

# **INDIAN FOREST MANAGEMENT HANDBOOK**

**53 IAM 4-H**



## **PERMIT SALES OF FOREST PRODUCTS**

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Release #64  
Replaces: 53BIAM Supplement 4 & Timber Sale Records Handbook.

53 IAM 4-H

Issued: June 15, 2005

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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 the harvesting of Indian trust forest products through timber cutting permits or free-use harvesting without permit when volumes and values are sufficiently small that formal contracts are deemed unnecessary. The user should also refer to 25 CFR Part 163, General Forestry Regulations; The *BIA Forestry Collections and Distribution Handbook*; and 53 IAM Chapter 4, Permit Sales of Forest Products for additional guidance on statutory, regulatory, and policy requirements for forest product sales.

Because local economies and conditions vary widely by region, application of these regulations requires sound judgment in distinguishing between large and small volumes and values and in establishing local standards of control. Guidelines contained in this volume apply to all permit actions, unless otherwise provided for by the Secretary.

(Note: This volume is meant to be a stand alone document for timber cutting permits. Many sections are the same or similar to the sections contained in the Contract Sales of Forest Products - Volume 3 of the Indian Forest Management Handbook (IFMH). This redundancy was intentional to simplify document use and to eliminate the confusion and need to reference other Volumes of the IFMH.)

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, (IRMP, if one exists), through the application of sound silvicultural and economic principles on a sustained yield basis.
- **To sell forest products through** permits with the beneficial owner's written consent when volumes and values are sufficiently small and formal contract sales are deemed inappropriate.
- **To accurately determine and record the volume and value** of forest products harvested by ownership, and to ensure that all required payments and disbursements are made.
- **To maintain sufficient records to document compliance** with sale requirements and to otherwise record factual information relating to the permittee's performance under the permit.

1.3. **Scope.** The directives contained in this volume apply to all federal agencies and programs participating in the management, accountability, or protection of Indian forest land. 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. 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 permit actions being undertaken.

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

B. **Advance Payment.** Not required on permits. Non-refundable partial payments or full payment of the estimated value of the timber to be cut. Normally paid within 30 days of the date of approval and before cutting

begins.

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, permit provisions, or in the correspondence accompanying the permit to secure permittee signature. Bonds are accountable to the extent that they are either confiscated (partially or entirely) or returned formally at permit expiration or closure.

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 permit provisions or advertisement. Actual damages may be charged against the permittee if he fails to satisfactorily complete all obligations under the permit.

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%". Forest Management Deductions are utilized for the performance of forest land management activities in accordance with an approved expenditure plan.

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. Free-Use Permit. A timber cutting permit issued to an individual Indian or organized group of Indians, authorizing the harvest of forest products at no charge to the permittee. The estimated value harvested under this authority by an Indian individual or organized group of Indians in a fiscal year shall not exceed \$5,000. (25 CFR § 163.26)

H. Free-Use Harvesting Without a Permit. The harvest of forest products from Indian forest land without a permit or contract, and without charge. Forest products harvested shall be for the Indian's personal use, and shall not be sold or exchanged for other goods or services. (25 CFR § 163.27)

I. Gross Proceeds. The value in money or money's worth of consideration furnished by the permittee 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.

J. Indian Land. Land for which title is held by the United States in trust for an Indian, Alaska Native, or Indian Tribe and which is subject to a restriction against alienation.

K. Paid permit. A timber cutting permit, issued to an individual or operating entity, authorizing the harvest of forest products for a designated rate. The stumpage value harvested by any individual or any operating entity in a fiscal year shall not exceed \$25,000 unless otherwise authorized by the Secretary. (25 CFR § 163.26)

L. 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.

M. Permittee. The person or entity who has acquired the legal right under timber cutting permit authority to harvest and remove forest products from Indian land.

N. Rate. The permit stumpage rate paid per unit of measure.



O. Scale Certificate. A report prepared by a third party scaling organization (scaling bureau), which accumulates and summarizes information from scale sheets. The certificate certifies that the scale information is correct.

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

Q. Special Allotment Timber Harvest Permit (SATHP). A formal permit document which may be issued to a sole beneficial owner of an allotment, which authorizes the harvest and sale of designated forest products from the allotment. A formal permit document issued to a sole beneficial owner of an allotment, which authorizes the harvest and sale of designated forest products from the allotment. As a condition to being granted the permit, the sole allotment owner is required to provide evidence that he or she has arranged a bonafide sale of the forest products on terms that will protect the Indian's interests.

R. Special Deposit. Is the term used to describe the performance bond on a Special Allotment Timber Harvest Permit (SATHP). Cash forms of Performance Bonds/Special Deposits are non-trust funds and are not held in interest bearing accounts.

S. Special Deposit Account. A temporary interest bearing account for the deposit of trust funds that cannot be credited to the rightful owners/beneficiaries within thirty (30) days.

T. Stumpage. One of the four primary forestry accountable money items. These funds are the gross value of payment for forest products available to the landowner AFTER forestry project funds are deducted and BEFORE forest management deductions are withheld.

U. Timber Cutting Permit. A document authorizing the harvest and removal of forest products not already covered by a timber sale contract document or authorized for harvest without permit.

V. Timber Use Policy Statement, Illustration 1. A periodic policy statement approved by the regional director that reflects the tribal and Bureau policy on harvesting forest products from unallotted lands under permit authority. The document describes the agency/tribal policies, prices, and procedures for issuing paid and free-use permits and authorizing free-use cutting without permits on designated tribal lands. In lieu of a periodic Timber Use Policy Statement, a more permanent Tribal Ordinance which provides for periodic adjustments of stumpage rates may be used to establish harvesting policies. In either case, the document shall provide for the regional director's approval.

W. Timber Measurement Unit. Defines the units of measure of each forest product removed under a contract or permit. Types of units include thousand board feet (MBF), cords, tons, lineal foot, etc.

X. Truck Ticket. A numbered card (ticket), which is part of an accountable book of tickets, used to monitor transportation of raw forest products from the woods to the scaling point or destination manufacturing facility. Each ticket is associated with a scale sheet and independently cross referenced with a list of tickets issued for a particular unit to assure all loads were measured.

Y. Waste or Pickup Scale. Scale of merchantable material produced for sale and for which the owners are entitled to compensation. This is usually for material designated for harvest under the sale documents but was 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 4 of 53 BIAM and the information regarding the other timber harvest 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).
- 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 permits? It is required by 25 CFR §163.26.
- H. Who approves timber sale permits? All permits must be approved by the Secretary or designee as required by 25 CFR §163.26. This individual is referred to as the Approving Officer.
- I. What are the acceptable types of timber cutting permit forms? Timber Cutting Permit (Form BIA 5-5331) and Special Allotment Timber Harvest Permit (Form BIA 5-5328).
- J. Can a Special Allotment Timber Harvest Permit (SATHP) be used to authorize the harvest of timber from an allotment with more than one owner? No. A SATHP may only be issued to an Indian having sole beneficial interest in an allotment. [25 CFR § 163.26(d)]
- K. Can a beneficial owner on a fractionated allotment harvest forest products on the allotment without approval from the other beneficial owners? No. Any removal of forest products from an allotment requires the majority interest consent of the trust beneficial owners and the Secretary, except as authorized in 25 CFR § 163.14. This approval requirement also applies to free-use harvesting without permit. (25 CFR § 163.27)
- L. Is an approved timber cutting permit or contract document required for the removal of any and all forest products? No. With the majority interest consent of the trust beneficial owners and the Secretary, Indians may harvest designated types of forest products from Indian forest land without a permit or contract, and without charge. Forest products harvested under this authority shall be for personal use and shall not be sold or exchanged for other goods and services. (25 CFR § 163.27)
- M. 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). Sole owners may also

secure a Special Allotment Timber Harvest Permit (SATHP), which allows them to harvest and sell designated forest products from their allotment. Tribes and individual allottees or allottee associations influence management direction and harvest policy by providing input in the development of the (FMP), (IRMP), and/or timber use policy statement.

N. Is trust owner approval needed to process a timber sale? Yes, except in emergency situations. A simple majority of the trust beneficial interest (50+% ) is required, except in emergency situations when action is necessary to prevent the loss of value from fire, insects, disease, blowdown, or other natural catastrophes. In these instances, the government may institute a sale without owner approval (25 CFR § 163.14) The Secretary may also execute timber sales on behalf of minors, Indian owners who are non compos mentis, decedent's estate where ownership has not been determined, and for those persons who cannot be located after a reasonable and diligent search (25 CFR § 163.20).

O. 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). In mixed fee/trust ownerships, approval must be obtained from a simple majority of the restricted (trust) interest in order to sell forest products. Fee owners should be contacted when possible and fee owner approval is recommended, but not required. Because undivided interest and the associated forest products cannot be identified without actual partitioning the property, fee ownership is included in the sale of forest products where a majority of the trust ownership is in approval.

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

Q. 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 permit if there are only a few allottees - 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 5-5315). (Illustration 2). In the latter case, the approving officer signs the permit as "Seller." When individuals cannot be located, the Secretary, after a reasonable and diligent search and the giving of notice by publication, may sign a power of attorney consenting to the sale for the particular interests.

R. 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 accrual of \$10 or more on this trust income in a calendar year is subject to income tax.

S. 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.

T. Are advance payments required on permits? Advance payments on permits are not required by regulations; however, advance payments may be stipulated in a paid permit if immediate non-refundable payments to the beneficial owners are desired.

U. What is an advance deposit and why is it required? Advance deposits are sale required deposits in advance of cutting that the permittee 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.

V. How are the values of forest products determined? Forest product values may be 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. Timber use policy statements also set values for forest products removed under timber cutting permit authority.

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

X. 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.

Y. 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.

Z. 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 to the federal regulations.

AA. 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 permittees 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.

AB. What's the difference between timber cutting permits for the harvest of forest products and resource leases? A timber cutting permit for the harvest of forest products transfers ownership of the timber products to the permittee upon payment (if a paid permit or SATHP) 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)

AC. What form should be used for the sale of non-timber forest products? Non-timber forest products are usually handled using the Timber Cutting Permit form (5-5331) or other form approved by the Secretary.

AD. Do BIA Power of Attorney for Sale of Allotment Timber forms have to be used to secure allottee authorization? Yes, unless allottees sign the permit or another form approved by the Secretary is used. POA forms are also used to secure owner authorization for free use harvesting of forest products (with or without permit).

AE. Can non-Federal officials approve timber cutting permits for the sale of forest products documents that deal with Trust resources? No. Non-Federal officials that approve the harvest of trust timber could be charged with trespass if cutting occurs as a result of their action and they may be held personally liable for damages.

**CHAPTER 2 – SALE PREPARATION**

2.1. **General.** Proposed timber harvests 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)). The 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 3) for a summary of the BIA steps, forms/reports used, collection/distribution actions, OST responsibilities, and business rules.

A. **Permit Use.** Sales of forest products with an appraised stumpage value of up to \$15,000 may use a timber cutting permit to authorize and document the harvest, except that Special Allotment Timber Harvest Permits (SATHPs) may exceed that amount. Sales of forest products that will exceed \$15,000 must use the approved contract forms unless a special form or class of sales is approved by the Secretary. Permits are not a method to circumvent the requirements for timber contracts. Although the permit options may offer a simplified and quicker process for generating harvest documents, they do not usually offer the higher level of control, supervision, and protection associated with a timber contract monitored by the recognized BIA/Tribal forestry office. Multiple permits over several years should not be used in place of a multi-year timber contract.

B. **Timber Use Policy Statement.** Harvesting forest products from unallotted (tribal) lands under permit authority or free-use without permits shall be in conformance with stipulations of a timber use policy statement. The tribe or the Bureau, in consultation with tribal representatives, shall prepare such statements for the reservation having products available for harvest under this authority. This document reflects tribal and Bureau policy towards harvesting products under permit authority, and describes the agency/tribal prices, policies, and procedures for issuing paid and free-use permits and authorizing free-use cutting without permits on designated tribal lands. The policy statement shall provide for the regional director’s approval and shall be based on a fiscal year. The timber use policy statement may also be covered by a tribal ordinance which provides for periodic adjustments of stumpage rates. In either case, the document shall contain:

(1). **Required Information.**

- (a). A general tribal/agency statement of policy and purpose.
- (b). Regulatory and tribal authority.
- (c). A clause that the statement is for the cutting on designated tribal lands.
- (d). A clause that Form BIA 5-5331 (or other approved form) is the form required to authorize the harvest by permit.
- (e). A description of who may receive a permit or harvest without a permit.
- (f). A description of the rules and restrictions required under each type of permit or harvest. These would be considered standard procedures; whereas, specific environmental constraints may require added special provisions.
- (g). A tabulation of the products which may be removed and the stumpage rate per unit for each product. Superintendents, after consultation with tribal representatives, will determine minimum stumpage rates to be used to compute the value of timber cut under paid permits, free-use permits, and free-use harvesting without permits. Stumpage rates may be determined by appraisal or by other

reasonable methods that will reflect the value of the timber in local markets.

(h). Tribal consent for permit harvesting (approval not required for each permit). If a tribe declines to formally endorse a blanket approval for permits, then tribal consent must be obtained for each permit.

(i). A signature page providing for approval by the regional director.

(j). A tribal resolution authorizing timber use policy statement.

(2). Optional Information.

(a). Other forms required by the tribe and/or agency.

(b). Total permit volume and/or value limitations.

(c). Cutting restrictions of any product harvested by other than tribal members.

(d). Performance bond requirements.

(e). Details for required accountability of various forest products.

(f). Penalties for violation of the policy.

(g). Definitions.

(h). Indian/tribal member preferential employment requirements.

2.2 Limitations. Regulations identify who may remove forest products under the permit authority and also place limits on the value and use of forest products removed from Indian trust land.

A. Free-Use harvesting without permit.

(1). The limit on the value of forest products harvested is established by the Indian owners.

(2). Only Indians have authority to remove forest products without a permit and charge – and only with the consent of the beneficial Indian owners and the Secretary.

(3). Forest products harvested are for the Indian's personal use, and are not to be sold or exchanged for other goods or services. (25 CFR 163.27)

B. Free-Use harvesting with Timber Cutting Permit Form BIA 5-5331 (Illustration 4).

(1). Only individual Indians or Organized groups of Indians may remove forest products under a Free-Use permit.

(2). The estimated value that may be harvested in a fiscal year by any individual (or group) cannot exceed \$5,000. (25 CFR 163.26 (b))

(3). The permit may restrict the sale or exchange of forest products for other goods or services.

C. Paid permit with Timber Cutting Permit Form BIA 5-5331.

- (1). There are no restrictions on who may remove forest products under a paid permit.
- (2). The appraised stumpage value of a paid permit cannot exceed \$15,000. (25 CFR §163.19)
- (3). The stumpage value that may be harvested in a fiscal year by any individual or operating entity cannot exceed \$25,000, unless otherwise authorized by the Secretary. (25 CFR §163.26(c))

D. Special Allotment Timber Harvest Permit (SATHP) Form BIA 5-5328 (Illustration 5).

- (1). There is no regulatory restriction on the total estimated value of a SATHP.
- (2). Can only be issued to an Indian/allottee having sole beneficial interest in an allotment.
- (3). The authorized forestry program shall designate the timber to be harvested and will provide the appraisal, silvicultural guidelines, and forest management requirements to be utilized in the harvest.
- (4). The allottee receiving the SATHP must furnish an acceptable performance bond with the Secretary, unless waived by the Secretary.
- (5). The allottee must have the necessary business experience and financial capabilities to market the products and conduct the proposed operation.
- (6). The allottee may conduct the harvest and removal themselves or may contract with another logger or logging entity. Negotiations and contracts with a logging contractor are the responsibility of the allottee.
- (7). The allottee must provide evidence to the Secretary that he or she has arranged a bona fide sale of designated forest products, on terms that will protect the allottee's interest.
- (8). Additional assistance may be provided to the allottee.

2.3. **Review of Forest Management Plan.** The first step in the process is to review the annual logging plan or harvest schedule as documented in the forest management plan and any other higher-level plans for the area proposed for treatment/harvest. Deviations from the 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.

2.4. **Stand Examination/ Sale Reconnaissance.** An examination of the forest products to be sold is required for sales with estimated stumpage values exceeding \$15,000 (25 CFR §163.14(c)). This means that a stand examination/sale reconnaissance is only required on SATHPs with estimated stumpage values of over \$15,000. **Cruises are not required for free-use, free-use with permit, paid permits, or SATHP's up to \$15,000 in value;** however, they may be desirable to determine the true value of the resource in order to guarantee the highest return to the landowners. If a stand examination /reconnaissance is required, then the following process may be implemented.

A. **Aerial Photo Interpretation.** 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:

- (1). Environmental units (forest cover, physiography and landforms)
- (2). Physical features (man-made structures, gullies, watercourses and natural barriers)
- (3). 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.

B. Resource Records Review. Review inventory data, soils manuals, GIS-based data, harvest/planting/stand improvement records, existing NEPA/ESA/ID Team documents, land ownership records, documentation of previous landowner contacts, and other resource documents and data bases for site specific information. The information will be useful in determining the stand exam/sale reconnaissance objectives and procedures.

C. Field Inspection. After photos and resource records 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. 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 *Indian Forest Management Handbook* Volume 8.

**2.5. Preparation of Silviculture Prescriptions.** After the field inspection, a silvicultural prescription can be prepared. 25 CFR 163.11(c) 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 *Indian Forest Management Handbook* Volume 9 for guidance.

**2.6 Environmental and Cultural Resources Requirements.** The potential environmental and cultural resource impacts of the proposed harvest must be understood and documented in compliance with the requirements of the National Environmental Policy Act (NEPA as amended), the Endangered Species Act (ESA), the National Historic Preservation Act (NHPA), 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 permit.

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. Involving cultural, wildlife, and fisheries specialists, and other subject matter experts in an interdisciplinary team to perform the environmental review and assessment process will insure the consideration of impacts on all resources and help identify the management priorities and options.

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 NEPA, 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 harvest, or multiple harvests. If a proposed harvest falls within the "footprint" of 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 6). 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 7). 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 Indians 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.

**2.7 Cruise of the Proposed Sale of Forest Products.** An examination of the forest products to be sold is required for sales with estimated stumpage values exceeding \$15,000 (25 CFR §163.14(c)). This means that timber cruises are only required on (SATHPs) with estimated stumpage values of over \$15,000. **Cruises are not required for free-use, free-use with permit, paid permits, or SATHPs up to \$15,000 in value.** Regional directors may establish regional requirements that expand the cruising standards and requirements for harvests of smaller valued forest products.

A. Purpose. 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 FOR.

B. Methods. 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 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.

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

2.9 **Forest Officer's Report (FOR).** 25 CFR §163.14 states in part that “each sale of forest products having an estimated stumpage value exceeding \$15,000 will not be approved until...a report setting forth all pertinent information has been submitted to the approving officer.” Since all sales exceeding \$15,000 must be in the form of a contract (except for SATHPs), reports are not required on free-use, free-use with permit, and paid permits; however some type of report supporting the harvest activity should be considered for all harvesting.

A. **Permit Standards.**

(1). **Free-Use Harvesting.** An FOR is not required for free-use harvesting authorized under a permit or authorized without a permit, but a reference should be provided in free-use permit files on the intent and justification for the permit. Consent by the owners must also be documented for all free-use harvesting. Regional directors may approve specific regional policies and procedures for free-use harvesting.

(2). **Paid Permits.** Paid permits are limited in value to \$15,000. FORs are not required and may or may not be necessary for paid permits depending on the size and complexity of the sale and the Regional policies and procedures established by the regional director. Again, at a minimum, the intent and justification for the sale must be contained in the permit file along with the documentation of the owners consent.

(3). **Special Allotment Timber Harvest Permit (SATHP).** FORs for SATHPs may be as long and complex as those developed for timber contracts, depending on the estimated stumpage value of the forest products to be harvested. For smaller sale values (up to \$15,000), a concise report should provide the allottee a summary of the species, products, volume, appraised rates, total value, and potential markets. The purpose of the report is to provide concise information that will assist the allottee in the decisions to market and sell the designated timber. For sales with total estimated stumpage values exceeding \$15,000, an FOR is required.

B. **Elements of an FOR.** If an FOR is prepared, the following elements may be part of the report. Any or all of the following elements may be contained in an FOR prepared for a timber cutting permit depending on the size and complexity of the harvest and the policies and procedures establish by the Region. These elements are recommended for FORs developed for timber sale contracts and may or may not be necessary in the development of reports for timber cutting permits.

(1). **Narrative.**

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

- General location of the sale area;
- Objectives to be accomplished by the sale;
- An overview of the forest products market; and
- The time frame to be applied to the sale.

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

- Number of acres in the proposed logging unit, by type of logging required;

- Number of acres by ownership;
- Legal description of the sale area;
- Brief history of previous logging activity on the sale and adjoining area;
- Other significant historical uses and resource values that may be affected by the sale of timber;
- Physical features of the unit, e.g., slope, aspect, types of terrain, timber/vegetative cover; and
- Soils analysis data, productivity classes, habitat types, etc., when pertinent.

(c). Silvicultural Method. This section should include the following and/or may refer to an attached detailed silvicultural prescription:

- Description of individual stands, their individual management prescriptions, or silvicultural systems in sufficient detail to describe the current conditions and end goal desired.
- Harvesting restrictions, harvesting methods, and any other multiple resource concerns or directives.
- 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.
- A detailed description of how timber will be designated for harvest.

(d). Management Plan and Sustained Yield Objectives. 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 annual allowable cut.

(e). Reforestation and Thinning. This section should include:

- 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.
- A description of measures to be taken to prevent the increase in reforestation and thinning backlog acres.

(f). Other Land and Use Values. This is a discussion of the proposed sale and the permit 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.

(g). Timber Sale Access. This includes:

- 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.
- 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.
- 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 exhibit map where the road reconstruction will take place.
  - Road Construction. Building a road where none previously existed. In cases where high-standard roads are to be constructed under the permit, 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 permit exhibit map where the road construction will take place.
  - Road Improvements. Other miscellaneous requirements to enhance road use and safety may include, but are not limited to:
    - i. Installation of cattle guards.
    - ii. Installation of signs.
    - iii. Dust abatement activities.
    - iv. Road closure and abandonment.
    - v. Seeding.
    - vi. Bridges.
    - vii. Rolling dips.
  - 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 permittee access or activity.

(h). Method of Cruise.

- 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.

- If areas within the logging unit are designated as “inoperable”, “excluded,” or “restricted-use;” give the basis for this determination.
  - Address the method employed to calculate the estimated sale volume, i.e., computer program, hand calculation, or other identified means.
- (i). Volume Summary. Use a standard form, that at a minimum, includes species, products, volume, and potential markets. The report must clearly state that the volumes are estimates only and are not guaranteed.
- (j). Consent of Owners.
- 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.
  - 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).
- (k). Form of Permit. Identify the permit form(s) to be used. Discuss the intent of specific provisions, which change previous practice or add new, unusual, or special clauses not routinely used in permits; and provide a brief explanation.
- (l). 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.
- (m). Map Exhibits. Include the following maps as exhibits to each FOR.
- Logging Unit Map (Exhibit A)
  - Road or Transportation Map (optional)
  - Soils Map (optional)
  - Cruise Design Map (optional)
  - Other maps, e.g., Fuels Management, Other Resource Values, vicinity, etc., may be inserted when applicable.
- (n). Appendices to the FOR.
- Forest Products Cruise Data
  - Tribal Resolution/Powers of Attorney
  - Draft Permit
  - Advertisement

- Prospectus
- Environmental Documents (NEPA and ESA)
- Other appendices as needed.

(2). 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 market conditions for similar timber 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 estimated product volume and value will be used by the Bureau to establish the amount of forest management deductions and the required special deposit (bond) and to provide the allottee with the basis for negotiating product sales.

The appraisal is considered trust information and should not be released to a bidder, permittee, 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 – PERMIT PREPARATION**

3.1. **General.** Timber Cutting Permit Form BIA 5-5331 (Illustration 4) is used for both free-use with permit and paid permit harvesting of forest products. BIA 5-5328 (Illustration 5) is used for Special Allotment Timber Harvest Permits. Specifications for the free-use harvest of forest products from tribal trust lands without a permit will be contained in the Timber Use Policy Statement.

Upon notice to proceed with advertisement (if applicable), the permit 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. **Tribal Forest Products Enterprises.** In accordance with 25 CFR § 163.13, authorized Indian tribal forest enterprises may utilize tribal and allotted timber as provided in the approved enterprise agreements. Enterprises purchasing forest products under permit authority may use the standard permit forms described in this volume or may use additional forms approved by the Secretary.

3.3. **Completion of Timber Cutting Permit Form BIA 5-5331 for Free-Use Permits.**

A. **General Information.** Completed as indicated to aid in reporting and to help monitor timber harvesting in the field.

- (1). Type of permit (Free-Use) is inserted above the title of the document.
- (2). The permittee (either individual or entity) is identified as either Indian or non-Indian by checking the appropriate line or box.
- (3). Land ownership status should be identified by checking either the “Allotted” or “Tribal” line.
- (4). Enter the permit number (alpha and/or numeric). This identifying number should be included on each page attached to the permit.
- (5). Enter the reservation name or “Public Domain.”
- (6). Enter the date that harvesting may begin. This date must be the same or later than the date of the approving officer’s signature.
- (7). Enter the permittee Name, address, and telephone number.
- (8). Enter the expiration date.
- (9). Enter 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 permit.
- (10). If applicable, enter the allotment name and number. When tribal timber is cut, insert “N/A” where there are references to allotment name and number.
- (11). Enter the designated species, products, units, rates, and total value for the harvest even though the permittee will not be charged for the forest products.



(12). Advance stumpage payments are not applicable and Free-Use permits usually do not require a bond.

B. Special Provisions. Each item of the permit may reference additional language to be attached as part of the permit. These special provisions shall be carefully prepared to prevent contradiction with provisions preprinted on the form. Inapplicable preprinted provisions on the reverse side (page 2) of the permit should be described in the Special provisions section as not applicable. This is especially important for the standard fire suppression provisions since they could establish federal liability for injuries and death resulting from the suppression efforts of unqualified permittees or their employees. Crossing out text is inappropriate.

C. Signatures.

(1). Signed. The "Signed" line designated for "Permittee" shall be signed by the person obtaining the permit. This individual or entity is responsible for all activities associated with the harvest under the permit. A date should also accompany the signature.

(2). Authorized Signature.

a. Allotment Timber.

- The signature line designated for "Allottee" shall be signed by the superintendent on behalf of the undivided interest (through signed Powers-of-Attorney, form BIA 5-5315 (Illustration 2)) or by the individual owner if it is a sole owner allotment.
- In the absence of powers-of-attorney for multiple owner allotments, the permit with attached signature pages may be signed and witnessed for each undivided interest. Each allottee should receive a copy of the permit prior to their signing. Signature of allottees should be acquired by authorized BIA/Tribal personnel and should not be acquired by the permittee.
- Witnesses. The signature of each allottee must be witnessed by two individuals. Witnesses of each allottee's signing should sign as indicated and should also provide their address. If a witness signature is illegible, the name should be typed or printed adjacent to the signature.

b. Tribal Timber. The authorizing tribal representative shall be that individual/title specified in the timber use policy statement or Tribal resolution/minutes approving the harvest. In the absence of tribal designated authority, the authorizing signature shall be that of the Tribal Chair/President or designated representative.

(3). Approved. The signature line designated for the approving officer shall be signed by the line officer delegated the authority to approve the permit. The signatory's title will be typed or printed below their signature. The approval date should also be indicated adjacent to the signature.

### 3.4 Completion of Paid Permits.

A. General Information. Completed as indicated to aid in reporting and to help monitor timber harvesting in the field.

(1). Type of permit (Paid) is inserted above the title of the document.

(2). The permittee (either individual or entity) is identified as either Indian or non-Indian by checking the appropriate line or box.

(3). Land ownership status should be identified by checking either the "Allotted" or "Tribal" line.

- (4). Enter the permit number (alpha and/or numeric). This identifying number should be included on each page attached to the permit.
- (5). Enter the reservation name or "Public Domain".
- (6). Enter the date that harvesting may begin. This date must be the same or later than the date of the approving officer's signature.
- (7). Enter the permittee's name, address, and telephone number.
- (8). Enter the expiration date.
- (9). Enter 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 permit.
- (10). If applicable, enter the allotment name and number. When tribal timber is cut, insert "N/A" where there are references to allotment name and number.
- (11). Enter the species, products, units, rates, and total value for the sale. If inadequate space, include information in special provisions.
  - a. Predetermined sales will show actual totals that will be reported.
  - b. Estimated volume permits will show the estimated sale data. Actual harvest data will be reported as it is harvested and measured.
- (12). Advance stumpage payment requirements and performance bond requirements are included in the bottom section of page one. Enter the amount pursuant to 25 CFR §163.21. Larger bonding requirements may be required to cover the cost of unusual permit 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. Bonds may or may not be required for permits.

B. Special Provisions. Each item of the permit may reference additional language to be attached as part of the permit. These special provisions shall be carefully prepared to prevent contradiction with provisions preprinted on the form. Inapplicable preprinted provisions on the reverse side (page 2) of the permit should be described in the Special provisions section as not applicable. This is especially important for the standard fire suppression provisions since they could establish federal liability for injuries and death resulting from the suppression efforts of unqualified permittees or their employees. Crossing out text is inappropriate.

C. Signatures.

- (1). Signed. The "Signed" line designated for "Permittee" shall be signed by the person obtaining the permit. This individual or entity is responsible for all activities associated with the harvest under the permit. A date should also accompany the signature.
- (2). Authorized Signature.
  - a. Allotment Timber.

- The signature line designated for “Allottee” shall be signed by the superintendent on behalf of the undivided interest (through signed powers-of-attorney (form BIA 5-5315, Illustration 2)) or by the individual owner if it is a sole owner allotment.
- In the absence of powers-of-attorney for multiple owner allotments, the permit with attached signature pages may be signed and witnessed for each undivided interest. Each allottee should receive a copy of the permit prior to their signing. Signature of allottees should be acquired by authorized BIA/tribal personnel and should not be acquired by the permittee.
- Witnesses. The signature of each allottee must be witnessed by two individuals. Witnesses of each allottee’s signing should sign as indicated and should also provide their address. If a witness signature is illegible, the name should be typed or printed adjacent to the signature.

b. Tribal Timber. The authorizing tribal representative shall be that individual/title specified in the timber use policy or tribal resolution/minutes approving the harvest. In the absence of tribal designated authority, the authorizing signature shall be that of the tribal chair/president or a designated representative.

(3). Approved. The signature line designated for the approving officer shall be signed by the line officer delegated the authority to approve the permit. The signatory’s title will be typed or printed below their signature. The approval date should also be indicated adjacent to the signature.

### 3.5 Completion of Special Allotment Timber Harvest Permit (Form BIA 5-5328)

#### A. General Information.

- (1). Heading. Include original allottee name with the allotment number, legal description, and reservation.
- (2). Section 2, Timber to be Cut. Complete columns as appropriate.
- (3). Section 3, Designation of Timber for Cutting. Be specific about the species to be harvested and the method of designation for each species. Only timber designated by the Bureau/Tribe will be authorized for harvest.
- (4). Section 4, Permit Dates. Permits should normally be limited to one year. One additional year may be allowed when high volume/value stumpage is concerned and a longer period is compatible with good business and economic principles and the justifying information is presented with the proposal. The permit time period should be based on the approval date in order to give the permittee the full time allowed to cut and remove the product.
- (5). Administrative Fees. Refer to 25 CFR § 163.25 and § 163.26 for regulations. Unless special instructions have been provided by the Secretary regarding the amount of the forest management deduction, or the manner in which it is to be made, the deduction shall be 10% of the estimated stumpage value (less forestry project rates contained in the stumpage value) of the forest products designated for harvesting. Administrative fees are only assessed against sales with total stumpage values of \$5,001 or more. A choice is provided for a single payment prior to permit approval or installment payments at scheduled intervals (e.g. 1<sup>st</sup> of each month or specific listed dates).
- (6). Special Deposit. This is actually a performance bond. Unless waived by the Secretary, the permittee is required to furnish a bond before cutting begins. When the sole owner of the allotment (permittee) is also the logging operator, the special deposit/bond may be waived. When waived, the permit will note, “Special deposit hereby waived.” If the special deposit/bond is not waived, then 25 CFR §163.21 specifies

the minimum percentages to be used in calculating the amount. Acceptable forms of deposit/bond are contained in section 3.5 of this volume.

(7). Conditions of Permit. No additions necessary.

(8). Slash and Snag Disposal. List any practices required in addition to those specified in Section 16.

(9). Items 10-20. These preprinted permit provisions are self explanatory, although inapplicable language must identified as not applicable in the special provisions section of the permit.

B. Special Provisions. Item 9 includes special provisions not preprinted on the form. These special provisions shall be carefully prepared to prevent contradiction with provisions preprinted on the form. Inapplicable preprinted provisions in sections 11 through 20 of the permit should be described in the special provisions section as not applicable. This is especially important for the standard fire suppression provisions in section 18 since they could establish federal liability for injuries and death resulting from the suppression efforts of unqualified permittees or their employees/contractors. Crossing out text is inappropriate.

C. Signatures.

(1). Signed. The signature line is designated for the sole owner to sign as the permittee. A date should also accompany the signature.

(2). Approved. The signature line designated for the approving officer shall be signed by the line officer delegated the authority to approve the permit. The signatory's title will be typed or printed below their signature. The approval date should also be indicated on the line under the title line.

### 3.6. Performance Bonds and Special Deposits.

A. General. See Standard Form 25 (Illustration 8) and refer to 25CFR §163.21. Since the bonds and special deposits are not considered "trust funds," it is not necessary for the government to collect and deposit cash for bonds or special deposits. 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 and special deposits 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 or special deposit, if the procedures have been established and approved by the approving officer. The prospectus (if applicable) should specify those forms acceptable to the approving officer. The performance bond or special deposit shall be executed by the permittee in the same manner and number of copies as the timber permit, and it becomes a part of the timber permit by attachment and reference in the bonding document. The approving officer should obtain legal advice from the Solicitor before using the bond or special deposit in the satisfaction of damages.

B. Types of Performance Bonds and Special Deposits.

1. Corporate Surety Bonds. (This is not a recommended form of performance bond or special deposit, 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, (Illustration 8) 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.

2. Deposit of Cash. It is recommended that the cash deposited as a bond or special deposit be supported by

an Agreement and Power of Attorney for cash bonds (Illustration 9) naming the officer who will approve the permit 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.

3. Deposit of U.S. Securities. (This is not a recommended form of performance bond or special deposit, due to the difficulties involved in the collection of damages.) United States securities deposited as performance bond or special deposit must be supported by an Agreement and Power of Attorney for U.S. Securities (Illustration 10) naming the officer who will approve the permit 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.

4. Irrevocable Letters-of-Credit (ILOC). Irrevocable letters of credit may be used to secure performance bonds or special deposits. Illustration 11 contains detailed guidelines for using such ILOCs, including examples. Illustration 12 provides a one-page summary of requirements for ILOC preparation. The ILOC should be secured in a fireproof safe in the approving office. A copy of the ILOC should be contained in the permit file.

5. Assigned Savings Account. This form of bond or deposit must be acceptable to the approving officer. The bond/deposit allows the permittee or other entity to establish a savings account at a federally insured institution in the amount of the bond or special deposit requirement and to assign the account to the Bureau of Indian Affairs. The primary benefit of this type of bond/deposit is that it accrues interest for the permittee while other bond/deposit types do not accrue interest. The assigned savings account requires a written agreement between the permittee or other entity, 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.

6. 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 permittee at the end of the sale.

- C. Bonds and Deposits from other than Permittee. It is not required that the permittee furnish the bonds or deposits. Other entities (e.g. operators, mills) may provide these payments on behalf of the permittee. When the bond or deposit has been made by someone other than the permittee and it is to be refunded to someone other than the permittee, the permit forms should contain the following statement,

“The performance bond or special deposit has been deposited by the (name of depositor) and is to be refunded to (name of depositor) upon satisfactory completion of the permit. The performance bond or special deposit is made on behalf of the permittee and is not to be interpreted as an assignment of this permit or the rights thereunder.”

- D. Special Deposit Waiver. The Secretary may waive the bond deposit requirement (25 CFR § 163.26(d)). When waived, Section 6 of the permit will note, “Special Deposit hereby waived.” The waiver shall require a written justification in the permit file or FOR (if applicable).
- E. Refund of Cash Bond/Deposit. Upon satisfactory completion of the permit, the bond/deposit is returned as specified in the permit, less any amount necessary to satisfy damages. The partial refund of cash bonds/deposits may also be made when the harvest is completed, but one or more permit requirements must be delayed because of seasonal restrictions or other justifiable reasons.

INDIAN FOREST MANAGEMENT HANDBOOK

3.6 Document Distribution Checklist

Permit, Supporting Documents & Signature, Order of Arrangement, Distribution	Approving Office	P E R M I T E E	S E L L E R	Region or Agency (not Approving Office)	OST	Land Title and Records Office (LTRO)	Surety or Bond
	Manually Affixed Signatures			Facsimiles or Copies (as needed)			
1. Permit	P	P	P	P	P	P	P
2. Advertisement	S	S	S	S			S
3. Logging Unit Map	P	P	P	P			P
4. Performance Bond	P		P	P			P
5. Tribal Resolution	S			S	O	O	
6. Allottee Power of Attorney	S			S	O		
7. Corporation Articles of Incorporation and Bylaws; Partnership Articles of Partnership	S		O	S			
8. Proposal (Bid)	S						
9. Abstract of Bids	S	O	O	S	S		
10. Forest Officer's Report	S	O	O	S			
11. Environmental Assessment	S	O	O	S			
12. Archeological, Endangered Species, Water Quality Clearances, etc.	S	O	O	S			

P Permit  
S Support Documents  
O Optional

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

A. **General.** Except as provided in 25 CFR Part 163, sales of forest products shall be made only after advertisement (25 CFR § 163.15). Free-use harvesting is not a sale of forest products and therefore not subject to advertisement. **Special Allotment Timber Harvest Permits are issued to the sole Indian owner and any advertisement and sale of authorized timber is the responsibility of the owner/permittee.**

B. **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 13 and 14.

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

C. **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.

D. **Form of Advertisement.** The advertisement (Illustration 15) will provide basic information and instruction on submission of bids. For specifics of the forest products sale permit, refer potential bidders to the prospectus and to the approved form of permit as contained in the FOR. The advertisement should cover the following:

- (1). Reservation and sale unit name, length of the sale, 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). Identify source for further information concerning the sale and bid submission.
- (5). State date of advertisement and name and title of the officer authorizing the advertisement.

E. **Advertisement Distribution and Duration.** Since forestry regulations require the use of a timber contract form for sales with appraised values of over \$15,000, this section will only address permit requirements up to a value of \$15,000. (25 CFR § 163.19) Contract forms may also be used for sales with appraised values below \$15,000, but they are not required.

- (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.
- (2). **Advertisement Duration.** The advertisement shall be made for a period of not less than 15 days. This is not the number of days that the advertisement occurs in a publication, but rather the time period from initial advertisement to bid opening.
- (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)

F. Prospectus. (Illustration 16 – 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.

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 permit, the permit is final and binding. We urge you to discuss complete permit 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 permit terms at the price bid.*

The prospectus may also include the following items:

- (1). Reservation and sale unit name, length of the sale, 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 weight per unit volume by species for products that are likely to be scaled by weight but are advertised and sold on a volume basis (cords, cubic feet, etc.).
- (5). Minimum stumpage prices acceptable and the basis of scale.
- (6). Stumpage price of material to be paid by flat rate, if any.
- (7). Amount of deposit with bid and disposition of deposits.
- (8). Amount of advance payments required by the permit.
- (9). Amount of performance bond required with the permit.
- (10). Amount of advance deposits required by the permit.
- (11). 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 ).
- (12). Identify source for further information concerning the sale and bid submission.



(13). State date of advertisement and name and title of the officer authorizing the advertisement.

(14). A statement that the approving officer may conduct financial investigations of bidders.

#### 4.2. **Sales Without Advertisement.**

A. **Conditions.** Under certain conditions, 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 collector, will ordinarily receive bids. The agency authorized collector will receive and hold bids delivered before the bid opening date. However, only the approving officer can actually accept a bid. The designated representative for the approving officer, shall submit an Abstract of Bids, Form BIA-4321 (Illustration 17) 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 18). 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 bid proposal for the purchase of Indian forest products.

(1). Minimum Amount of Deposit. The deposit with bid amount for permits shall be at least ten percent of the appraised stumpage value:

(2). Form of Deposit. Deposits shall be in the form of 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 11 and 12 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 partial 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 permit. If the successful bidder, after receiving notice of bid acceptance, fails to execute the permit within the stipulated period.
- c. Perform the permit.

(5). Further Claims for Damages. Forfeiture of a deposit does not limit or waive any further claims for damages available under applicable law or permit 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 approving officer or his/her designated representative will conduct the bid proceedings.

(2). Support Staff.

a. Agency Authorized Collector. An agency authorized collector 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.

- Bid Record Form. Complete an Abstract of Bids (Illustration 17) 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:
  - i. Name of forest products sale unit
  - ii. Date
  - iii. Bidder name, address, and bidder representative
  - iv. Sale volume by species and product
  - v. Advertised minimum price per unit of measure by species and product
  - vi. Sale value at advertised minimum price by species and product
  - vii. Bid number (each bidder may have multiple bids as the proceedings continue.)
  - viii. Bid rate per unit of measure by species and product (may not be necessary for predetermined volume sales)
  - ix. Sale value at bid rate by species and product (may not be necessary for predetermined volume sales)
  - x. Total sale volume
  - xi. Total sale value at advertised minimum price
  - xii. Total sale value at bid rate
- 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 in charge should make introductory remarks and 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 official 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.

- 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.
- Accepted sealed bids will be posted on the display board.
- Bid values will be calculated, recorded on bid record forms, and posted on the display board.
- Bidding will be restricted to those who have submitted an acceptable sealed bid as posted on the display board.
- No conditional bids of any kind will be considered.
- No bid will be considered unless it includes a bid for every item, at or above the advertised minimum prices.
- No bid will be considered unless it is higher than the previous bid.
- Once a bid is received, it cannot be altered or withdrawn.
- 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.
- 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.
- The estimated total value, as computed above, shall be the factor used in determining the high bid.
- The display board will be kept updated to show each participant's high bid.
- The official in charge reserves the right to limit the time lapse between oral bids, and to declare recesses during the bid proceedings.
- 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.
- When the participants indicate their final bids have been submitted, the official 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 permit. 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 17). 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 Permit.**

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 permit, 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 permit 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 permit 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 regional forestry office through the Office of the Regional Director with a request for assistance to determine the apparent high bidder's capability to meet sale requirements.

B. Review Bidder's Financial Status. The forestry office will coordinate an investigation to determine the bidder's financial responsibility and capacity to successfully complete the permit. 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 office should check with the appropriate federal, state and private forestry offices regarding their past and current dealings with the bidder in an effort to determine the performance, as well as, fiscal reliability and integrity.

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 official of this determination and the reasons for the conclusions reached. The forestry 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 permittee 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 requirements of the advertisement; or
- (2). There are reasonable grounds to consider it in the interest of the Indians to reject the high bid.

Note: 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 stumpage value would be based on the stumpage value reflected in the reappraisal.
- (2). If the original values are higher, then the 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, Illustration 18) 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 Permit Expiration Dates. Establish a new permit expiration date if necessary.

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 19), compliance checklist or its equivalent, will be completed as needed for each sale unit. Reports should be completed weekly, or frequently enough to document visits with, and instructions to, the permittee. 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 permittee, the permit 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 harvest activities comply with permit provisions. The sale administrator is a forester or forest technician, and will report the state of the sale and permittee performance to the officer in charge.

Close supervision of the permittee at the beginning of the sale is particularly important, in order to impress on the permittee 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 permit, 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 permit and FOR (if applicable) outline management objectives of the permit. Timber is designated for cutting in accordance with the permit and/or the timber use policy statement.

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 with or without permit 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 the permit.

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 permit, the permittee 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 permittee 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 FOR 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 permit.

5.3. Payment for Forest Products. With the exception of Indian tribal forest enterprises and free-use harvesting, payment for forest products will be required in advance of timber cutting or other forest products removal. (25 CFR § 163.22)

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

A. Deposit with Bid for Advertised Sales. The deposit accompanying the bid of the successful bidder will be credited as all or part of the first advance deposit, except when provision is made for the deposit to be held in lieu of bond. Failure of the successful bidder to execute the permit 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 20), unless another form of request has been authorized by the approving officer. Provisions for payment should be clearly defined in the permit.

(1). Advance Payments. 25 CFR §163.23 is specific to contracts for the sale of timber and does not reference permit sales of forest products; therefore, advance payments are not usually required with paid permits because of the lower sale values and limited permit periods. When required on tribal land, requirements for advance payments will be the same as for allotted land. Advance payments are not refundable. If advance payments are required in the permit, then the following subsections apply.

a. Advance Payment Percentage. Unless otherwise authorized by the Secretary, and except in the case of single payment lump sum (predetermined volume) sales, timber cutting permits shall provide for an advance payment of up to 25 percent of the stumpage value, **calculated at the bid price or sale price if it was not advertised**. Additional advance payments may be specified in the permit.

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

c. Maximum Advance Payments. Advance payments exceeding 50 percent of the permit stumpage value will not be required. On multiple unit sales this includes the sum of advance deposits and advance payments previously applied against timber cut from each ownership in a sale.

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. Except as specified in 25 CFR § 163.13, payment for forest products are required

in advance of cutting or removal of forest products. (25 CFR § 163.22). A permit required deposit in advance of cutting, which the permittee 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 permit. 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 21 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.

- The permittee 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.
- The seller may provide a photocopy of a check, money order, cashier's check, or deposit record that verifies payment was received.
- 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 permit special 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 permit requires the permittee 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.

(5). Forest Management Deductions. Unless special instructions have been given by the Secretary regarding the amount of the forest management deductions, or the manner in which it is to be made, the deduction shall be the lesser amount of ten (10) percent of the gross proceeds, or the actual percentage in effect on November 28, 1990. Forest management deductions will only be required for paid permits and SATHPs with total harvest values of \$5,001 or more.

#### 5.4. Logging Operations.

A. Logging Plan. **Not required for free-use permits**, but may be used if desired for larger paid permits and SATHPs. The permittee or his designated representative, and the officer in charge may prepare a logging plan (Illustration 22 – Sample Logging Plan) before sale operations begin. The purposes of a logging plan are to

maintain a clear understanding by the permittee of the performance required, and to reduce contention in the day-to-day relations of the permittee and the sale administrator. The plan may 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, permittee'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 Permittee. Notices or instructions to the permittee should be written, dated, and directed to the permittee or their authorized representative. When verbal notice or instruction is given or used preliminary to a written notice, a record should be made of this verbal communication.

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

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

D. Damage to Reserve Stands. Constant attention from the permittee and the sale administrator is required to minimize damage. The sale administrator will notify the permittee of any damage resulting from operations, and the required corrective action. Ways for the permittee 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. Actual and Liquidated Damages. Standards for the assessment of actual or liquidated damages should be included in the permit provisions. Damages are defined as the net reduction in dollar value of the trust resource. These are monetary damages for which the permittee 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 permittee. 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 permittee. 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 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 incurred by the government that go beyond the depreciation in timber value 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 permittee if he fails to satisfactorily complete all obligations under the permit. **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 permit 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.
- b. Damage from purchaser-operations fires.
- c. Damage to telephone lines, fences, roads, trails and other existing improvements.
- d. Damage to land or other property that cannot be repaired or rehabilitated.

(2). Liquidated Damages. Amounts charged for breach of permit 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 permit after the sale is awarded to him. Another instance of liquidated damages is where a permittee does not complete the sale within the original sale period, requests a permit 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 permit after sale award.
- b. High stumps.
- c. Delay in receipt of planned income.

F. Slash and Cull Trees. Provisions for treatment of slash resulting from harvesting operations, and the felling of cull trees, are specified in the permit. If burning by the permittee is specified by the permit 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.

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). **(Note: Some permits do not require scaling and the scaling discussion does not apply to the administration of those permits. Free-use harvesting and SATHPs do not usually require the scaling of harvested products and predetermined**

**volumes and values are usually reported for these permits.)** For timber permits with scaling provisions, the permit 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 may be specified in timber permits.

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 approval or advertisement, if applicable. 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 permit. 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, weight scaled, or sample scaled. The region will determine the standards for scaling forest products.

(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 permit. 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 permit for the measured species and product. The weight conversion factor should be specified in the permit.

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. Regional offices should formulate a policy that specifies the maximum acceptable weight for a given species and product for a given locality or geographic region within their jurisdiction to ensure that that all trust owners receive fair and equitable compensation for their timber. 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.

(3). Sample Scale. Forest products are normally 100% scaled; however, a sample scale may be employed if it meets established guidelines for accuracy. Sample scaling conversion or frequency may not be provided in the permit, but it should be specified in the logging plan if it isn't in the permit. 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.

- a. Acceptable Sampling Error. Acceptable 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%.
- b. Coefficient of variation. (CV) is a measure of sample variability and is the ratio of the standard deviation to the mean, expressed as a percent.
- c. 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**

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

**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 timber sale officer. He 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 load 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.

C. Units of Measure. All products should be reported as some combination of species, product, and volume as defined in the permit. 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 permit. 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 permit. 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 permittee and approved by the Superintendent. The permittee 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 permittee as much as practicable. However, the permittee should be required to present material for scaling at such times, places, and in such a 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 permittee 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 permit provisions 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 or permit provisions. 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 23. 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 24 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, permit number, logging unit, permittee, and date issued.

Each region will develop 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 permit number, the tracking numbers on the issued items, and date of issue (See Illustration 25, Truck Ticket Sign-out Sheet). 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 permittee. The scaling method must ensure protection of Indian trust and government interests. The permittee must submit a written request when scaling is to be performed by someone other than a BIA 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 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 permittee.** 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 permittee 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 permittee 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 permittee 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:

- The permittee requests consumer or third party scale from the BIA.
- The 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 permittees.

The authority to use a scaling organization for payment purposes is held by the approving officer. Most agencies within the BIA 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. Permittees 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. Permittees 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 organizations must comply with established marking, load accountability, and reporting procedures.

G. 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. Waste/pickup volume is 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 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 permit. 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 permittee 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 permittee.

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 the report of timber cut.

(2). Penalty Scale. Standards for the assessment of penalty scale should be included in the permit provisions. The penalty scale is for actions contrary to the timber permit and/or for the failure of the permittee or his representative to comply with the directives of the officer in charge. The assessment of a penalty scale is meant to penalize the permittee 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 permittee or his representative. The permittee may be required to pay at double the permit stumpage rates (or as specified in the permit) for merchantable timber not designated for cutting, but which is cut or seriously injured through carelessness or negligence.

b. Unauthorized Movement of Products. Products moved contrary to the instructions of the officer in charge shall be paid for by the permittee at rates specified in the permit. The rates are usually double the permit stumpage rates.

H. Records and Reporting. The scaling record, timber money records, and reporting of both shall be maintained either as set forth in Chapter 6 of this volume, or as prescribed or approved by the regional director.

I. 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.

J. 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. Third party scalers 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. Permittee Responsibility. **Current standard permit provisions specific to permittee responsibilities for fire suppression should be clarified under the special provisions to eliminate the chance for Government liability for injury or death of unqualified firefighters (permittees or their employees). The general responsibility of the permittee is for their prevention, preparedness, and reporting of wildfires.** Provisions for specific conditions or actions are to be included in permit special provisions.

B. Prevention and Preparedness. The permittee will exercise standards of prevention and preparedness and may be required to develop standards as stated in writing by the officer in charge under terms of the timber permit. 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 (if qualified firefighters are employed).
- (5). Procedures for suspension of operations in critical fire danger periods.
- (6). Procedures for the use of permittee's personnel and equipment.
- (7). Procedures for inspection and compliance with prevention and preparedness measures.

C. Suppression. The permittee ordinarily will not be called upon for fire suppression work unless qualified firefighters are part of the permittee's crew. Reasonable effort will be made to minimize interruption of the permittee's operation.

D. Additional Assistance. The permittee may be required to provide qualified lookouts, patrollers, smoke chasers, and equipment, or other direct assistance to supplement the overall reservation fire control effort, in accordance with permit provisions or 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 permittee suppression cost will be established as soon as practicable.

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 permittee shall be given written notice of the fire category.

5.7. **Road Construction and Maintenance.** The officer in charge will be familiar with the permit requirements regarding road construction and maintenance and must monitor and enforce compliance.

5.8. **General Administrative Actions.**

A. **Disputes and Appeals.** Refer to 25 CFR Part 2. 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 permit 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. 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 officer in charge, 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 permittee 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 permittee's operation.

(3). **Resumption of Operations.** Authorization for the permittee 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 permittee corrected the problem which caused the suspension. Whenever suspension is imposed by the regional director, resumption of operations must be authorized by the regional director.

C. **Permit Extensions.** The approving officer has several options available when considering granting an extension of time for permit performance.

(1). **Letter or Memorandum.** If an extension is needed to allow more time to complete permit performance, the approving officer may grant an extension by a brief letter to the permittee with a copy to the permit file. This is often the preferred method for free-use permits and small paid permits when only a short period of time is needed to complete the permit.

(2). **Modification.** This would be used if the approving officer determines that a formalized procedure should be completed to extend the time needed to complete the permit. A modification also presents the opportunity to review and modify the terms of the permit if needed. This method is required when proposed modifications would change the responsibility or liability of the permittee under the permit. Changes in the terms of the permit, species/products, cutting area, and/or stumpage rates are examples of changes that would justify a formal modification. See Section 5.8.C for modification content.

(3). Cancellation and Re-issue. In some cases it may be preferable to cancel the initial permit and issue a new one. This action would be justified when the harvest was not started by the expiration date and a new permit will be issued to incorporate a new permit period. Caution should be taken to avoid possible conflict with recordkeeping, policies, regulations (e.g. CFR permit limitations). This type of action will require the transfer of performance bonds and advance payment balances to the new permit or the refund of the funds and new collections for the new permit.

D. Permit Modifications. The conditions of sale, as set forth in the permit, may be modified only through a written agreement between the seller and the permittee prior to the expiration of the permit. For SATHPs, the Bureau must also inform the permittee that agreements made with operators cannot change permit requirements unless those agreements are incorporated into the permit prior to approval or through approved modifications.

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

- a. A preamble giving the permit number, previous modification if any, the name of the approving officer, the date approved, and the name of the permittee.
- b. Whether the permittee or the seller proposed the permit 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 permit are still in effect.
- f. The effective date of the modification.
- g. Modification number and/or agency generated tracking number.

(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 permit. 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. On allotments, the original signatory for the sellers must also sign the modification.

(3). Extension of Time. Establish a new expiration date if necessary.

(4). Justification. Determine whether the condition that made a modification necessary was beyond the permittee's control. Although liquidated damages are not usually assessed for permit modifications, they may be applied if no attempt was made by the permittee to harvest designated timber during the initial permit period. This is especially applicable for permits issued on allotted lands.

(5). 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 if the total permit value is at least \$5,001.

E. Review of Stumpage Rates.

- (1). Evidence to Support Rate Adjustment Request. Request for adjustment of stumpage rates provided by terms of the timber permit 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 the permittee 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 permittee a specific profit.
  - d. Any variation from the appraisal method and factors used in the FOR 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.

#### F. Permit Revocation.

- (1). Basis for Revocation. Revocation of the timber permit follows a decision by the approving officer that the permittee has failed to complete or has breached the terms of the timber permit. When breach has occurred and need for revocation is clearly evident, initiation of the process should not be delayed.
- (2). Written Notice to Permittee. The process is initiated by written notice to the permittee describing the breach or the failure to perform. It further stipulates that all rights of the permittee under the permit are revoked and that the permittee 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 permittee, preparation of a claim against the permittee and the surety who provided a guarantee of performance under the permit, and for subsequent action concerning the timber.
- (3). Permittee Right to Appeal. The permittee 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 Permittee. 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.

G. Consultations. Bureau Representatives shall maintain businesslike relations with the permittee and the seller(s) in administering timber sales. The officer in charge must insure that he/she never agrees to a verbal permit modification, which is not legally binding. See section 5.8D of this volume for permit modification guidelines.

H. Indian Labor. If the tribe has an approved tribal employment rights ordinance (TERO), then the permit should include a special provision that states that the permittee must provide the approving officer with a signed copy of their TERO agreement. Specific reports may be made in support of positive actions taken to accrue

employment and business opportunities to Indians. Guides include Public Law 88-352, Title VII, Section 703(i) and tribal actions.

I. Rights-of-Way.

(1). Un-allotted Trust Lands. The timber permit provides the permittee 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 permit, subject to regulation by the Bureau and tribe.

(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 allottees must be obtained for roads and improvements on allotted lands not covered by the timber permit 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.

J. Financial Statements. Financial statements may be required of permittees. Specific information required and the format will be determined by the approving officer. NOTE: All financial statements are confidential and should not be shared outside the required offices.

K. Permit Closure.

(1). General.

a. Free-Use Without Permit. Harvesting forest products without a permit is authorized and regulated by the timber use policy statement. There are no specific permittees to contact and no hardcopy permits to close.

b. Free-Use Permits. Regional directors should establish procedures for closing free-use permits. Minimum requirements should include procedures for the approving officer to certify that all permit obligations have been completed. The certification should be provided to the permittee in writing. It should also include information concerning the disposition of any performance bond required by the permit.

c. Paid Permit. Regional directors should establish procedures for closing paid permits. Minimum requirements should include procedures for the approving officer to certify that all permit obligations have been completed. The certification should be provided to the permittee in writing and should report the total volume and value harvested. It should also include information concerning the disposition of any unobligated advance deposits and performance bonds.

d. Special Allotment Timber Harvest Permit (SATHP). Regional Directors will establish procedures for closing SATHPs. Minimum requirements should include procedures for the approving officer to certify that all permit obligations have been completed. Notification to the permittee should be provided in writing and should include information concerning the disposition of any performance



bond.

The Statement of Completion of Timber Contract, Form BIA 5-5319 (Illustration 32), may be modified and used to close SATHPs. The words, "Special Allotment Timber Harvest Permit" will be entered below the form heading. The form will be completed in a manner similar to that prescribed for contract sales. Distribution will be the same as that for the permit document. The superintendent's statement will be modified to read, "I hereby certify that the foregoing is a true account of the permit."

(2). Statement of Completion of Timber Contract (BIA-5319a) and Summary of Operations (BIA-5319b, Illustration 33). Upon determination that the timber sale is completed, the Statement of Completion of Timber Contract and the Summary of Operations (if applicable) will be prepared. The title of the form will be changed to read, "Statement of Completion of Timber Permit." When more than one ownership is involved in the permit, 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.

(3). Permittee Notification. After concurrence with the statement of completion and summary of operations, the approving officer will notify the permittee in writing that they are relieved of any further liability under the timber permit. The letter to the permittee shall include the following language (use words in parenthesis as appropriate):

*"You are hereby notified that the Approving Officer of Timber Permit No \_\_\_\_\_ has relieved you (and your surety) of any further liability under the timber permit 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).*

(4). Disposition of Un-obligated Deposits. The letter to the permittee 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 Permit Sales of Forest Products Volume combines and replaces the *Timber Sale Records Handbook*, Supplement 1 to 53 IAM, Release 53-18, April 21, 1966; the 53 BIAM; and any revisions to both documents.

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

The purpose of this chapter is:

- To provide instruction and guidelines for appropriate accountability of timber revenue and volumes reported as required by law and the form of permit. This chapter interrelates with numerous other chapters contained in the *Indian Forest Management Handbook* and the *BIA Forestry Collections and Distribution Handbook*.
- To provide a work tool to guide users regarding scale and fiscal record requirements.
- To identify those items which must be monitored and properly accounted for, and explain this need.
- 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 BIA line official's approval signature. In the business of timber sales and permit 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 permits, timber use policy statements, 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 permittees. Guidance on that subject is contained in this volume under section 5.3, "Payment for Forest Products." 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 under approved SATHP. Accountability is applicable to direct payment agreements and work being conducted by compact and contract tribes on behalf of the BIA. The details of how accountability is maintained may differ among tribes.

C. **BIA Forestry Collections and Distribution Handbook.** Also referred to as 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 sale monies that are collected and disbursed. It provides information about the Office of the Special Trustee (OST) [formerly 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 or permit 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 sale 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 permit is issued, the primary permit 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 permit on the land records. All of the permit 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 OST and DAM for collecting, transferring, and disbursing funds. OST processes trust funds and DAM processes the non-trust funds.

Final actions, following permit completion, may require records management and coordination with other sections to track annual allowable cut volumes, forest development, and other special projects funded by permit 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 34 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 35 is the intermediate record between the scale sheet and the scale report. It may be 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 36). Instructions for completing the scale report form are

contained in Illustration 37. This report is prepared to show the volume and value of timber charged to the permittee 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 permit file at the office with administrative responsibility for the permit. One copy is provided to the permittee 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 permittee, 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 permits, 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 21). **This form is usually not used on permits.** However, the reverse side of the form may be used by the officer in charge on predetermined volume permits, especially SATHP's, to indicate the status of permit obligations after all cutting operations have been completed. **Use of this form is not mandatory where it would be a duplication of effort.** The instructions for completing the form are also contained in Illustration 21. 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 permit. It is used to help prepare the report of timber cut.

(5). Report of Timber Cut (Form 5-486, Illustration 38). Instructions for completing the report of timber cut form are contained in Illustration 39. This report is for the entire timber permit 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 permittee, 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 permit requirements have not been completed, a statement showing the specific reason why the permit 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 permit requirements have been met. A copy of only the

front page of the form should be provided to the permittee. The back page is used to internally monitor permit progress and compliance and may or may not be provided to the permittee.

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 permit. Since the reports of timber cut would have already been provided to the permittee, 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 permits, 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, permittee 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 permits 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 (Form 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 permit.

For predetermined volume permits, the Predetermined Volume Timber Account (Form 5-1485, Illustration 40) and the Timber Account Index (Form 5-503a) are used when two or more allotments (scaling units) are included in the permit. 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 permit.

(1). Timber Account Index (Form 5-503a, Illustration 41). Prepared immediately after the permit 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, Illustration 42) and Timber Scale Record – Scaling Unit (Form 5-5322, Illustration 43). 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 44 and 45. The information for the scaling units is consolidated on the Controlling Account forms.

(3). Timber Money Record - Controlling Account (Form 5-503, Illustration 46) and Timber Scale Record – Controlling Account (Form 5-503, Illustration 47). Instructions for completing these respective forms are provided in Illustrations 48 and 49. These are the summary forms for permits with multiple scaling units and are also used for permits with only one scaling unit. These forms are also used as a sub-controlling account for each type of ownership on a permit 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 permit, 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 permit 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. (Note: Deductions for unrestricted interests are in lieu of administrative expenses or forest management deductions and have been referred to as “service fees” in previous manuals.)
- (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 Permits. 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 permit.

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 permit for the same reporting period. All financial records should be reviewed to ensure the accuracy of the collections, deductions, distributions, and balances for the permit.

Upon completion, expiration, or termination of the timber permit; 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 permittee’s accounts are returned.

- b. Predetermined Volume Timber Account (Form 5-1485, Illustration 40). Account verifications are only required for sales with two or more ownerships. 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 Permittee (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 permit 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, illustration 42) and Controlling Unit (5-503, illustration 46) 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 permit. It is recommended that a hard copy of the completed monthly ledger also be inserted into the sale folder. A copy of the final permit ledger should be placed in the office timber money record book or ledger and sale folder after the permit is closed.

D. Closing Timber Permits and Accounts.

(1). Estimated Volume Sales.

- a. Statement of Completion of Timber Contract (Form 5-5319 Front, Illustration 32). The purpose of this form is to summarize all of the necessary information required by the approving officer to close the timber permit. "Contract" should be replaced with "Permit."

When a permit has only tribal land or one or a few allotments, the statement would be executed immediately after all permit obligations had been met. Under long-term permits or permits 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 permit has been completed.

The statements verify that the permittee has received all rights and privileges authorized by the sale, that the officer in charge has inspected the permit area and has found that all permit 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.

- Date of Final Report. The date that the approving officer signs the final report of timber cut for the permit. However, when the statement of completion for an allotment is signed before the entire permit has been completed, the date that the approving officer signs the final report of timber cut is entered in this space.
  - Expiration Date. The expiration date specified in the permit is recorded, unless a date for compliance is later than the expiration date for cutting the timber. In that case, the later date is recorded.
  - 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.
  - 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 Back, Illustration 33). This report is prepared for the entire permit area, except that no summary is required when there is only one scaling unit. 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 Permits.



- a. Statement of Completion of Timber Contract (BIA-5319 front). Completed the same as for estimated volume permits. "Contract" should be replaced with "Permit."
- b. Summary of Operations Report (BIA-5319 back). Completed the same as for estimated volume permits, 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 Permits 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 sale 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 permit. 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 (e.g. affidavit, probate) 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 OST 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*.

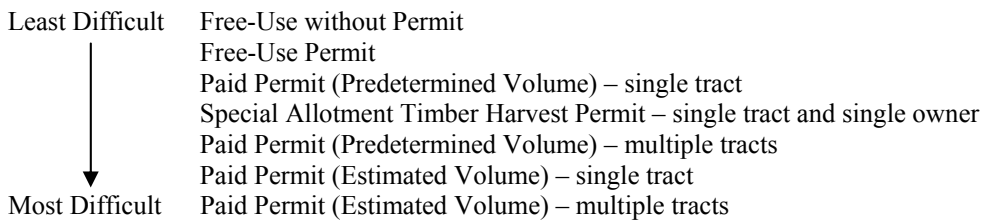
**6.4. Log Scale and Money Record Accountability.**

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 and the basis for value calculation (i.e. log scale). Following is a list illustrating this point. Some permits 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.



A. Basic Accounting Information. 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 tribal lands. For log scale and money records, all monies are accountable by forestry up through final disbursement to its “owner”.

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). Records must be individually accounted for by ownership. The more complex the ownership and

permit terms, the more capability the accounting system must have.

(4). Other items, such as collections and distributions for road use fees, road maintenance fees, road access fees, right-of-way timber, gravel, reforestation fees, log scaling services, etc. are also accountable, but may be recorded separate from the 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. At least there would be a total accounting for every dollar collected and disbursed for each permit.

B. Information by Permit Type.

(1). Free-Use with or without permit. Stumpage is not collected. The only accounting would be for performance bonds, if required by the permit. The estimated volume and associated value would need to be recorded in order to document and track harvest activities and to include the volumes in the annual harvest report.

(2). SATHP. Stumpage is not collected. A special deposit (performance bond) may be required and forest management deductions must be collected if the permit value is at least \$5,001. The accounting system must track the collection and distribution of funds. It must also record the volume and value harvested, whether based on a report of the total harvest from the permittee or based on the cruise and appraisal information provided to the owner/permittee.

(3). Paid Permit (predetermined volume). Stumpage is collected. The accounting system must monitor the performance bonds and advance payments for each ownership. The required elements are constant for each ownership and carried forward to a total sale report or a control. Scaling is not necessary because the permit volume has already been determined prior to the sale. Volume and value is reported as advance payments are made and the distributions are made to the owners upon receipt of the payments. Only the performance bond is returned, all or in part, to the permittee at the close of the permit.

(4). Paid Permit (Estimated Volume). Stumpage is collected. All estimated volume permits may include advance payments (usually 25%) and installment payments for the remaining 75% advance deposits. Collections made by installments are essentially advance deposits collected into the TFAS system as described in the *BIA Forestry Collections and Distribution Handbook*. Advance payments and advance deposits are reduced by the value of the scale. The performance bond and unobligated advance deposits are returned to the permittee at the close of the permit.

Installment payments, or payments by tract, must be recorded by forestry personnel and accounted for as part of the money records. When multiple tracts are involved, full payment by tract, or other permit terms, may make accountability more challenging.

C. Forestry Fund Types. For detailed discussion on the procedures for the collection and distribution of forestry fund, please refer to the *BIA Forestry Collections and Distribution Handbook*.

(1). Bid Deposit (BD) - if applicable. The BD, 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 permit. 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 (PB). The BD may also be held in the BD account until the balance of funds is received under permit 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.

(2). Advance Deposits (AD). AD collections and disbursements are accountable against the total permit (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. 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 permit is likely to be required when any ownership AP balance is going to be exceeded and/or the permit minimum advance deposit requirement is not met. When logging occurs, no AD disbursements will take place until the AP "credit" balance is exceeded.

(3). Advance Payment (AP). AP balances on individual ownerships must first be considered and accounted for before determining how much money may be disbursed from ADs. The permittee is entitled to remove products from each ownership and receives "credit" for those funds he has already deposited as AP. If the permittee logged on all allotments but never removed product values exceeding the AP on any 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 permit.

(4). Forest Management Deduction (FM). FMDs are also primarily accounted for in the permit control account. However, since FMDs are transferred to the TFAS FM account when advance payments and advance deposits are disbursed for each ownership, accountability of the FMD balances must be maintained by ownership, as is done for the AP and AD balances

When log scale is removed simultaneously from ownerships with and without AP balances, the control AD disbursements are the basis for withholding FMDs 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 FMDs are not withheld twice.

(5). Forestry Projects (FP). Monies collected for specific permit funded activities, must be included in the accounting records if the costs are included in the stumpage rates. FP expenses must be deducted before assessing FMDs and distributing funds to the landowners. It is recommended that FP monies be collected independent from stumpage, which would simplify the accounting and tracking.

(6). Performance Bond (PB). If provided in cash, these funds are considered non-trust monies and are not held by OST and interest does not accrue. Even though these are non-trust monies, it is still important to record the collection and eventual distribution in the record or ledger. The PB is the same as the special deposit referenced on the SATHP form.

D. Miscellaneous Considerations

(1). Rate Changes. The accountability system must have the ability to accommodate rate 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.

(2). Reporting Schedule. Most locations utilize a monthly period to end sale accumulations and authorize disbursements. There are some reservations/agencies 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 logging progresses over the life of the permit, 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.

(3). Permit 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 permittee and the approving officer, and represents the final report for each ownership and the sale as a whole. It releases the permittee from further responsibility and liability under the permit.

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TIMBER USE POLICY STATEMENT FY-20 ,  
RESERVATION

POLICY AND SCOPE

The harvest of forest products provides benefits to the \_\_\_\_\_ Indian Community. Where the value of products obtained through cutting is relatively small and the use of the contract sale is not required, timber harvest will be accomplished through a timber cutting permit or the free-use without permit.

AUTHORITY

25 CFR §163.26; 25 CFR § 163.27 .20; and IFMH Volume 4.

I. GENERAL

1. The stumpage value which may be cut in one year by an individual on a free-use permit shall not exceed \$ 5,000.00. Paid permits for RESALE shall not exceed \$ 15,000.00.
2. No paid permits shall be issued for timber on active logging units.
3. Resale permits shall be issued on Form BIA 5-5331 or its computer-generated equivalent. Free-use harvesting without permit will not require a BIA permit form; however, a tribal permit will be required and used to provide accountability for products removed.
4. The permittee must be an enrolled member of the \_\_\_\_\_ Indian Community. The permittee must be at least 21 years of age and cut and pay (if paid permit) for the timber himself/herself. The permit (BIA or Tribal) is not transferable. Any exceptions to this paragraph will be approved individually by the Tribal Council.
5. If the timber is to be harvested by other than a tribal member, the permittee must be present during all cutting and hauling and have the permit in his/her possession. If the permittee is disabled, exception to this paragraph may be granted by the Tribal Council.
6. All logging equipment used to harvest forest products under this authority must be approved by the Forestry Department prior to use.
7. Any free-use cutting done on active timber sales will be limited to areas where falling, skidding and decking have been completed. Any disturbance to the logging operation may result in termination of the permit.
8. Violations or misuse of the permit will result in immediate revocation of the permit. No other permit will be issued for the remainder of the fiscal year.
9. Permittees are subject to all tribal laws.

II. PAID PERMITS

1. Paid permits shall be specific as to location (Compartment, Stand and legal description to ¼ section). A map will accompany each permit, designating the area of the permit. The area will be designated on the ground by ribbon or paint.
2. Volumes of forest products to be removed will be estimated by cruising to accuracy standards of 10%.

3. Stumpage rates for forest products to be removed will be calculated using the accepted timber appraisal system (an appraisal which accounts for quantity, quality, logging difficulty, and market conditions). Each permit will be appraised individually. Exceptions to the appraised rate will be made only upon Tribal Council approval.
4. Bonds will be required on paid permits. The amount of the bond will be 25% of the estimated stumpage value.
5. An advance stumpage payment amounting to 25% of the estimated value of the timber designated for cutting must be made before cutting begins. At no time during the cutting can the prepaid stumpage balance amount to less than 10% of the estimated permit value.
6. Scaling methods and locations will be specified on the permit.
7. All paid permits require approval of the Tribal Council and the Superintendent.
8. Commercial paid permits may be issued to a non-tribal entity when it is necessary to prevent loss of value resulting from fire, insects, disease, windthrow, or other catastrophic events, provided Indian operators decline or are unable to harvest these materials in a timely manner.

### III. FREE-USE PERMITS

1. Free-use permits, subject to the limitations stated in Section I., will be issued for the forest products for the permittee's personal use. These products may not be traded, sold, or exchanged for other goods or services.
2. The value of forest products removed under free-use permits will be determined in accordance with Section V (below). These values will be used for the statistical reporting of timber cut at the Indian Community each fiscal year.
3. The Agency Forester will issue free-use permits. All cutting will be in areas designated by the Forestry Department. The area will be indicated on the free-use permit.
4. Free-use permits will be used for the following:
  - a) Firewood cutting
  - b) Clearing of residential or recreational leases
  - c) Fence posts
  - d) Maple sap collection
  - e) Miscellaneous cutting done for educational, religious, or ceremonial use by groups authorized by the Tribal Council.

### IV. FREE-USE CUTTING WITHOUT PERMITS

1. All Tribal members residing on the reservation shall be allowed free-use without permit for twelve (12) cords of firewood per household, one (1) Christmas tree per household, cedar or balsam boughs for religious or ceremonial use, and nuts or berries. **This does not include cutting of any of the above for resale.**
2. Free-use harvesting without permit will not require a BIA permit form; however, a tribal permit will be required and used to provide accountability for products removed.



V. FOREST PRODUCT VALUES

1. Posts (green cedar).....\$2.00/piece
2. Posts (dead, all species).....\$1.00/piece
3. Poles (green cedar).....\$5.00/piece
4. Poles (green pine).....\$3.00/piece
5. Poles (dead, all species).....\$2.00/piece
6. Firewood (dead, all species).....\$10.00/cord

V. TIMBER TRESPASS

1. Any unlawful cutting, removal, or wanton injury or destruction of trees standing or growing upon trust Indian land, either on or off of the designated permit area, is considered timber trespass.
2. Trespass by a permittee will result in the assessment civil damages of triple stumpage, revocation of any timber permit, and making the permittee ineligible for further harvesting until the damages are paid.
3. The tribe reserves the right to prosecute all violators for timber trespass under federal and tribal criminal law.

This Timber Use Policy Statement was approved by \_\_\_\_\_ Tribal Council Resolution  
\_\_\_\_\_ on \_\_\_\_\_ by a vote of \_\_\_\_\_ for and \_\_\_\_\_ against.

APPROVAL

\_\_\_\_\_  
Regional Director

\_\_\_\_\_  
Date

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)

Forestry Business Process for Removal of Forest Products <small>(9/16/03)</small>				
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/individual. All forest product harvesting activities requiring a sale document must be approved by the Secretary or delegated authority.
<b>NEGOTIATED</b>	<b>ADVERTISED *</b>			
	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 (XBBIA-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			
Assign Contract ID				
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.				

BIA PROCESS		OTFM PROCESS		Basic Rules
	FORMS/REPORTS	COLLECTION/DISTRIBUTION	COLLECTION/PAYMENT	
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.
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 files 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 if 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	
<b>-----SALE REVOCATION-----</b>				
Breach of 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		FORMS/REPORTS		COLLECTION/DISTRIBUTION	OTFM PROCESS	COLLECTION/PAYMENT	Basic Rules
<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.		Each trespass has it's own account.
	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.		Default to 10% (can include from 0-100%). Forest Management Deductions only on sales of \$5,001 or more.
	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.		Each trespass has it's own account.
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.	

**UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS**

**TIMBER CUTTING PERMIT**

Indian \_\_\_\_\_  
Non-Indian \_\_\_\_\_

Allotted \_\_\_\_\_  
Tribal \_\_\_\_\_  
Permit No. \_\_\_\_\_

\_\_\_\_\_ Indian Reservation, \_\_\_\_\_, 20\_\_\_\_

Permission is hereby granted to \_\_\_\_\_  
whose address is \_\_\_\_\_  
to cut and remove in accordance with the regulations on the reverse side of this permit, on or before  
\_\_\_\_\_, 20\_\_\_\_, from the following lands on which authority to grant  
timber permits has been obtained:

tribal land or allotment of \_\_\_\_\_  
allotment number \_\_\_\_\_, timber of kind, quantity, and price as follows:

I accept this permit and agree to comply with the foregoing conditions and with the provisions  
on the reverse side of this permit.

SIGNED: \_\_\_\_\_  
(Permittee)

WITNESSES:

\_\_\_\_\_  
(Name) AUTHORIZED: \_\_\_\_\_  
(Allottee)

\_\_\_\_\_  
(Address) APPROVED: \_\_\_\_\_  
(Name) (Approving Officer)

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

(OVER)

This permit is issued under the following provisions:

1. "Approving Officer" means the officer approving the permit or his authorized representative.
2. "Superintendent" means the Superintendent or other officer in charge of the Indian Agency having jurisdiction over the permit area, or his authorized representative.
3. "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 permit area, or his authorized representative.
4. "Permittee" means the Permittee, his employees, or his subcontractors.
5. Only such timber as designated by the Approving Officer or the Officer in Charge may be cut.
6. Young growth will be protected as far as possible.
7. Stumps will be cut low as practical so as to avoid waste. The mean height of any stump shall not exceed one-half its diameter, except that where this height is considered to be impracticable, higher stumps may be authorized by the Officer in Charge.
8. Waste in high stumps, butts, tops, breaks, and partially sound logs, and all trees which are left felled or lodged or badly damaged by the Permittee's operations will be scaled for their merchantable contents and charged against the Permittee.
9. Carelessness on part of fellers or other employees of the Permittee that results in unnecessary breaking of trees will be penalized by scaling such trees full as if they had not been broken.
10. For convenience in scaling, logs or other products shall be decked, stacked, or otherwise held at scaling points designated by the Officer in Charge and will not be moved therefrom until they have been scaled, 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 Permittee at double the permit stumpage rates.
11. If required by the Officer in Charge, the slash resulting from the cutting operations, including limbs, tops, damaged young growth and other material will be piled compactly and away from reserve trees on the whole area.
12. Burning of the piled slash by the Permittee will be done at such times and in such manner as may be required by the Officer in Charge. Whenever fire runs through slash, except in compliance with instructions of the Officer in Charge, the Permittee may be required to lop and scatter or repile and reburn the slash.
13. During the wildfire season the Permittee shall have a cache of firefighting equipment of the kind and quantity as determined by the Officer in Charge in the area of his operation.
14. It is agreed that during the permit period the Permittee shall take immediate and independent fire suppression action on all fires on or threatening the area covered by this permit. It is further agreed that the Permittee will assist the Bureau of Indian Affairs in suppressing other fires when called upon.
15. It is understood and agreed that the Permittee shall be liable for all suppression costs of fires caused by negligence on the part of the Permittee. It is further understood and agreed that for fires caused by operations or activities of the Permittee, but not through neglect, the Permittee shall pay one-half of the total suppression cost provided that the Permittee's obligation shall be limited to the total value of the permit.
16. The Permittee will be paid for fighting fires, other than those caused by the Permittee's neglect or operations, at rates as determined by the Superintendent.
17. The Permittee shall be liable for all damages from fires caused by his neglect or operations to timber or any other property of the Indians or the Government in an amount to be determined by the Superintendent.
18. If timber on the permit area is damaged or destroyed by fire, the cause of which was no fault of the Permittee, the Permittee may be authorized by the Approving Officer to utilize products from adjacent areas to fulfill the value terms of this permit.
19. A bond may or may not be required as determined by the Approving Officer.
20. The Permittee will comply with all other laws and regulations governing the reservation within which the permit area is located.

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NOTE: This form is to be used for all Indian Lands, allotted and tribal and is to be executed in triplicate. In case of allotted lands, the allottee or his heirs shall authorize the permit unless a valid power of attorney has been executed. In case of tribal lands, authority for cutting may be obtained by a Council resolution approving the annual policy statement governing the issuance of permits.

SPECIAL ALLOTMENT TIMBER HARVEST PERMIT

Permit No. \_\_\_\_\_

ALLOTMENT NO.	DESCRIPTION	RESERVATION
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1. AUTHORITY. This permit is issued 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, and the regulations contained in 25 CFR 163.

2. TIMBER TO BE CUT. Permission is hereby granted to \_\_\_\_\_, herein called the Permittee, to cut and sell the timber shown below which has been designated for cutting by the Bureau of Indian Affairs on this allotment.

SPECIES AND PRODUCT	ESTIMATED VOLUME	UNIT	APPRAISED STUMPAGE RATE	TOTAL STUMPAGE VALUE

The volumes shown above are estimates only and are not guaranteed. The cutting authority of this permit covers the trees that have been designated regardless of whether the actual volume is more or less than the above estimates. This permit shall be construed to require the Permittee to cut all of the designated timber.

3. DESIGNATION OF TIMBER FOR CUTTING. The timber which may be cut under this authority includes

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4. PERMIT DATES. Unless this permit is extended by the Approving Officer the authority for the Permittee to cut and remove timber under this permit shall end on or before \_\_\_\_\_, 20\_\_, and the Permittee shall complete all other obligations on or before \_\_\_\_\_, 20\_\_. The permit expiration date is the date the Permittee is relieved of liability under the permit by the Approving Officer.

5. ADMINISTRATIVE FEES. The Permittee agrees to pay to the Superintendent of the \_\_\_\_\_ Indian Agency, hereinafter called the Superintendent, the sum of \$ \_\_\_\_\_ representing \_\_\_\_\_ percent of the total estimated stumpage value of the timber authorized for cutting, as shown in Section 2, to cover all or part of the administrative expenses incurred by the Bureau of Indian Affairs, pursuant to 25 CFR 163.25. Payments shall be made \*in full prior to the approval of this permit \*in \_\_\_\_\_ installments of \$ \_\_\_\_\_ each on \_\_\_\_\_, provided however, that payment in full shall be made prior to the completion of cutting under this permit. Payments other than in cash shall be drawn payable to the Bureau of Indian Affairs.

6. SPECIAL DEPOSIT. The Permittee agrees, in accordance with the provisions of 25 CFR 163.21, that the deposit in the amount of \$ \_\_\_\_\_ furnished to the Superintendent prior to the approval of this permit may be used by the Approving Officer, in his discretion, for planting or other work to offset damage to the land and timber caused by the Permittee's failure to comply with the provisions of this permit. The deposit shall be returned to the Permittee upon satisfactory completion of the permit.

7. CONDITIONS OF PERMIT. The Permittee agrees to conduct all operations under this permit in accordance with the provisions stated herein, including those in Sections 11 through 20. Failure of the Permittee to comply with the provisions of this permit shall be sufficient cause for the Approving Officer to revoke this permit and to refuse approval of the additional permits.

\*Delete one payment option.

8. SLASH AND SNAG DISPOSAL.

9. SPECIAL PROVISIONS.

10. EFFECTIVE DATE. This permit shall become effective on the date of approval by the Approving Officer.

11. DEFINITIONS. As used in this permit:

11.1 "Approving Officer" means the officer approving this permit, or his representative.

11.2 "Superintendent" means the Superintendent or other officer in charge of the Indian Agency having jurisdiction over the permit area, or his authorized representative.

11.3 "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 permit area.

11.4 "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.

11.5 "Permittee" means the person awarded this permit.

12. PROHIBITION AGAINST ASSIGNMENT. The Permittee may hire other persons to assist him in operations under this permit or may contract with other parties for the performance of operations. However, the authority granted by this permit cannot be assigned to another party and the Permittee shall remain responsible for compliance with the provisions of this permit and shall be liable for any damages arising from failure to comply with the provisions.

13. APPEALS. The permittee may appeal in writing any action taken in connection with this permit. Appeals from actions by the Superintendent or a forest officer shall be directed through the Superintendent to the Regional Director. Decisions by the Regional director may be appealed through the Regional Director to the Commissioner of Indian Affairs. Decisions by the Commissioner may be appealed through the Commissioner to the Secretary of the Interior in accordance with the rules and regulations as may from time to time be prescribed. Appeals shall be made within 30 days of the action or decision being appealed, unless the Permittee furnishes reasons satisfactory to the officer receiving the appeal 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.

14. UTILIZATION. The Permittee is expected to utilize timber cut under this authority as completely as practicable.



## 15. LOGGING REQUIREMENTS.

15.1 Logging methods. The Permittee's logging methods shall avoid unnecessary damage to reserve trees, young growth, lands, other property and other values of the Indians or government. The operation of all equipment shall be subject to such reasonable restrictions as the Officer in Charge may prescribe.

15.2 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.

15.3 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 Permittee may be required to take reasonable and practical measures to retain road surfaces and to prevent the gulying of roads and skid trails. 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.

## 16. SLASH AND CULL TREES.

16.1 Slash Disposal. Slash, including limbs, tops, damaged young growth and all other material resulting from Permittee's operations, shall be disposed of by the Permittee as provided in Section 8 of this permit. When slash burning is required, the Permittee will lop and pile all slash compactly. Piles shall be placed a sufficient distance from reserved trees and reproduction to prevent unnecessary damage in burning. The Permittee shall burn slash in such a manner and at such times as the Officer in Charge may direct. The Permittee shall make every effort to control and suppress all fires which may spread from his slash burning operations and shall be liable for any damages to timber or other property of other Indians or the Government resulting from the Permittee's carelessness or negligence in the execution of instructions from the Officer in Charge.

16.2 Cull Tree Felling. When required in Section 8 of this permit, the Permittee shall fell all unmerchantable dead and designated live cull trees, within the area cut over, 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 as soon as practicable after yarding and skidding and before the slash is burned, if burning is required.

## 17. TRANSPORTATION FACILITIES.

17.1 Rights-of Way. The Permittee shall be responsible for obtaining any necessary rights-of-way across land not owned solely by the Permittee. Rights-of way across Indian lands will be subject to applicable regulations.

17.2 Road Construction. The location and design of all roads to be constructed by the Permittee 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.

17.3 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 Permittee's operations. Bureau roads are open to public use but may be closed for reason of public safety, fire prevention or suppression, fish and game protection or to prevent damage to unstable roadbeds. During any period in which the Permittee uses Bureau roads he shall maintain such roads, in proportion to his share of use, as determined by agreement between the Permittee and the Superintendent. In the event of disagreement, the determination shall be made by the Approving Officer.

## 18. FIRE PREVENTION AND SUPPRESSION.

18.1 Fire Precautions. The Permittee 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 permit and the existing fire danger. The requirements shall not be less than are required under the laws of the State in which the permit is located.

18.2 Fire Suppression. The Permittee shall take immediate and independent initial fire suppression action on all fires on the area covered by this permit and shall use all necessary manpower and equipment at his disposal, including the employees and equipment of his subcontractors engaged on or near the permit area in construction or in logging or removing timber. When called upon by the Superintendent, the Permittee shall make available any and 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.

### 18.3 Fire Suppression Costs.

18.31 Permittee Fires. The origin or spread of all fires on the sale area or operating vicinity for which the Permittee, including his Employees, his subcontractors or their employees, are responsible by act or neglect are hereinafter called Permittee fires.

18.311 Permittee-Neglect Fires. All suppression costs including those incurred by the Bureau, of suppressing any such Permittee fire negligently caused shall be borne by the Permittee.

18.312 Permittee-Operations Fires. For Permittee fires caused by operations or activities of the Permittee, but not through neglect, the Permittee shall pay one half of the total suppression costs, provided that the Permittee's obligations shall be limited in any permit year, in which the respective fire occurs, to a maximum of two percent of the estimated value of the total volume of timber authorized to be cut under the permit.

18.32 Non-Permittee Fires. Fires on or outside the sale area for which the Permittee or his employees, his subcontractors or their employees, are in no way responsible by act or neglect are hereinafter called non-Permittee fires. The Permittee's cost of suppressing such fires shall be reimbursed at rates authorized by the Bureau.

## 19. IMPROVEMENTS.

19.1 Existing Improvements. The Permittee may be given permission to use existing improvements which are already on lands covered by the permit and which are necessary for his logging operations under the permit, 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 if the Permittee's operations and, whenever they are damaged, the Permittee may be required to repair them promptly to as good a condition as before the damage.

19.2 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 Permittee 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 Permittee. The Permittee 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 Permittee shall hire a licensed surveyor to reestablish or restore the same, using survey procedure 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.

20. 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 Permittee 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 Permittee's operations and occupancy shall be removed and disposed of properly. Permittee shall not service tractors, trucks or other equipment on Indian lands where pollution to lakes, streams or estuaries is likely to occur. Barren areas such as created by landings, and camp and maintenance sites shall be provided with vegetative cover if specified in the permit.

SIGNED: \_\_\_\_\_  
Permittee  
Date: \_\_\_\_\_

APPROVED: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## EXCEPTION CHECKLIST FOR BIA CATEGORICAL EXCLUSIONS

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

**Nature of Proposed Action:**

**516 DM 10.4**

**Exclusion category and number:**

**Evaluation of exceptions to actions within Categorical Exclusion:**

- |     |  |           |            |
|-----|--|-----------|------------|
| 1.  | This action would have significant adverse effects on public health or safety.   | <u>No</u> | <u>Yes</u> |
| 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. | <u>No</u> | <u>Yes</u> |
| 3.  | The action will have highly controversial environmental effects.   | <u>No</u> | <u>Yes</u> |
| 4.  | The action will have highly uncertain environmental effects or involve unique or unknown environmental risk.   | <u>No</u> | <u>Yes</u> |
| 5.  | This action will establish a precedent for future actions.   | <u>No</u> | <u>Yes</u> |
| 6.  | This action is related to other actions with individually insignificant but cumulatively significant environmental effects.  | <u>No</u> | <u>Yes</u> |
| 7.  | This action will affect properties listed or eligible for listing in the National Register of Historic Places.   | <u>No</u> | <u>Yes</u> |
| 8.  | This action will affect a species listed or proposed to be listed as endangered or threatened.   | <u>No</u> | <u>Yes</u> |
| 9.  | This action threatens to violate Federal, state, local, or tribal law or requirements imposed for protection of the environment.   | <u>No</u> | <u>Yes</u> |
| 10. | This action will have a disproportionately high and adverse effect on low income or minority populations.  | <u>No</u> | <u>Yes</u> |
| 11. | This action will limit access to, and ceremonial use of Indian sacred sites on federal lands by Indian religious practitioners, or significantly adversely affect the physical integrity of such sacred sites.     | <u>No</u> | <u>Yes</u> |
| 12. | This action will contribute to the introduction, continued existence, or spread of noxious weeds or non-native invasive species known to .   |           |            |

occur in the area, or may promote the introduction, growth, or expansion of the range of such species.

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: \_\_\_\_\_  
Regional Office/Agency 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

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 (" <i>X</i> " one) _____ INDIVIDUAL                      _____ PARTNERSHIP  _____ JOINT VENTURE                      _____ CORPORATION STATE OF INCORPORATION																	
SURETY(IES) ( <i>Name(s) and business address(es)</i> )	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th colspan="4" style="text-align: center;">PENAL SUM OF BOND (\$)</th> </tr> <tr> <th style="width:25%;">MILLIONS</th> <th style="width:25%;">THOUSANDS</th> <th style="width:25%;">HUNDREDS</th> <th style="width:25%;">CENTS</th> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td colspan="2">CONTRACT DATE</td> <td colspan="2">CONTRACT NO.</td> </tr> </table>		PENAL SUM OF BOND (\$)				MILLIONS	THOUSANDS	HUNDREDS	CENTS					CONTRACT DATE		CONTRACT NO.	
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>																
Name(s) & Titles <i>(Typed)</i>	1. _____	2. _____																
<i>Corporate Seal</i>																		
<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															
	Signature(s)	1. _____	2. _____															
	Name(s) & Title(s) <i>(Typed)</i>	1. _____	2. _____															
<i>Corporate Seal</i>																		

Illustration 8 (Page 1 of 2)

CORPORATE SURETY(IES) (Continued)					
S U R E T Y B	Name & Address		STATE OF INC.	LIABILITY LIMIT	Corporate Seal
	Signature(s)	1.	2.		
	Name(s) & Title(s) (Typed)	1.	2.		
S U R E T Y C	Name & Address		STATE OF INC.	LIABILITY LIMIT	Corporate Seal
	Signature(s)	1.	2.		
	Name(s) & Title(s) (Typed)	1.	2.		
S U R E T Y D	Name & Address		STATE OF INC.	LIABILITY LIMIT	Corporate Seal
	Signature(s)	1.	2.		
	Name(s) & Title(s) (Typed)	1.	2.		
S U R E T Y E	Name & Address		STATE OF INC.	LIABILITY LIMIT	Corporate Seal
	Signature(s)	1.	2.		
	Name(s) & Title(s) (Typed)	1.	2.		
S U R E T Y F	Name & Address		STATE OF INC.	LIABILITY LIMIT	Corporate Seal
	Signature(s)	1.	2.		
	Name(s) & Title(s) (Typed)	1.	2.		
S U R E T Y G	Name & Address		STATE OF INC.	LIABILITY LIMIT	Corporate Seal
	Signature(s)	1.	2.		
	Name(s) & Title(s) (Typed)	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 Permit \_\_\_\_\_, \_\_\_\_\_ Logging Unit

KNOW ALL MEN BY THESE PRESENTS, That (I)(the) \_\_\_\_\_,  
Herein referred to as the Permittee, 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  
Permit on the \_\_\_\_\_ Logging Unit approved by the  
\_\_\_\_\_ on \_\_\_\_\_.

The Permittee 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 permit, 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  
Permittee 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 Permittee hereunder sets his hand and seal this  
\_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
PERMITEE SIGNATURE

(Note: Execution of this document is the same as the Purchaser execution of the Timber Permit. 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 Permit \_\_\_\_\_, \_\_\_\_\_ 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 Permittee, 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  
Timber Cutting Permit identified herein. Purchaser shall be entitled to all accrued  
interest and/or dividends from the deposited bonds or notes. Upon Permittee's  
completion of all obligations of the Timber Permit and notice of the Approving Officer,  
the deposited bonds or notes shall be returned to the Permittee.

The Permittee does hereby constitute and appoint the Regional Director of the Bureau of Indian Affairs and his successors in office as attorney-in-fact for said Permittee 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 Permittee's Board of Directors passed on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, a duly certified copy of which is attached hereto.

IN WITNESS WHEREOF, the said Permittee hereunder sets his hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

---

PERMITTEE SIGNATURE

(Note: Execution of this document is the same as the Purchaser execution of the Timber Permit. 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/Permit 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/permit 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/Permit 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 60 days, the timber contract/permit expiration date. Note, any significant extension of that contract/permit date will require modification or replacement of the letter of credit.
- (f) An ILOC securing contract/permit 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/permit 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/permit 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/permit files.
- (2) Irrevocable letters of credit securing contract/permit performance.
  - (a) The Approving Officer of the timber contract/permit will determine whether an offered ILOC is acceptable.
  - (b) After approval, irrevocable letters of credit securing contract/permit 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/permit 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/permit

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/permit period has been extended. Amendments are subject to the same requirements and restrictions noted in Section A. As an alternative, the 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/permit. 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/permit 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/Permit No. \_\_\_\_\_,  
Reservation, State of \_\_\_\_\_, held (bid opening date) and has failed to execute  
the contract/permit.

Or:

Your signed statement certifying that (Principal) has been the successful bidder on the \_\_\_\_\_  
\_\_\_\_\_ Timber Sale, Contract/Permit 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/Permit 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/permit, Contract/Permit 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/permit 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/permit number (Use FOR or sale tract number for bid deposits and contract/permit 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		<small>(size of type)</small>	<small>(inch, square, word, or folio)</small>
Line Rates		NUMBER OR LINES ( <i>Indicate counted or space</i> )	POINT PER COST PER LINE
	FIRST INSERTION		\$
	ADDITIONAL INSERTIONS GIVE NUMBER >		\$
	<b>TOTAL</b>		\$
Other Rates		NUMBER OF UNITS ( <i>Indicate inch, square, word, folio</i> )	POINT PER 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  
TIMBER CUTTING PERMIT

SALE OF TIMBER, TIMBER CUTTING PERMIT 06-13, ANYWHERE INDIAN RESERVATION. Sealed bids in duplicate on forms provided therefore marked outside, BID FOR TIMBER, TIMBER CUTTING PERMIT 06-13, 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, 2006, for the purchase of merchantable timber designated for removal on Tribal lands within the Anywhere Indian Reservation. The Permit includes approximately 80 acres of timbered land designated for cutting with an estimated total net volume to be cut of 60 thousand board feet consisting of 15 MBF of ponderosa pine sawlogs – scaling segment 12 inches DIB scaling class and greater, and 30 MBF of ponderosa pine sawlogs – scaling segment 11 inches DIB scaling class and smaller, and 15 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, which will be paid for the timber cut and scaled prior to any adjustment rates as specified in the permit. 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.

SAMPLE PROSPECTUS  
TIMBER CUTTING PERMIT 06-13  
ANYWHERE INDIAN RESERVATION

I. INTRODUCTION

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 permit, the permit is final and binding. We urge you to discuss complete permit obligations with the forestry staff at the Continental Agency in Smallville, NM. 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 permit terms at the price bid. The approving officer may conduct financial investigations of bidders.

II. LOCATION

The sale area is comprised of approximately 80 gross acres of which approximately 80 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 section: Sections 1 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 80 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 (12" DIB scaling class and greater) = 15.0 MBF

- b. Total Estimated Volume Small Pine (11" DIB scaling class and smaller) = 30.0 MBF
  - c. Total Estimated Volume Douglas-fir and other species sawlogs = 15.0 MBF
  - d. Total = 60.0 MBF
2. Species
    - Ponderosa pine = 75%
    - Douglas-fir and other = 25%
  3. Average DBH:
    - a. Large Pine = 20.0"
    - b. Small pine, Douglas-fir, 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 530 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 of \$50.000 per thousand board feet gross scale. Woodlogs may be removed at the permittee'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 and Minimum Bid Rates.

1. Ponderosa pine sawlogs, scaling segment 12 inches DIB scaling class and larger (Minimum bid \$200.00/MBF):

- 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 (Minimum Bid \$100.00/MBF):
- 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 (Minimum Bid \$75.00/MBF):
- 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 (Fixed Rate \$50.00/MBF): 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 permit merchantability specifications will be scaled for waste and paid for at double the permit 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 permit are to be cut and removed.

### B. Boundary Designations

The following boundary designations will be used for the permit.

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 permit. 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 permittee is obligated to perform final erosion control on approximately 20 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

The permit period will be for one year from approval date.

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 permit area. 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. PERFORMANCE BOND

The purchaser must provide a performance bond to guarantee performance under the terms of the permit. The form of the performance bond must be acceptable to the Superintendent and may be in the form of:

- A. Corporate Surety.
- B. Cash.
- C. Negotiable U.S. Government Securities.
- D. Irrevocable Letter of Credit from a Federally Insured Institution.
- E. Assigned Savings Account at a Federally Insured Institution.
- F. Tribal Holding Account.

#### XI. SPECIAL PROVISIONS

- A. Minimum Cut

The total sale volume designated for harvest shall be cut and paid for and other provisions of the permit will be completed by the one year anniversary of the permit approval date.

B. Logging Plan

A 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 the permittee, his contractor, subcontractors, or their employees discovers, encounters, or becomes aware of any additional object or site of cultural value on the sale area (historical or prehistorical ruins, graves, or grave markers, fossils or artifacts) the permittee 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.

XII. BIDDING PROCEDURES

Sealed bids, in duplicate on forms provided therefore marked outside, "BID FOR TIMBER, TIMBER CUTTING PERMIT 06-13," 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, 2006 for the purchase of merchantable timber designated for removal on Tribal lands within the Anywhere Indian Reservation. Any further questions regarding the timber cutting permit should be directed to Bud Bark at the Continental Agency, Branch of Forestry (505) 444-3210. Site tours will be conducted upon request. Transportation will not be provided for these trips.

ABSTRACT OF BIDS

ABSTRACT OF SEALED and HIGH ORAL\* BIDS RECEIVED at the, \_\_\_\_\_ Agency, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_ :00 p.m., \_\_\_\_\_, 20\_\_\_\_, for the Sale of Timber designated the \_\_\_\_\_ Logging Unit, \_\_\_\_\_ Reservation.

Timber Species and Product											Total Advertised Value
Quantity and Units											
Advertised Rate/Unit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Value Per Species Product	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SEALED and HIGH ORAL* BIDS RECEIVED PER UNIT BY SPECIES											Total Bid Value
Bid#	Name and Address of Bidder	Bid/Unit									
1											
		Totals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2											
		Totals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3											
		Totals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4											
		Totals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5											
		Totals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ORAL BIDS*											
1											
		Totals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2											
		Totals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3											
		Totals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4											
		Totals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5											
		Totals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

I L L U S T R A T I O N 17

I hereby certify that the bids herewith abstracted and the bids listed on the attached record of oral auction\* are all that were received and that in addition to the bids attached and abstracted on this form., invitations to bid were sent to a list of prospective bidders.

(\*Delete italicized sections if only a Sealed Bid sale.)

\_\_\_\_\_  
DATE

\_\_\_\_\_  
Superintendent

**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.																																			
		<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:15%;">SCALING UNIT</th> <th style="width:15%;">VOL. (UNIT)</th> <th style="width:15%;">VALUE</th> <th style="width:15%;">SPECIES</th> <th style="width:15%;">VOL. (UNIT)</th> <th style="width:15%;">PRICE</th> <th style="width:15%;">VALUE</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr> <td colspan="3">Total</td> <td colspan="2"></td> <td style="text-align:center;"><del> </del></td> <td style="text-align:center;">\$</td> </tr> </tbody> </table>	SCALING UNIT	VOL. (UNIT)	VALUE	SPECIES	VOL. (UNIT)	PRICE	VALUE																						Total					<del> </del>	\$
SCALING UNIT	VOL. (UNIT)	VALUE	SPECIES	VOL. (UNIT)	PRICE	VALUE																															
Total					<del> </del>	\$																															
		<b>D.</b> Estimate of volume of timber to be cut through _____, 20____																																			
		<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:15%;">SPECIES</th> <th style="width:15%;">VOL. (UNIT)</th> <th style="width:15%;">PRICE</th> <th style="width:15%;">VALUE</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr> <td colspan="3">Total</td> <td style="text-align:center;"><del> </del></td> <td style="text-align:center;">\$</td> </tr> </tbody> </table>	SPECIES	VOL. (UNIT)	PRICE	VALUE													Total			<del> </del>	\$														
SPECIES	VOL. (UNIT)	PRICE	VALUE																																		
Total			<del> </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>F.</b>	<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 future deterioration?			
Improvement	Have building improvements been removed and site left in sanitary condition?			
Stream	Has logging debris been removed from stream to permit proper drainage?			
Other Liability	Has damage to land and property been repaired or paid for and all 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/permit 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/permit 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/permit 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/permit 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/Permit 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:** Timber Cutting Permit 06-13  
**DATE COVERED BY PLAN:** April 1, 2006 – March 31, 2007  
**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>NA</b>

**III. Monthly Production Schedule**

<b>MONTH/YEAR</b>	<b>VOLUME (MBF)</b>
April 06	0
May 06	0
June 06	0
July 06	0
August 06	0
September 06	0

October 06	10
November 06	10
December 06	10
January 06	10
February 06	20
March 06	0
<b>TOTAL</b>	<b>60</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	2 Landings/Side
Slash Lopping	Slash generated from the logging of the two 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>	<b>13900</b>	<b>61200</b>	<b>8600</b>	<b>0</b>	<b>83700</b>	<b>0</b>	<b>0</b>	<b>83700</b>
<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 the NW/NW Section 1, Township 14 South, Range 12 East. Refer to the attached map for location.

### **D. Areas Requiring Special Logging Methods and Equipment.**

There is a 21 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 NE corner of the sale area.

As stated in Special Provisions of the Timber Cutting Permit, 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 Permittee. 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 Permittee 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.

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. 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 Anywhere 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 Permittee 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

**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:

_____	_____
Permittee 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.

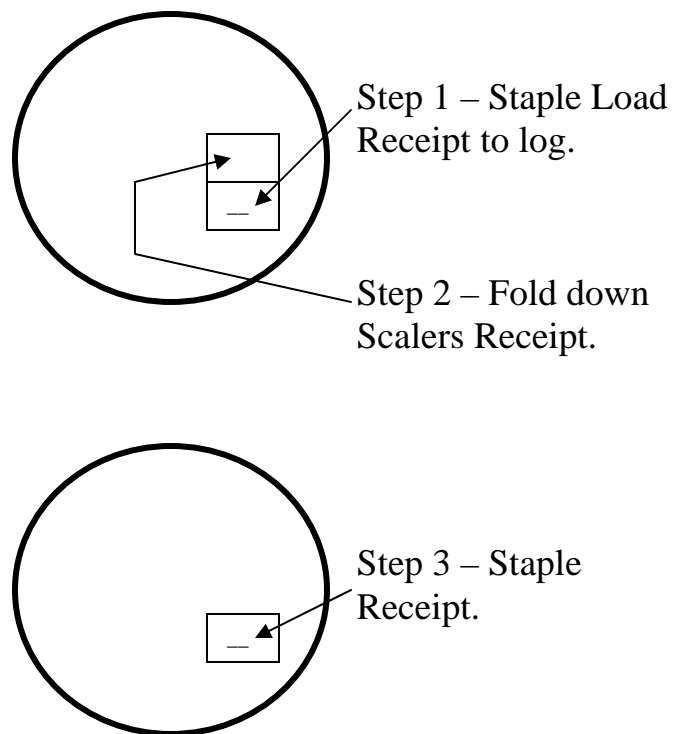
**BOOK NO.**

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## 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	LOG BRAND	No.
U.S. DEPARTMENT OF THE INTERIOR Bureau of Indian Affairs		BLOCK NO.
		SEAL NUMBER
SCALING LOCATION:	NO. OF LOGS	RECEIVED BY:

**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/permit, 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/permit 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.

# TRUCK TICKET SIGN-OUT SHEET

***SALE INFORMATION***

<b>Sale/Contract Site Name</b>	<b>Contract Number</b>	<b>Reservation</b>

***PURCHASER INFORMATION***

<b>Name</b>	<b>Address</b>	<b>Phone Number</b>

I, \_\_\_\_\_, representing, \_\_\_\_\_, hereinafter called the Purchaser, whose address is \_\_\_\_\_, being \_\_\_\_\_, does hereby accept the following terms as they apply to the use and management of Bureau of Indian Affairs Load/Truck tickets (form BIA-5349C) numbers \_\_\_\_\_ through \_\_\_\_\_:

1. Ticket books will remain on the sale with the top portion intact and the other portions removed according to the procedures (*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 weight 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 deposited by the trucker in a "lockbox" before leaving the sale area.*) as well as those identified in the contract, logging plan, and/or consumer scale agreement.
2. If the book is assigned to a particular truck, then the book may accompany the truck. However, all rules as described above must still be complied to, with a portion of the ticket being deposited in the lockbox on the sale before the load leaves the sale area and the middle ticket being submitted to the scaler or weight master at the receiving scale.
3. All portions of the load ticket will be completed before the load leaves the sale area.
4. The header portion of each part of the ticket will include the name of the issuing office.
5. Trucks transporting tribal timber to a mill can and may be stopped and checked to see that the load tickets have been completed and completed properly.
6. In cases where a consumer sale agreement is in place, the middle portion of the ticket will be stapled to the mill scale sheet and both will be returned to the \_\_\_\_\_ Forestry Office via mail, no later than 1 week from the date the load was scaled at the Mill or Yard.
7. In cases where loads are being sent to rail yards, regardless of consumer scale agreements in place, all individual truck loads must have a load ticket with an associated scale slip showing the actual scale of that truck load. Load tickets are not applicable to rail card loads and one ticket is not applicable to multiple truck loads. Therefore, individual scale slips are required for each individual truck load.
8. Upon completion of harvesting, all unused tickets will be returned to the \_\_\_\_\_ Forestry Office prior to the closing of the sale and distribution of funds.
9. Any tickets not accounted for will result in a charge to the Purchaser, \_\_\_\_\_, of a value equal to an average truck load for the sale, but not less than \$100 per ticket. This amount will be subtracted from the Purchaser's advance deposit or performance bond.

\_\_\_\_\_  
Signature of Purchaser

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Forester Officer

\_\_\_\_\_  
Date

SAMPLE CONSUMER SCALE AUTHORIZATION

For

Purchaser: \_\_\_\_\_

Timber Contract/Permit No: \_\_\_\_\_

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

It is mutually agreed that the forest products listed below, produced under the authority of the above designated timber sale contract/permit 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/permit 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

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Approving Officer Signature

---

Signature

---

Title

Title: \_\_\_\_\_

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

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

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## 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 an appeal is not filed in the specified time, 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 an appeal is not filed in the specified time, 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 CUTTING PERMIT\_\_\_\_\_**

\_\_\_\_\_  
\_\_\_\_\_  
**LOGGING UNIT  
RESERVATION**

**WHEREIN**, the Superintendent, \_\_\_\_\_ Agency, approved Timber Cutting Permit \_\_\_\_\_, \_\_\_\_\_ Logging Unit between \_\_\_\_\_, Seller and \_\_\_\_\_, Permittee on \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_

**WHEREAS**, in accordance with terms of the permit, the permittee shall cut and remove all designated timber and complete all other obligations on or before \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_

**WHEREAS**, following the completion of the “cut and pay” obligation of the permit, 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 permit has requested the inclusion of additional timber and an extension of the permit expiration date, and \_\_\_\_\_

**WHEREAS**, it is mutually beneficial to the Seller and the Permittee to add additional designated timber and to extend the expiration date of the permit. \_\_\_\_\_

**NOW, THEREFORE, IT IS HEREBY AGREED**, additional timber will be designated and re-logging will occur on selected areas within Timber Cutting Permit \_\_\_\_\_, and the expiration date will be extended by \_\_\_\_\_ months to \_\_\_\_\_, \_\_\_\_\_.

**FURTHER**, it is agreed that this modification is without penalty, and that process and price adjustments will occur as originally specified in the permit. \_\_\_\_\_

**FURTHER**, it is agreed that the waste utilization scale on the original harvest volume will be conducted using the original expiration date. \_\_\_\_\_

**FURTHER**, it is mutually understood and agreed that except as herein expressly modified, the timber permit shall remain in full force and effect and binding upon the parties hereto, and this Modification of the Permit shall become effective upon approval by the Approving Officer. \_\_\_\_\_

SIGNED: \_\_\_\_\_  
Permittee

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

AUTHORIZED: \_\_\_\_\_  
Landowner Representative

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

APPROVED: \_\_\_\_\_  
Approving Officer

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

\_\_\_\_\_  
Title

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
Bureau of Indian Affairs  
STATEMENT OF COMPLETION OF TIMBER PERMIT**

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>_____</p> <p>_____</p> <p>_____ , _____</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>_____</p> <p>_____</p> <p>_____ , _____</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>_____</p> <p>_____</p> <p>_____ , _____</p>
Species & Products	Volume & Unit Of Measure			
Total				
Administrative Deduction				
Net Amount Paid to Owners				
Unrestricted (Included in "Total")				
Remarks:				

Illustration 32



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS

PIECE NUMBE	L.	DIAM.	GROSS SCALE	1	2	3	4	5	6	7	8	9
1		/										
2		/										
3		/										
4		/										
5		/										
6		/										
7		/										
8		/										
9		/										
0		/										
1		/										
2		/										
3		/										
4		/										
5		/										
6		/										
7		/										
8		/										
9		/										
0		/										
1		/										
2		/										
3		/										
4		/										
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 34





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 \_\_\_\_\_

(Name of purchaser)		(Name of unit)			
SPECIES	Timber scaled	No. of Pieces	Volume	Price	Value
	Reported to _____			X	
	Since last report _____			X	
	Total to date _____	0	0	X	0
	Reported to _____			X	
	Since last report _____			X	
	Total to date _____	0	0	X	0
	Reported to _____			X	
	Since last report _____			X	
	Total to date _____	0	0	X	0
	Reported to _____			X	
	Since last report _____			X	
	Total to date _____	0	0	X	0
	Reported to _____			X	
	Since last report _____			X	
	Total to date _____	0	0	X	0
Total All Species	Reported to _____	0	0	X	0
	Since last report _____	0	0	X	0
	Total to date _____	0	0	X	0

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 _____			X	
	Total to date _____	0	0	X	0
	Reported to _____			X	
	Since last report _____			X	
	Total to date _____	0	0	X	0
	Reported to _____			X	
	Since last report _____			X	
	Total to date _____	0	0	X	0
	Reported to _____			X	
	Since last report _____			X	
	Total to date _____	0	0	X	0
	Reported to _____			X	
	Since last report _____			X	
	Total to date _____	0	0	X	0
	Reported to _____			X	
	Since last report _____			X	
	Total to date _____	0	0	X	0
Total All Species	Reported to _____	0	0	X	0
	Since last report _____	0	0	X	0
	Total to date _____	0	0	X	0
			Advance Payments.	Advance Deposits	
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.