



# United States Department of the Interior

## BUREAU OF INDIAN AFFAIRS

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## Regional Policy Memorandum

### Bureau of Indian Affairs Midwest Region Office of the Regional Director

Number: RPM-MW-TRUS-2

Effective: June 1, 2005  
Expires: May 31, 2006

Title: Forestry Policy  
Midwest Region Branch of Forestry Authority - Forest Inventory for Real Estate Values (Realty Cruises)

#### 1. Purpose

Indian Affairs Manual Part 53 IAM, Chapter 8.5, D, states the following:

Forest Inventory for Real Estate Values (Realty Cruise). Timber is part of the "Real Property" and thus a trust resource under the protection and care of the Secretary. The fair market value of the timber must be accounted for as a part of a Realty appraisal. A Realty Cruise will be performed to the standards determined by the Regional Director to fulfill the Secretary's trust obligations."

#### 2. Scope

Within the Midwest Region, Timber volumes and values are needed for appraisals for Probate and Land Consolidation purposes.

Requests for Timber value for Probate and Land Consolidation information may come from many sources including landowners, eligible heirs, Tribal Governments, the Probate/Realty office, Administrative Law Judges, Attorney Decision Makers, Office of the Special Trustee Appraisals, and others.

These requests will be fulfilled by the following Midwest Regional Office Standards:

##### 1. Timber Volume

- a) When a request for trust land timber value is made for Realty purposes, the local forestry office will determine the timber value using the method specified in the Midwest Regional Office Operations Inventory System (Oplnv) Handbook. Should the Handbook method result in a value of \$100,000 or more for any owner, a timber cruise to a minimum accuracy of 15% sampling error is required. Accuracy of 10%, or even 5%, may be indicated should the Forester determine extraordinary factors exist.

- b) BIA & Tribal offices will utilize the Operations Inventory System (Oplnv), as per the **Midwest Regional Office Oplnv Handbook**, as the primary source to collect and maintain allotment timber information and to report timber volumes by species, product, by tract on demand.

## 2. Timber Value

- a) Each Midwest Forestry field office tracks the value of each forest product sold through local (Reservation) open market timber sales<sup>1</sup>. Average market rates<sup>2</sup> will be determined by using local timber sale transactional information, if available.
- b) When local transactional timber sale information is deficient (less than five open market sales on the reservation within the last 18 months), then timber sale transactional information from other sources will be used to determine the average market rates.
- c) If the existing transaction history in the evaluation period shows an upward trend or the most recent data are more than 10% higher than the mean of all the other transactions, a more detailed analysis will be done including transaction rates for timber sales from other government entities on or off-reservation.

## 3. Roles and Responsibilities

The passage of the “**American Indian Probate Reform Act of 2004**” (Pub. L. 108-374) has made sweeping changes to the way Indian Lands are going to be probated. Provisions in the law, most notably *Sec 6 (p) Purchase Option at Probate*, provides eligible heirs, and the Tribal Government with jurisdiction, the opportunity to purchase land interests at the time of the probate for the Fair Market Value (FMV). The vast majority of allotment tracts in the Midwest Region have numerous fractional interests, and at any given time, one or more of those fractional interests are the subject of a pending probate. The net result is that once the probate reform act becomes effective (estimated to be in April 2006) a current Fair Market Timber Value for each and every allotment tract needs to be maintained and made available to eligible heirs and the Tribal Government with jurisdiction during probate proceedings. Having timber values continuously available, for every allotment which has commercial forest, is a major new responsibility upon Indian Forestry.

Additional funding or resources have always been limited to Indian Forestry to meet these responsibilities. Any new major responsibility upon Forestry will negatively impact existing Forestry Trust programs, most notably timber sale preparation and administration, which in turn will negatively impact landowner/tribal stumpage income, employment, and economies. The Oplnv System currently has region-wide forest inventory data that is readily available to BIA Forestry and Tribal Forestry for accurate dissemination of information to other trust programs. The use of Oplnv will make efficient use of these limited resources.

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<sup>1</sup> *An open market timber sale is a timber sale that is advertised and available to the general public, either through sealed bids or auction, and with no major non-forest management related costs that burden the timber sale (i.e., Logger is required to install a culvert or bridge that is not needed to access the sale area, “stump” an area to prepare it for development, deliver 200 cords of firewood to a central location, clear brush from a housing area where there are no commercial forest products, etc.)*

<sup>2</sup> *Average Market rate is an average price received/expected for a forest product during an open market timber sale, and is used for realty appraising purposes. In contrast “Base rates” used in timber sale appraising, are somewhat lower and allow for profit and risk by the contractor and provide leeway in the bidding/auctioning process.*

For these reasons, the Midwest Region will set Forest Inventory standards for Realty Cruises to be based primarily upon existing data in the Oplnv so as to minimize the negative impact upon trust forestry programs by creating unwarranted duplicate data and work loads. Utilizing existing forestry funding, personnel, resources, and computer systems will greatly increase the effectiveness of the Forestry program.

#### 4. Approvals

<u>s/Terrence Virden</u>	<u>5/24/05</u>
Terrence Virden	Date
Midwest Regional Director	