

Conditions of Concern

Regarding

Current Malheur National Forest Management Practices

February 18, 2018

The following conditions of concern and questions regarding management practices on the Malheur National Forest are brought forward here to hopefully shine a light on certain inconsistent or inappropriate practices in policy and in field operations. These practices show signs which appear to be beneficial to some operators to the detriment of other operators and to the local community.

These questionable practices will be listed knowing that there are overlapping and inter-tonguing areas where practices affect multiple types of operations and harvest objectives.

As a result of number 13 below we have volunteered to write down their concerns and present them widely so that changes may be made in these processes outlined below that will improve practices and give some equity to the timber industry in our area of the Malheur National Forest.

Stewardship Programs (SP), Stewardship Grants (SG) and Timber Sales

1. Stewardship revenues go to the General Fund and not to the local communities. A Recent stewardship program in Harney County harvested around 200 MM board feet of timber with No revenues going to the County.
2. There is no revenue sharing on biomass. A recent SP paid the contractor for the thinning of biomass and then the contractor owned the biomass to sell at a time of his choosing.
3. There is no stumpage charge for merchantable trees in the recent SP's. The contractor essentially is getting paid twice for the work he is doing.
4. A recent large SP paid the contractor by equipment hour vs by loads or board feet of production. This system is a virtual invitation for billing abuse and is difficult if not impossible to audit.
5. SP sizes and time limitations are such that a small operator is at an extreme disadvantage or simply unable to bid on these. Timber sales can do the same kinds of things as SP's but can be let out on a smaller scale, so more small operators will have a chance to successfully bid on them. In addition, the revenues from timber sales return back to the local county.
6. The practice of letting SG's and contracts based on "best value" vs cost to the public, lends itself to highly subjective and often blatant cronyism or nepotism. The quality of the work can be controlled by proper oversight and sale requirements. Opening these contracts up to multiple operators both makes the costs more competitive and builds a larger contractor base and industry.
7. The letting of large, longer term SG's to single larger contractors essentially gives them a monopoly on the mill. The mill will be dictated to by the large contractor so the smaller contractor may or may not ever see a mill contract for the duration of the large SP.
8. Recent SP's have allowed the contractor to mark his own trees which again leads to the perception, if not reality, of abuse by the contractor. Again here, timber sales are marked by the agency and thus there is opportunity for oversight and audits of the harvest.
9. It has been stated that SP's do not have to be advertised in the local media but only via the internet. Timber sales must be advertised in the local paper and other available media. Both SP's and timber sales should be advertised the same in order for all to have fair notification.

10. On some SG's and Timber sales the contractor is allowed to trade service work for timber. The agency then turns around and writes a 1099 for the entire stumpage and the contractor also gets a 1099 from the logs hauled to the mill. This is double taxation.
11. On a timber sale the agency marks the sale with no quality control on the marking team. Often there are trees marked with no stump shots. Missing one stump shot per 100 trees creates a huge potential liability for the contractor over the entire sale.
12. In some cases, non-merchantable (crooked, split or forked) trees are marked on the stump the same a good tree?
13. **Maybe the most troubling of all this is that the industry has been weakened to the point where the remaining small loggers are afraid of reprisals against them if they raise complaints about unfair or negligent practices exercised by the regulating agency. Without the ability to trust that their concerns will be fairly treated they have, or perceive to have, no way to stand up for their valid rights as contractors!**

Questions that need to be asked about Stewardship and Timber Sale programs

1. Why is there no revenue sharing on the biomass when the contractor is already paid to remove it?
2. What part do non-profits have in the revenue stream off a stewardship grant?
3. Who audits the SP performance and the stewardship program invoicing?
4. Why is it necessary to create long term stewardships when the chance to monopolize the mill contracts is so likely?
5. Why can't timber sales contain the same service work and biomass conditions as a stewardship program?
6. Why is acreage often added to a timber sale in order to qualify it for a Stewardship Program?
7. Why is the agency allowed to tax the contractor for stumpage that the contractor already traded to the agency for service work?
8. Why is there a practice to advertise stewardship programs differently than timber sales?
9. Why is there insufficient quality control on timber sale marking by the agency?
10. Why is there often no stump differentiation between a good merchantable tree and a non-merch tree??

We believe the local counties, the USFS and the USBLM need to take a close look at these concerns and establish a process to correct or modify these programs so that the use of our forest resources is for the maximum benefit of the community, its working force and its people rather than a few select operators.

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