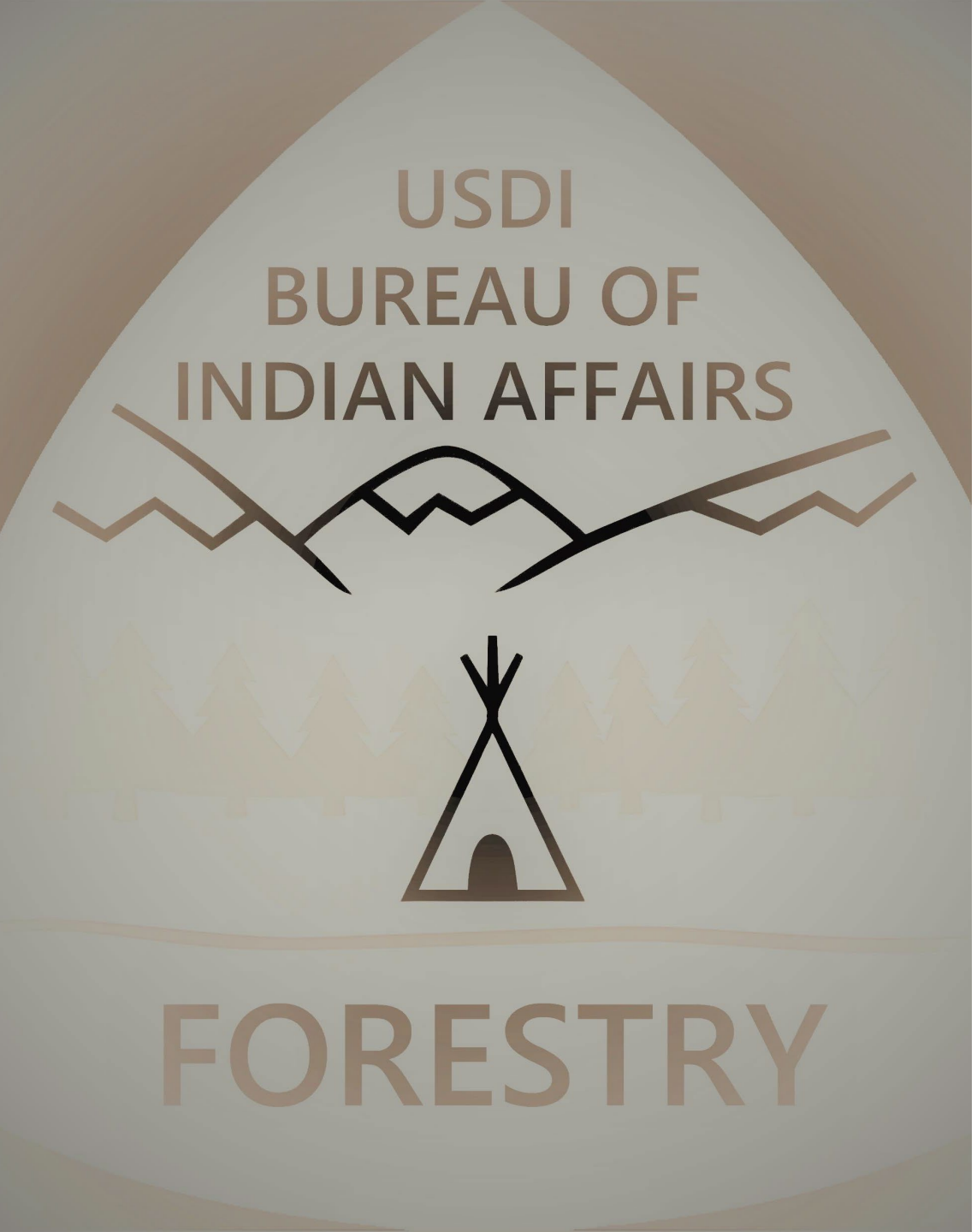
Pacific Region Annual Natural Resources Meeting

Sacramento, CA

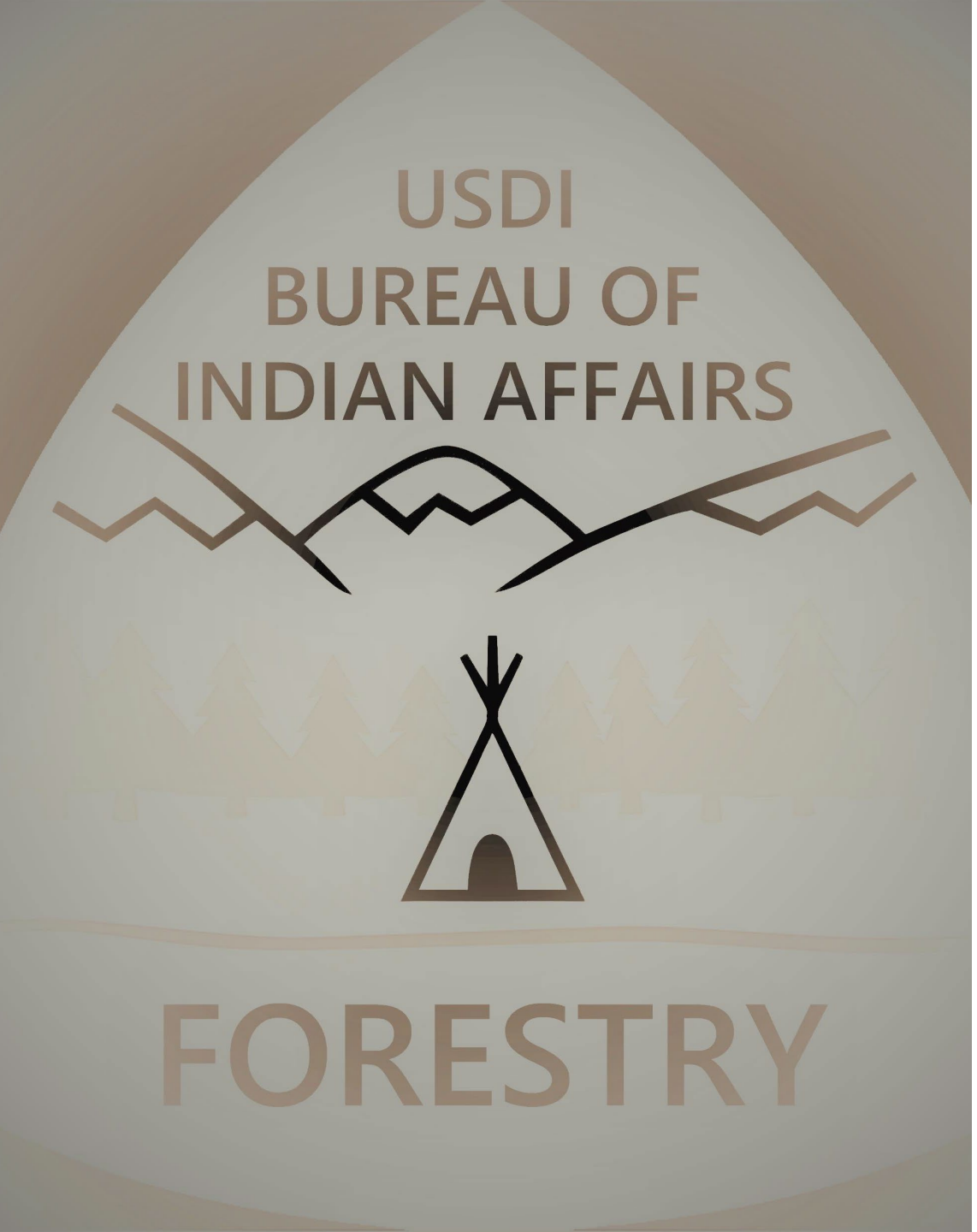
April 28, 2026

Orvie Danzuka



25 CFR

- §163.1 *Indian enterprise* means an enterprise which is designated as such by the Secretary or tribe.
- § 163.1 *Tribal forest enterprise* means an Indian enterprise that is initiated and organized by a reservation's recognized tribal government.



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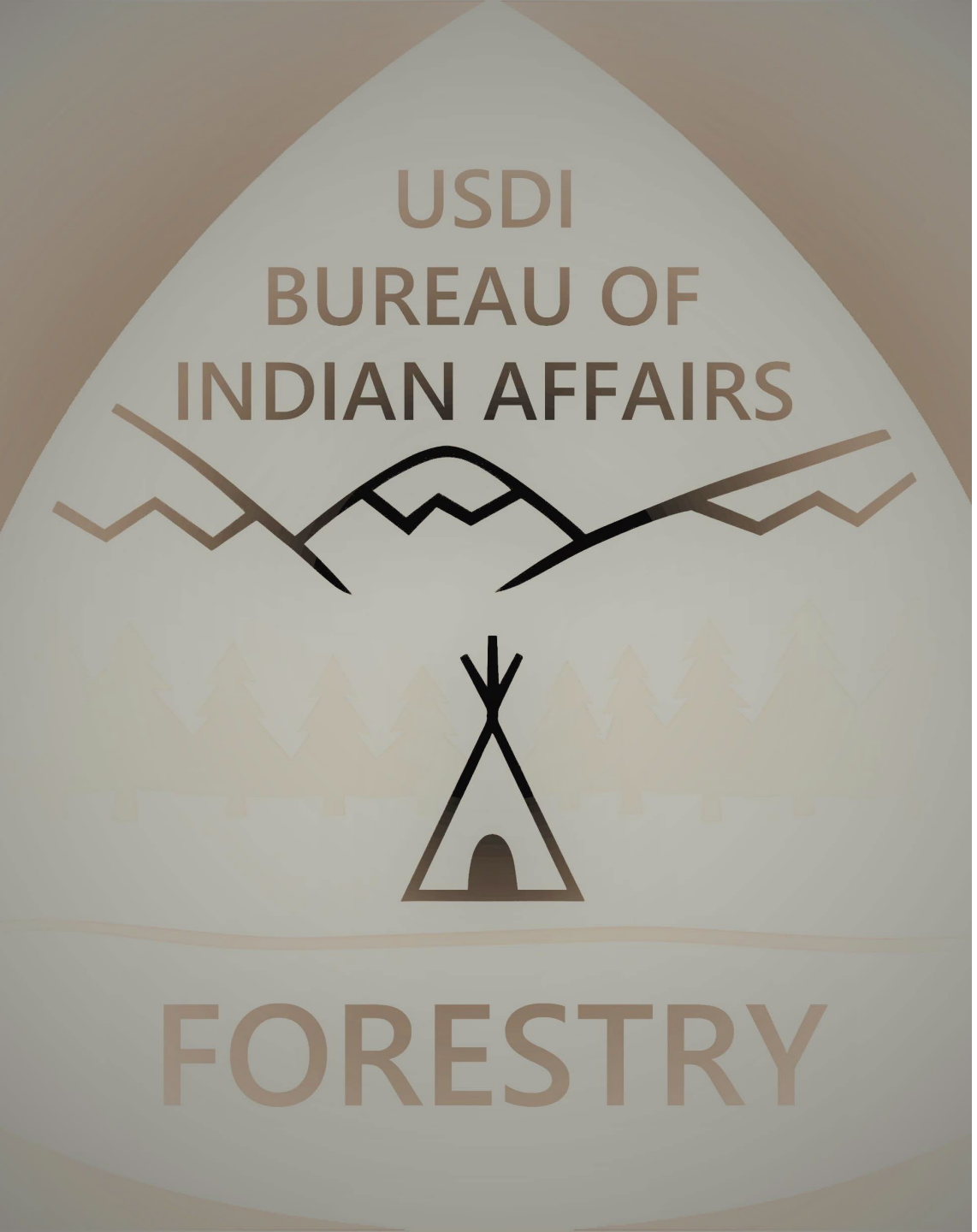
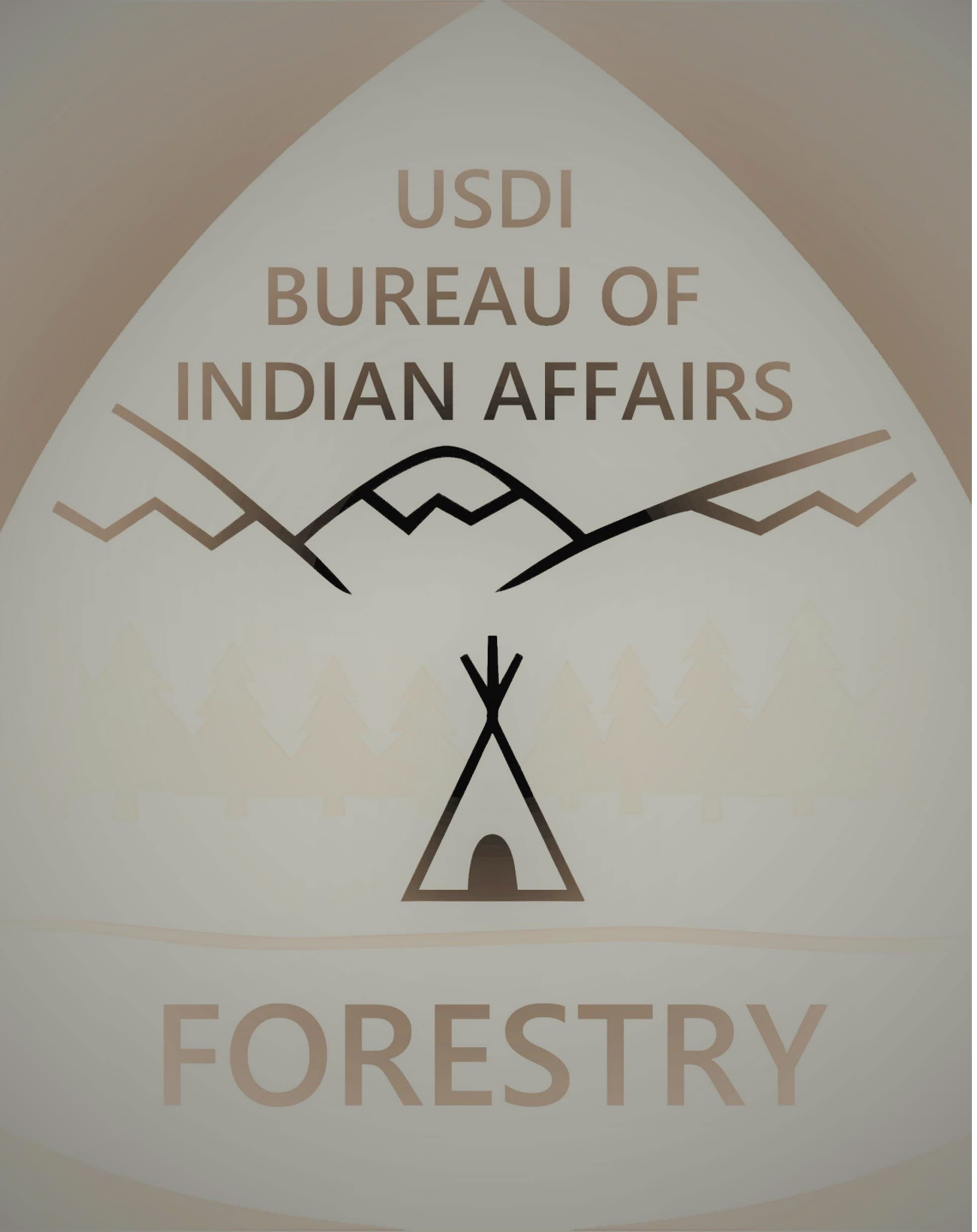
- § 163.14(e) Performance bonds may or may not be required in connection with operations on Indian land by such enterprises as determined by the Secretary.
- § 163.15(a) The advertisement may limit sales of Indian forest products to Indian forest enterprises, members of the tribe, or may grant to Indian forest enterprises and/or members of the tribe who submitted bids the right to meet the higher bid of a nonmember.



25 CFR

- § 163.16 (a) Sales of forest products may be made without advertisement to Indians or non-Indians with the consent of the authorized tribal representatives for tribal forest products or with the consent of the beneficial owners of a majority Indian interest of individually owned Indian land, and the approval of the Secretary when: (3) Tribal forest products are to be purchased by an Indian tribal forest enterprise;



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- § 163.21(a) [Bonds] may or may not be required, as determined by the approving officer, in connection with the use of forest products by Indian tribal forest enterprises…
- § 163.22(a) With the exception of Indian tribal forest enterprises pursuant to § 163.13 of this part, payment for forest products will be required in advance of cutting for timber, or removal for other forest products.

53 IAM 3-H

Reasons a tribe may choose to have an enterprise

- The ability to market forest products to multiple Purchasers instead of selling an entire sale to one Purchaser, to return greater revenue to the Tribe.
- Provide Tribal employment as employees of the enterprise, a mill, or logging company.
- Limit the financial risk to the Tribe through an enterprise organized as an LLC or Corporation.
- Utilize enterprise personnel to expedite implementation of logging, road maintenance, or other services either directly or through service contracts.

53 IAM 3-H

Reasons a tribe may choose to have an enterprise

- Accomplish treatments in locations lacking available logging and milling infrastructure.
- Accomplish services that are not readily available from local contractors.
- Ability to take advantage of niche markets in a timely manner.

Confederated Tribes of Grand Ronde

Tribal Construction Company constructed and maintained all forest roads.

In the beginning they just constructed new logging roads, but they inquired about buying the Right of Way contracts.

Had experience within the crew to cut and log timber.

Timber Committee approved on a contingent basis to allow them complete Right of Way contracts.

Tribal staff informed the Timber Committee about the flexibility to market wood to a Tribal Forest Enterprise.

Confederated Tribes of Grand Ronde

Upon a few successful Right of Way contracts the Timber Committee made a recommendation to Tribal Council that the Roads Company be formed into a Tribal Forest Enterprise.

The Forest Enterprise worked with Tribal staff to procure purchase orders with local mills and began a delivered log model, thus maximizing value for Tribal logs.

Confederated Tribes of Grand Ronde

Confederated Tribes of Grand Ronde

In 2008 the Tribe met with a local pole buyer and began pre-poling all sales because there was significantly higher value in poles.

“Excess Value” is paid to the Tribe upon completion of the sale.

This value can come from increase of monthly purchase orders. If a mill wanted more of the Tribe’s logs, they would increase the value of the purchase order.

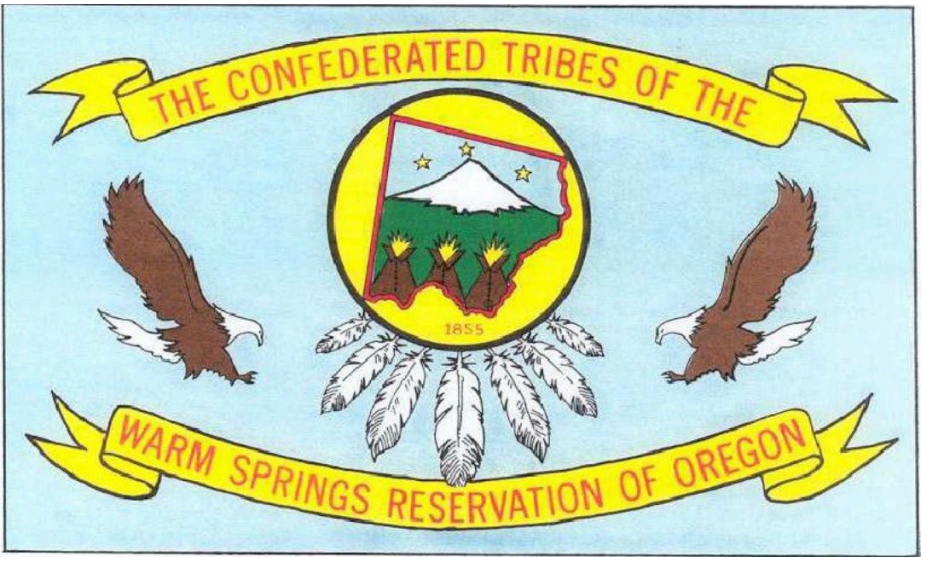
Confederated Tribes of Grand Ronde

8.1.4 Separation of duties and avoidance of conflict of interest

Separation of duties and avoidance of conflict of interest will be considered when organizing and operating an enterprise. In some cases, these situations may not be avoided but must be identified and monitored.

Especially in Tribes you can have multiple roles within the community. E.G. Tribal Member, Forest Manager, Tribal Council

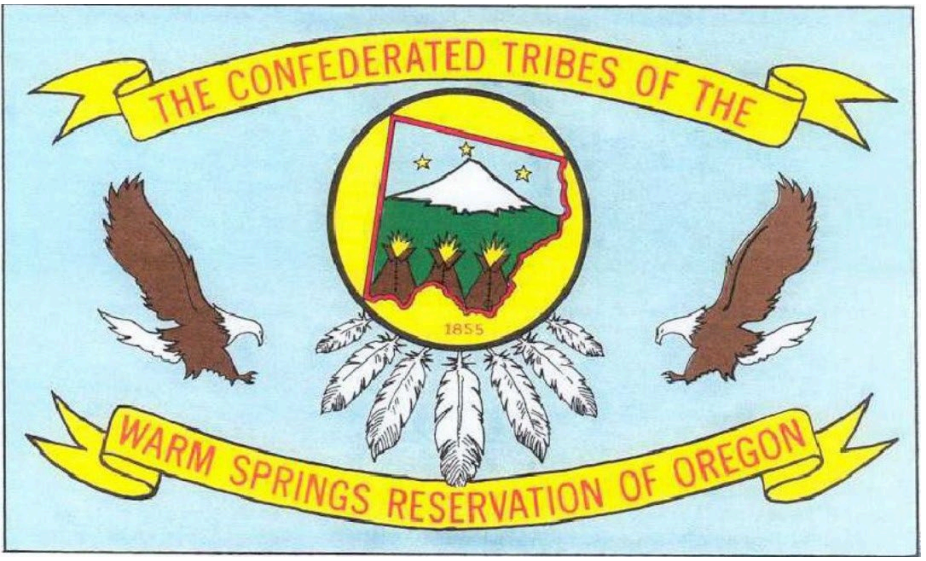
Confederated Tribes of Grand Ronde



When log prices were high the leadership took revenue from the Tribe's mill and paid out bonuses to the membership.

Upgrades and needed maintenance were not kept up which caused the mill to have very high operating costs as compared to other mills.

The mill provided high Tribal employment but the costs to continue operations caused the Tribal Council to shut down the mill and establish the Warm Springs Timber Company (WSTC).

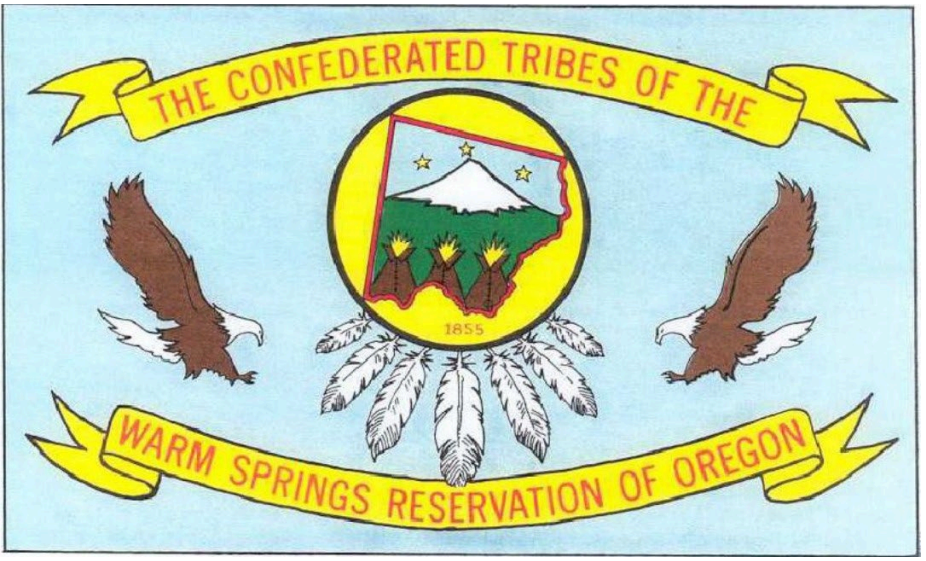


In 2013 there were approximately 140 employees at the mill.

The WSTC currently employs 2.5 FTE’s.

The separation of duties is more obvious in this instance.

Tribal employees complete appraisal and negotiate rates with WSTC.



The log brokers utilize a delivered log model to maximize revenue.

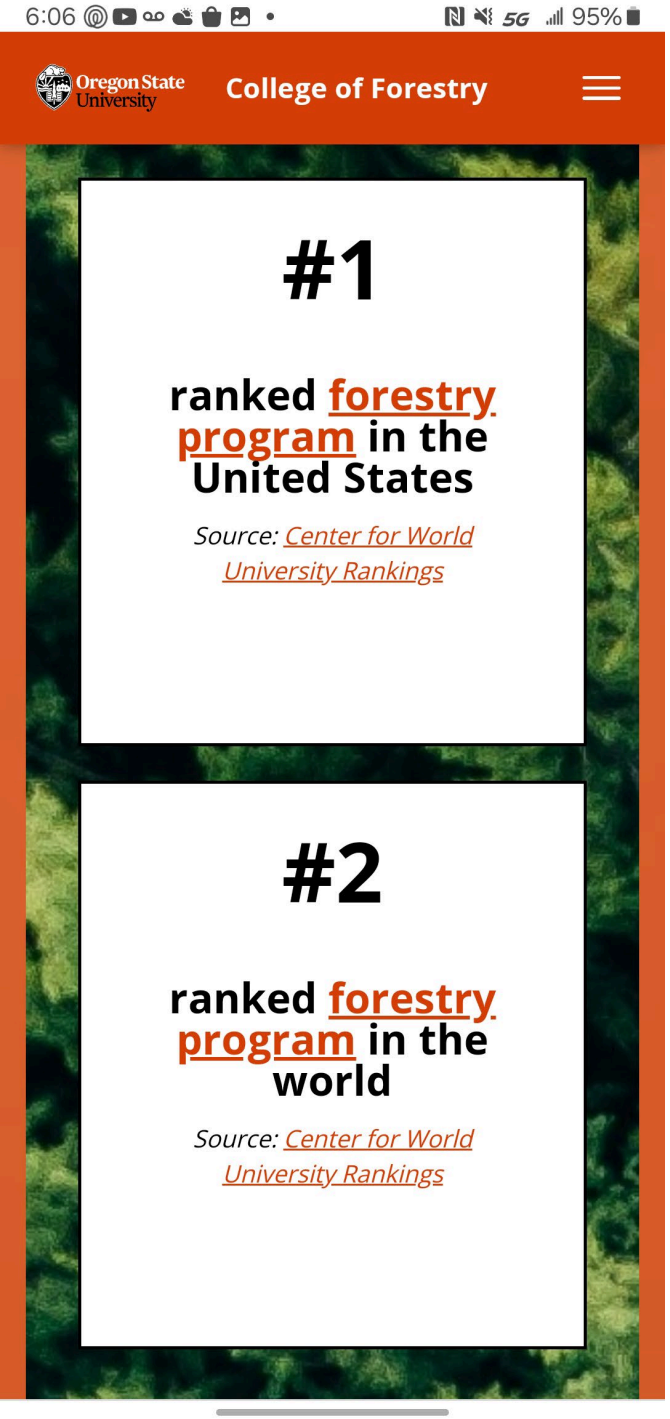
There is a true-up process that takes place in the event that the WSTC sells the logs for above and beyond the price they bought the logs.

Forest Enterprise Operating Agreement

The Forest Enterprise Operating Agreement has two main purposes

1. Specify how the enterprise will operate
2. Specify how the enterprise will work with the forestry program

On BIA DOF page you can find an example (Example 17)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Oregon State University
College of Forestry
#1
ranked forestry program in the United States
Source: Center for World University Rankings
#2
ranked forestry program in the world
Source: Center for World University Rankings

Questions?