_\_\_\_

\_\_\_\_\_  
(Date)

Signed for the \_\_\_\_\_ pursuant to Resolution No. \_\_\_\_\_ passed by its tribal governing body in a meeting held at \_\_\_\_\_, on \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

APPROVING OFFICER

Approved: \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

United States of America  
Department of the Interior  
Bureau of Indian Affairs

**Timber Contract Assignment**

(If used, this form should be used in its entirety.  
Modifications should be reviewed and approved by the Solicitor.)

Part I – Assignment

\_\_\_\_\_, hereinafter called the Assignor, whose address is \_\_\_\_\_, being (a) (an) (individual) (partnership) (corporation), for and in consideration of the sum of one dollar (\$1) and other valuable consideration, hereby assign, transfer, and set over to \_\_\_\_\_, hereinafter called the Assignee, whose address is \_\_\_\_\_, being (a) (an) (individual) (corporation), all of (my) (our) (its) right, title, and interest in and to that certain Timber Contract No. \_\_\_\_\_, \_\_\_\_\_ Logging Unit, \_\_\_\_\_ Indian Reservation, State of \_\_\_\_\_, which was entered into on the \_\_\_\_\_, day of \_\_\_\_\_, \_\_\_\_\_, between the \_\_\_\_\_ Tribe(s) of the \_\_\_\_\_ Indian Reservation, as Seller, and ...

Part II – Assignor (Select appropriate paragraph)

Alternative A (Assignor is Purchaser)

...the Assignor as Purchaser (approved by the \_\_\_\_\_, Bureau of Indian Affairs on \_\_\_\_\_, 20\_\_) together with any balance on deposit under said contract with the \_\_\_\_\_ Indian Agency to the credit of the Assignor.

Alternative B (Assignor previously and Assignee)

... \_\_\_\_\_, as Purchaser (approved by the \_\_\_\_\_, Bureau of Indian Affairs on \_\_\_\_\_, 20\_\_) which contract was thereafter assigned by the Purchaser to \_\_\_\_\_, the Assignor herein (approved by the \_\_\_\_\_, Bureau of Indian Affairs, on \_\_\_\_\_, 20\_\_), together with any balance on deposit under said contract with the \_\_\_\_\_ Indian Agency to the credit of the Assignor.

Part III – Special Conditions, if any

Part IV – Effect of Assignment on Assignors liability (Select appropriate paragraph)

Alternative A (Without release of Assignor liability)

This assignment shall become effective upon approval by the \_\_\_\_\_, Bureau of Indian Affairs. Upon this assignment becoming effective, the Assignor, and its sureties, shall continue to be responsible for the performance of each and every obligation required of the Assignee to be performed under said Timber Contract No. \_\_\_\_\_ and shall be liable for the non-performance of any such obligation.

Alternative B (Release of Assignor and Assignor's surety from liability)

This assignment shall become effective upon approval by the \_\_\_\_\_, Bureau of Indian Affairs. Upon this assignment becoming effective, neither the Assignor nor the \_\_\_\_\_ Tribe(s) of the \_\_\_\_\_ Indian Reservation or the United States of America shall have any further obligations to the other and each shall be discharged and released from any and all claims and liabilities arising under the said Timber Contract No. \_\_\_\_\_ after said approval and the Assignor's sureties shall also be released from any further obligations under this bond.

Part V – Execution by Assignor (Select appropriate alternative)

Witness (my) (our) hand(s) and seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Alternative A (Individual or Partnership)

Alternative B (Corporation)

\_\_\_\_\_  
Name of Firm

\_\_\_\_\_  
Name of Corporation

\_\_\_\_\_  
Address

\_\_\_\_\_  
Address

**BY** \_\_\_\_\_  
Name

**BY** \_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

(Corporate Seal)

Attest: \_\_\_\_\_  
Secretary

Etc. as needed.

Part VI Assignees Acceptance (use this paragraph in all cases)

The undersigned Assignee hereby acknowledges receipt of a true copy of the Timber Contract referred to in the foregoing assignment and hereby accepts the foregoing assignment, and in consideration of such assignment, promises and agrees to abide by and fulfill the terms and obligations set forth in the foregoing Timber Contract Assignment and in said Timber Contract.

In Witness Whereof, the undersigned (has – have) executed this assignment as of the day of approval herein below set forth.

Part VII Execution by Assignee

Alternative A (Individual or Partnership)

Alternative B (Corporation)

\_\_\_\_\_  
Name of Firm

\_\_\_\_\_  
Name of Corporation

\_\_\_\_\_  
Address

\_\_\_\_\_  
Address

By \_\_\_\_\_  
Name

By \_\_\_\_\_  
Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
Title

\_\_\_\_\_  
Name

(Corporate Seal)

\_\_\_\_\_  
Address

Attest: \_\_\_\_\_  
Secretary

Etc. as needed.

Part VIII – Liability of Surety (use only where Assignor is not released from liability (See Part IV Alternative A))

Consent and Commitment of Assignor’s Surety

\_\_\_\_\_ is Surety on a certain performance bond in the sum of \_\_\_\_\_ dollars (\$) given to insure the Assignor’s faithful performance of the terms of the Timber Contract referred to in the foregoing assignment. The Surety does hereby consent to the foregoing Timber

Contract Assignment and gives its commitment to be bound by the assignment of such contract and the Assignee's performance of the terms and obligations of said contract.

In Witness Whereof, the Surety has caused this Consent and Commitment to be executed by its authorized Corporate Officer or agent this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

(Corporate Seal)

SURETY

\_\_\_\_\_  
Name of Surety

By: \_\_\_\_\_  
Authorized Officer or Agent

\_\_\_\_\_  
Title

Part IX – Sellers Consent and Approval (Use this paragraph in all cases)

The \_\_\_\_\_ Tribe(s) of the \_\_\_\_\_  
\_\_\_\_\_ Indian Reservation pursuant to Resolution No. \_\_\_\_\_  
passed by its governing body on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, at \_\_\_\_\_,  
\_\_\_\_\_ has caused this assignment to be executed  
by its Chairman and attested to by its Secretary, this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_, 20\_\_\_\_.

Attest: \_\_\_\_\_  
Secretary

\_\_\_\_\_  
Chairman

Approval by the Bureau of Indian Affairs

Approved: \_\_\_\_\_  
Date

By: \_\_\_\_\_  
Name

\_\_\_\_\_  
Title

## INSTRUCTIONS

1. The part numerals and titles are for instructions only, and are to be deleted from the Assignment.
2. Use Single spacing for paragraphs and appropriate spacing for signatures, etc.
3. Choose appropriate word where a choice is provided in parentheses.
4. Choose appropriate Alternative paragraph.
  - Part II A or B
  - Part IV A or B
  - Part V A or B
  - Part VII A or B
  - Part VIII Use only with Part IV Alternative A

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS

PIECE NUMBER	L.	DIAM.	GROSS SCALE	1	2	3	4	5	6	7	8	9
1		/										
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3		/										
4		/										
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5		/										
6		/										
7		/										
8		/										
9		/										
0		/										
NET SCALE												
TOTAL PIECES												
SPECIES				1	2	3	4	5	6	7	8	9
RESERVATION				DATE		LOGGING UNIT				SCALING UNIT		
PREVIOUS SHEET NUMBER				SCALER		TRUCK NUMBER						

Illustration 33



UNITED STATES  
DEPARTMENT OF INTERIOR  
BUREAU OF INDIAN AFFAIRS

Report No. \_\_\_\_\_

Period from \_\_\_\_\_, 20\_\_\_\_, to \_\_\_\_\_, 20\_\_\_\_, inclusive

Scale Book No. \_\_\_\_\_

**SCALE REPORT**

\_\_\_\_\_  
(Allottee, name and number of) \_\_\_\_\_ Reservation

\_\_\_\_\_  
(Sec., twp., and range of tribal land) \_\_\_\_\_ Where scaled \_\_\_\_\_ End Mark \_\_\_\_\_

SPECIES	Timber scaled	No. of Pieces	Volume	Price	Value
	Reported to _____			X	
	Since last report _____			X	
	Total to date _____			X	
	Reported to _____			X	
	Since last report _____			X	
	Total to date _____			X	
	Reported to _____			X	
	Since last report _____			X	
	Total to date _____			X	
	Reported to _____			X	
	Since last report _____			X	
	Total to date _____			X	
Total All Species	Reported to _____			X	
	Since last report _____			X	
	Total to date _____			X	

Checked and approved \_\_\_\_\_, 20\_\_\_\_ . \_\_\_\_\_, 20\_\_\_\_  
(Date of report)

\_\_\_\_\_  
(Signature of approving officer)

\_\_\_\_\_  
(Signature of officer making report)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Title)

## Instructions for Completing Scale Report Form 5-473

- (a). Report Number. Scale reports for individual scaling units are numbered for identification and reference purposes, beginning with the number “1” for each scaling unit. Only one scale report is prepared for each active scaling unit for each reporting period. On the last Scale Report for the scaling unit, the word “FINAL” is shown immediately above the report number.
- (b). Period from \_\_\_\_\_ to \_\_\_\_\_. The beginning and ending dates of the reporting period are shown in these spaces. Normally, no period other than the prescribed reporting periods will be used.
- (c). Scale Book No. When data is extracted from a scale book, the assigned number on the book from which the data was extracted is shown on this line. There is no entry when scale data is extracted from Scale Sheets.
- (d). Allottee, name and number of . The name of the original allottee and the allotment number are recorded on this line. Enter “Tribal” if it is for tribal land.
- (e). Sec., twp. and range of tribal land. If scaling on tribal lands is separated by sections, the numerical designation of the section, township, and range is entered on this line. (Example: Section 14, Township 8 North, Range 3 West is coded 14-8-3.) It may be necessary in some instances, such as where a principal meridian or base line passes through a reservation, to include additional identification of the scaling unit. If the scaling unit is based on topographic features, some appropriate identity for the area should be used. If the contract is for forest products removed from only one ownership (i.e. single allotment or all tribal land), no entry is necessary on this line.
- (f). Name of Purchaser. The name of the purchaser of the timber contract is recorded on this line.
- (g). Reservation. The name of the Indian Reservation is recorded on this line.
- (h). Where scaled. The scaling location is indicated by recording the description on this line (e.g. woods, landing, truck, reload, mill, etc.).
- (I). End Mark. The log brand can be recorded here, but it is not necessary. This line may be left blank.
- (j). Name of unit. The name of the timber sale, as specified on the contract as “Logging Unit,” is recorded on this line.
- (k). Species. The species’ names in this column may be used or deleted as necessary. The name of each species and/or type of forest product or other non-species designation (i.e. Liquidated Damages) are recorded in this column. When a single type of forest product involves more than one species, a separate row is used for each species. When a single species involves more than one type of forest product, a separate row is used for each type. When there is more than one species and more than one type of forest product, a separate row is used for each combination.
- (l). Timber Scaled; No. of Pieces; Volume; Price; Value. In each column, three lines are used for each species and/or type of forest product reported.
- (i). Reported to. Record the ending date of the last reporting period for which a scale report was prepared for the scaling unit. For the other columns, the No. of Pieces (may be changed to cords to provide separation from MBF volume), Volume, and Value are obtained from the “Total to date” lines on the preceding scale report.

No entry is made on this line on the first scale report for the scaling unit. No "Price" (stumpage rate) is ever recorded on this line.

(ii). Since last report. The number of pieces and volumes are obtained from the scale data. The "Price" is the stumpage rate in effect for the scaling period. Value is obtained by multiplying the volume by the respective price.

All values of \$0.005 and greater are rounded up to the next higher cent and all values less than \$0.005 are rounded down to the lower cent.

(iii). Total to date. Add the amounts together from the "Since last report" and the "Reported to" lines.

(m). Total All Species. The last row is for the cumulative data or summary for all species/products reported.

(i). Reported to. The number of pieces, volume, and value are obtained from the "Total to date" line on the preceding scale report. The amounts are checked for accuracy by adding the amounts together from "Reported to" line for each species/product on the current scale report. There will be no entries on this line when it is the first scale report for the scaling unit. No price (stumpage rate) is entered on this line.

(ii). Since last report. The number of pieces, volume, and value are obtained by adding the amounts together in the "Since last report" lines for all of the species/products on the current scale report. No price (stumpage rate) is entered on this line.

(iii). Total to date. The number of pieces, volume and value totals are obtained by adding the amounts in the "Since last report" and "Reported to" lines. This total is checked for accuracy by adding the "Total to date" lines together for each of the species/products rows on the report. Price (stumpage rate) is not reported for this row.

(n). Checked and approved. The signature, date, and title of the officer making the report and of the approving officer are recorded on the bottom of the form.

UNITED STATES  
DEPARTMENT OF INTERIOR  
BUREAU OF INDIAN AFFAIRS

Report No. \_\_\_\_\_

Period from \_\_\_\_\_, 20\_\_

to \_\_\_\_\_, 20\_\_, inclusive.

**REPORT OF TIMBER CUT**

Indian Office File No. \_\_\_\_\_

\_\_\_\_\_ Indian Reservation

Sale Unit \_\_\_\_\_

(Name of purchaser)

SPECIES	Timber scaled	No. of Pieces	Volume	Price	Value
	Reported to _____			X	
	Since last report _____				
	Total to date _____				
	Reported to _____			X	
	Since last report _____				
	Total to date _____				
	Reported to _____			X	
	Since last report _____				
	Total to date _____				
	Reported to _____			X	
	Since last report _____				
	Total to date _____				
	Reported to _____			X	
	Since last report _____				
	Total to date _____				
<b>Total All Species</b>	Reported to _____			X	
	Since last report _____				
	Total to date _____				
			<b>Advance Payments.</b>		<b>Advance Deposits</b>
Collections from contractor to date					
Deductions for timber scaled and reported					
Balances					
Value timber cut and not reported					
Net balance in advance deposits					

1. Is the sale being properly administered?

(Cover duties of forest officer which have not been performed, including

the marking of the boundaries of the sale; requiring the proper order in cutting; requiring brush disposal to follow cutting systematically; the scaling of merchantable timber used for construction; in what particular can administration of the sale be improved.)

2. Is the purchaser complying with the terms of the sale, and the instructions of the forest officers?

(Include unnecessary damage to young growth or standing timber; needless cutting of unmarked trees; complete and proper utilization of all marked or designated trees; brush disposal; precaution against fire; other provisions of the contract; all Indian Service regulations.)

3. Remarks:

(Include reasons for suspension of sale, if not in progress; any information which should be brought to the attention of

the officer in charge not covered in preceding answers; in final report recommendation that the sale be closed, with or without refund.

\_\_\_\_\_, 20\_\_\_\_\_  
(Date of report.)

\_\_\_\_\_  
(signature of officer making report.)

\_\_\_\_\_  
(Title.)

Approved \_\_\_\_\_, 20\_\_\_\_\_

\_\_\_\_\_  
(signature of approving officer.)

\_\_\_\_\_  
(Title.)

**INSTRUCTIONS**

Reports on this form should be made covering each timber sale unit in operation. The report should be rendered in duplicate at the end of each month, the original forwarded to the Indian Office, and a copy retained for the agency file. Opposite "Collections from contractor to date" and under "Advance Payments" and "Advance Deposits" should appear the amounts which have been collected from the purchaser. Likewise opposite "Deductions for timber scaled and reported" should appear the value of the timber scaled which has been deducted from "Advance Payments" and "Advance Deposits." Opposite "Balances" should appear the balances on hand in "Advance Payments" and "Advance Deposits." The "Value of timber cut and not reported" should be deducted from the "Advance Deposit" balance and the resultant amount shown opposite the "Net balance in advance deposits."

U.S.GOV. PRINTING OFFICE: 1978--768-110

## Instructions for the Completion of Report of Timber Cut (Form 5-486)

(a). Report No. Reports of Timber Cut are numbered for identification and reference purposes, starting with the number "1" for each timber sale. Subsequent reports follow in numerical order. After all logging operations have been completed and all other contractual requirements have been fulfilled, the word "Final" is shown after the report number.

(b). Period from \_\_\_\_\_ to \_\_\_\_\_. The beginning and ending dates of the month for which the report is made are recorded in the appropriate spaces. In no instance is the period of reporting in excess of one month.

(c). Indian Office File No. This is the contract number established by the awarding office. This is the number shown on the Timber Contract.

(d). Indian Reservation. The name of the Indian Reservation where the sale is located is indicated on this line.

(e). Sale Unit. The name of the timber sale as shown on the timber contract is recorded on this line.

(f). Species. The species' names in this column may be used or deleted as necessary. The name of each species and/or type of forest product or other non-species designation (i.e. Liquidated Damages) are recorded in this column. When a single type of forest product involves more than one species, a separate row is used for each species. When a single species involves more than one type of forest product, a separate row is used for each type. When there is more than one species and more than one type of forest product, a separate row is used for each combination.

(g). Timber Scaled; No. of Pieces; Volume; Price; Value. In each column, three lines are used for each species and/or type of forest product reported.

(i). Reported to. Record the ending date of the month for which the last volume was scaled and reported. For the other columns, the No. of Pieces (may be changed to cords to provide separation from MBF volume), Volume, and Value are obtained from the "Total to date" lines on the preceding report for each Species line.

No entry is made on this line for the first Report of Timber Cut for the contract. No "Price" (stumpage rate) is recorded on this line.

(ii). Since last report. The number of pieces, volumes, and values are obtained by combining the "Since last report" entries for all of the scale reports encompassed by the period for the Report of Timber Cut. The data can also be checked against or retrieved from the data on the Controlling Account page in the Timber Money Record Book (ledger). The "Price" is the stumpage rate in effect for the reporting period. Value is obtained by adding all of the values together for the scale reports prepared for the month.

NOTE: The values for each Species/product determined by multiplying the "Volume" by the "Price" may not equal the sum of the values from the scale reports or the value from the Timber Money Record Book (Ledger) due to the rounding and combination of several values. Calculations should be rechecked if the difference between the two values exceeds one cent multiplied by the number of scale reports. The summary of the scale report values is considered the correct amount.

(iii). Total to date. Add the amounts together from the “Since last report” and the “Reported to” lines. The volume and value totals are checked for accuracy by comparing them with the totals to date in the controlling account.

(h). Total (All Species). Entries for the cumulative data for all species or type of forest products are as follow:

(i). Reported to. The number of pieces, volume, and value are obtained from the “Total to date” line on the preceding report. The amounts are checked for accuracy by adding the amounts together from “Reported to” line for each species/product on the current scale report. There will be no entries on this line when it is the first report for the timber sale. No price (stumpage rate) is entered on this line.

(ii). Since last report. The number of pieces, volume, and value are obtained by adding the amounts together in the “Since last report” lines for all of the species/products on the current report. No price (stumpage rate) is entered on this line.

(iii). Total to date. The number of pieces, volume and value totals are obtained by adding the amounts in the “Since last report” and “Reported to” lines. This total is checked for accuracy by adding the “Total to date” lines together for each of the species/products rows on the report. Price (stumpage rate) is not reported for this line.

(i). Collections from contractor to date. The total amounts collected from the purchaser on the contract are summarized on this line in their respective “Advance Payments” and “Advance Deposits” columns. These amounts are obtained from the Controlling Account (Ledger). These amounts appear in the Controlling Account “Total to date” line at the close of the reporting month in the respective columns under the “Collected from Contractor” heading.

(j). Deductions for timber scaled and reported. The value of the timber scaled and deducted from the amounts collected from the purchaser are summarized on this line in the “Advance Payments” and “Advance Deposits” columns, respectively, and are obtained from the Controlling Account (Ledger). These amounts appear in the Controlling Account on the “Total to date” line at the close of the reporting month in the respective columns under the “Deductions for Timber Cut” heading. The sum of these deductions should equal the total value of all timber scaled in the timber sale area and recorded on the Report of Timber Cut in the “Value” column, on the “Total to date” line for the “Total (All Species).”

(k). Balances. The amounts on this line are obtained by subtracting the amounts on the “Deductions for timber scaled and reported” line from the amounts on the “Collections from contractor to date” line. They are checked for accuracy by comparing them with the amounts in the Controlling Account (Ledger) on the “Total to date” line, at the close of the reporting month in the respective “Advance Payment” and “Advance Deposit” columns under the “Balances” heading.

(l). Value timber cut and not reported. The estimated value of timber cut and not scaled at the close of the reporting month is recorded on this line in the “Advance Deposits” column. This value is obtained from the Transmittal and Reporting Sheet (Form 5-473a) or it is calculated separately if the Form 5-473a is not used.

(m). Net balance in advance deposits. The value of timber cut but not scaled is deducted from the Advance Deposits balance and the resultant amount is recorded on this line in the “Advance Deposits” column. This amount and/or the balance shown on the Transmittal and Reporting Sheet may be used in determining whether or not additional deposits are required from the purchaser.

**On the reverse of the form:**

(n). Is the sale being properly administered, Is the purchaser complying..., and Remarks. These three items are self-explanatory. Truthful and accurate responses are necessary to improve administration of the contracts and improve performance by the contractor. It provides a record of observations and actions that may be useful in the event of any legal actions in connection with the contract.

(o). Signatures and dates. The individuals preparing and approving the report sign the form, include their titles, and complete the date information. The officer making the report is the Agency Officer in charge of the timber sale program. The Approving Official is usually the Agency Superintendent or their designated representative, or the Trust Officer in the case of compacted programs.

(p). Instructions. These instructions are not applicable and should not be followed.



PREDETERMINED VOLUME TIMBER SALES  
FORM 5-1485  
INSTRUCTIONS

- <sup>1</sup> Enter the name of each species, and/or type of forest product included in the timber sale contract.
- <sup>2</sup> Enter the unit of measure which is to determine the value of forest products.
- <sup>3</sup> Enter in these columns the volume, rate and value, by species, and/or type of forest product for which volumes have been determined prior to the sale. Obtain this information from the timber sale contract.
- <sup>4</sup> Enter in these columns the volume, rate and value, by species and/or type of forest product for volumes which are in addition to those determined prior to the sale. Obtain this information from the scale reports.
- <sup>5</sup> Summaries in these columns the volume, average rate, and value of the species and/or type of forest products sold under the contract. (Entries here are necessary only when there are entries in the “additional timber” columns.)
- <sup>6</sup> Use for explanatory purposes.
- <sup>7</sup> Enter the date of the document which is the source of the information posted to this ledger.
- <sup>8</sup> Use letter symbols here, designating the type of document, and the reference number of the document. Letter symbols are: SR-Scale Report, CV-Collection Voucher (Bill for Collection), JV-Journal Voucher, RV- Public Voucher for Refund (Refund Voucher).
- <sup>9</sup> Record here: 1. The value of timber and/or type of forest product as defined in the contract; 2. The value of timber and/or other forest products sold under provisions of the “Payment for Additional Timber” section of the contract.
- <sup>10</sup> Enter in these columns, payments received from the purchaser.
- <sup>11</sup> Enter administrative deductions applicable to each payment.
- <sup>12</sup> Enter the current balance of funds due from the purchaser. This is the difference between the sum of values in the “Contract value” column, less the sum of collections received from purchaser.
- <sup>13</sup> Show in these columns, the disposition of the gross amount received for forest products.
- <sup>14</sup> Record proceeds of forest products from allotted lands, after administrative deductions are made.
- <sup>15</sup> Record proceeds of forest products from tribal timber after administrative deductions are made.
- <sup>16</sup> Record administrative deductions deposited to the “Fees, Sale of timber” account.
- <sup>17</sup> Enter the total distribution in this column.







## **Instructions for Completing Timber Money Record – Scaling Unit (Form 5-5322)**

HEADER INFORMATION. Entries are self-explanatory and completed as appropriate.

DATE and ITEM. These columns show the source of information posted to the accounts. The date of each document from which information is posted to the account is recorded in the “Date” column, and “Item” is the type of document used to support the collection, transfer or disbursement of money, or the reporting of volume and value. The document could use the abbreviations SR (Scale Report), CV (Collection Voucher), JV (Journal Voucher), and PV (Public Voucher). The document reference number is included in the “Item” column.

SCALE REPORT. Record the total value reported on the scale report, and record the associated forest management deduction based on the appropriate percentage in effect.

COLLECTED FROM CONTRACTOR. Record the advance payments applied to the scaling unit and the advance deposits collected from the purchaser.

DEDUCTIONS FOR TIMBER CUT. Forest product values charged to advance payments are recorded in the “Advance Payment” column, and advance deposits are recorded in the “Advance Deposit” column. (The value of forest products cut from allotted lands, as shown on scale reports, is first recorded in the Scaling Unit accounts and is deducted from the advance payment made on that unit, until the value of the advance payment has been exhausted. Further deductions are then made from advance deposits.) Similar entries in the Controlling account are made after the items have been entered in the Scaling Unit accounts. These postings readily show when the advance payments have been exhausted and that deductions should be made from advance deposits. In the case of forest products from tribal land, all values are deducted from advance deposits, unless a tribe has purchased an allotment which has an unearned advance payment in its account. Care must be taken to ensure that transactions of this nature are properly recorded and that the value of timber cut is deducted from the advance payment before making deductions from advance deposits.

BALANCES. Record the balance of Advance Payments and Advance Deposits after applying the values reported. The “Total to Date” amounts are the differences between the respective “Collected from the Contractor” and “Deductions for Timber Cut” columns. In some instances, the balances in the Controlling Account will show when the purchaser must make additional advance deposits.

DISPOSITION OF MONEY. These columns contain the distribution of advance payments and advance deposit funds received from the purchaser. Forestry prepares the Intra Bureau Cash Transaction Authorization Form (BIA-4285/BF-349) and Public Voucher (SF-1034) to distribute funds from the Advance Payment and Advance Deposit accounts. The principal amounts (not including interest) are reported in the following columns.

1. DEP. CR. IND. This means, “Deposit to the Credit of Individuals.” Record the principal amount of each distribution transferred to the allotment owner’s IIM accounts for trust interest and “X” Special Deposit Accounts for the “Whereabouts Unknown” fee interest owners and the amount paid directly to known fee owners. The amount must already reflect the deductions for forestry projects assessments and forest management deductions.
2. TREAS. US. Record the principal amounts transferred to the tribe’s Proceeds of Labor (PL) Account from the sale of forest products from Tribal trust lands. The amount must already reflect the deductions for forestry projects assessments and forest management deductions.

3. ADMINISTRATIVE DEDUCTIONS. Record the principal amount of forest management deductions transferred to the trust “FM” account at the time that funds are distributed to the landowners from the advance payment and advance deposit accounts. Forestry projects assessments included in the stumpage rates must be deducted before the determination of the forest management deductions amount.

4. FORESTRY PROJECTS (Proposed). A column should be added next to the “Administrative Deductions” column or in the “Remarks” column to record the principal funds transferred to the “FP” account at the time advance payments and advance deposits are distributed to the landowners. This column is usually only used to record “FP” funds included in the stumpage rates for the sale (i.e. \$10/MBF for road maintenance included in \$100/MBF stumpage rate). Forestry Project funds collected separately would usually not be recorded in this column. Forestry projects funds are deducted before the forest management deductions are determined.

REMARKS. Record interest paid. Also provide concise comments to help explain unique actions recorded.

**Instructions for Completing Timber Scale Record –  
Scaling Unit (Form 5-5322)**

Header information. Entries are self-explanatory and completed as appropriate.

Species. Entries are made across the page indicating the species or species/products for each pair of volume and value columns used.

Scaler. No entry required.

Volume and Value. The twelve columns are alternately named, with five pairs of volume and value columns used to record the volume and value by species/product for each scale report. The last two columns represent the total volume and value for the line of data. Insert the unit of measure at the top of each Volume column used. When additional species/products columns are needed, attach a portion of the new sheet to the original page. Waste and Penalty Scale is also reported on this form.





## **Instructions for Completing Timber Money Record – Controlling Account Form (Form 5-503)**

HEADER INFORMATION. Entries are self-explanatory and completed as appropriate.

PAGE. As appropriate, enter the Sheet Number from the Scaling Unit form to identify where the information came from for the line entry.

DATE and ITEM. These columns show the source of information posted to the accounts. The date of each document from which information is posted to the account is recorded in the “Date” column, and “Item” is the type of document used to support the collection, transfer or disbursement of money, or the reporting of volume and value. The document could use the abbreviations SR (Scale Report), CV (Collection Voucher), JV (Journal Voucher), and PV (Public Voucher). The document reference number is included in the “Item” column.

SCALE REPORT. Record the total value reported on the scale report, and record the associated forest management deduction based on the appropriate percentage in effect.

COLLECTED FROM CONTRACTOR. Record the total advance payments (sum of the payments for each scaling unit) and advance deposits collected from the purchaser.

DEDUCTIONS FOR TIMBER CUT. Forest product values charged to advance payments are recorded in the “Advance Payment” column, and advance deposits are recorded in the “Advance Deposit” column. (The value of forest products cut from allotted lands, as shown on scale reports, is first recorded in the Scaling Unit accounts and is deducted from the advance payment made on that unit, until the value of the advance payment has been exhausted. Further deductions are then made from advance deposits.) Similar entries in the Controlling account are made after the items have been entered in the Scaling Unit accounts. These postings readily show when the advance payments have been exhausted and that deductions should be made from advance deposits. In the case of forest products from tribal land, all values are deducted from advance deposits, unless a tribe has purchased an allotment which has an unearned advance payment in its account. Care must be taken to ensure that transactions of this nature are properly recorded and that the value of timber cut is deducted from the advance payment before making deductions from advance deposits.

BALANCES. Record the balance of Advance Payments and Advance Deposits after applying the values reported. The “Total to Date” amounts are the differences between the respective “Collected from the Contractor” and “Deductions for Timber Cut” columns. In some instances, the balances in the Controlling Account will show when the purchaser must make additional advance deposits.

DISPOSITION OF MONEY. These columns contain the distribution of advance payments and advance deposit funds received from the purchaser. Forestry prepares the Intra Bureau Cash Transaction Authorization Form (BIA-4285/BF-349) and Public Voucher (SF-1034) to distribute funds from the Advance Payment and Advance Deposit accounts. The principal amounts (not including interest) are reported in the following columns.

1. DEP. CR. IND. This means, “Deposit to the Credit of Individuals.” Record the principal amount of each distribution transferred to the allotment owner’s IIM accounts for trust interest and “X” Special Deposit Accounts for the “Whereabouts Unknown” fee interest owners and the amount paid directly to known fee owners. The amount must already reflect the deductions for forestry projects assessments and forest management deductions.

2. TREAS. US. Record the principal amounts transferred to the tribe's Proceeds of Labor (PL) Account from the sale of forest products from Tribal trust lands. The amount must already reflect the deductions for forestry projects assessments and forest management deductions.

3. ADMINISTRATIVE DEDUCTIONS. Record the principal amount of forest management deductions transferred to the trust "FM" account at the time that funds are distributed to the landowners from the advance payment and advance deposit accounts. Forestry projects assessments included in the stumpage rates must be deducted before the determination of the forest management deductions amount.

4. FORESTRY PROJECTS (Proposed). A column should be added next to the "Administrative Deductions" column or in the "Remarks" column to record the principal funds transferred to the "FP" account at the time advance payments and advance deposits are distributed to the landowners. This column is usually only used to record "FP" funds included in the stumpage rates for the sale (i.e. \$10/MBF for road maintenance included in \$100/MBF stumpage rate). Forestry Project funds collected separately would usually not be recorded in this column. Forestry projects funds are deducted before the forest management deductions are determined.

REMARKS. Provide concise comments to help explain unique actions recorded.

**Instructions for Completing Timber Scale Record –  
Controlling Account (Form 5-503)**

Header information. Entries are self-explanatory and completed as appropriate.

Timber Sale Record – Page. As appropriate, enter the Sheet Number from the Scaling Unit form to identify where the information came from for the line entry.

Species. Entries are made across the page indicating the species or species/products for each pair of volume and value columns used.

Scaler. No entry required.

Volume and Value. The twelve columns are alternately named, with five pairs of volume and value columns used to record the volume and value by species/product for each scale report. The last two columns represent the total volume and value for the line of data. Insert the unit of measure at the top of each Volume column used. When additional species/products columns are needed, attach a portion of the new sheet to the original page. Waste and Penalty Scale is also reported on this form.

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
Bureau of Indian Affairs  
STATEMENT OF COMPLETION OF TIMBER CONTRACT**

Agency		Reservation		Date of Final Report	
Timber Sale Area		Purchaser		Assignee	
Contract No.		Contract Approval		Contract Expiration Date	
Land Status ____ Allotted    ____ Tribal    ____ Other (Specify) _____			Allotment No.		Name of Allottee
Forest Products Scaled			Price per Unit	Value	<p style="text-align: center;"><b>PURCHASER'S STATEMENT</b></p> <p>I hereby surrender all rights under the above contract and request to be released from further obligations thereunder.</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">_____, _____</p> <p style="text-align: center;"><b>OFFICER IN CHARGE'S STATEMENT</b></p> <p>I hereby certify that the purchaser has complied with the requirements under the above contract and recommend that he be released from further obligations thereunder.</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">_____, _____</p> <p style="text-align: center;"><b>APPROVING OFFICER'S STATEMENT</b></p> <p>I hereby certify that the foregoing is a true account of all timber scaled and funds accrued from the sale of timber on the land under the contract designated above.</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">_____, _____</p>
Species & Products	Volume & Unit Of Measure				
Total					
Administrative Deduction					
Net Amount Paid to Owners					
Unrestricted (Included in "Total")					
Remarks:					

Illustration 49

