

POLICY STATEMENT for the  
LAKEVIEW FEDERAL SUSTAINED YIELD UNIT  
as AMENDED on (05/18/12)

**I. Introduction**

This Statement, as authorized by existing law and consistent with the Fremont National Forest Plan, revises the policy governing the management of the Lakeview Federal Sustained Yield Unit (Unit). Specifically, this Statement revises the policy previously in effect, dated January 11, 2001; establishes the manner in which the goals and purposes of the Sustained Yield Forest Management Act of March 29, 1944 (58 Stat. 132; 16 USC 583-583i) (the Act), and the Lakeview Federal Sustained Yield Unit (the Unit) will be met; and establishes the criteria that will be used to review the Unit policy and to determine whether the goals and purposes of the Act and the Unit are being achieved.

**II. Purpose of Unit and Goals of the Unit Area**

A. The Sustained Yield Forest Management Act of March 29, 1944 (58 Stat. 132; 16 USC 583-583i) (the Act) authorized the establishment of sustained-yield units to, among other things, promote the stability of forest communities through continuous supplies of timber and forest products, and to "secure the benefits of forests in maintenance of water supply, regulation of stream flow, prevention of soil erosion amelioration of climate and preservation of wildlife."

B. The Lakeview Federal Sustained Yield Unit was established by the Chief of the Forest Service on October 10, 1950, to implement the Act in the communities of Lakeview, Oregon and Paisley, Oregon pursuant to 16 U.S.C. 583b. The Unit was established in recognition of the important interrelationship between the Fremont National Forest and the local communities of Lakeview, Oregon and Paisley, Oregon, and the need to promote their economic stability. However, the understanding of this relationship has broadened greatly. This Policy Statement recognizes that the forest must be treated with a new respect and that sustainability requires holistic solutions. It also acknowledges that community economic stability is dependent on a healthy forest and that the responsibility for creating and maintaining this health requires new relationships and collaboration, with commitments from everyone to work toward ecological, social, and economic sustainability.

The specific purpose of the Lakeview Federal Sustained Yield Unit is to maintain economic stability in the Lakeview and Paisley communities through the sale of timber or forest products from federally owned or administered land. This revised Policy Statement reiterates the need to promote community stability and employment through the forest products industry. Applicable provisions to effectuate this Policy Statement will be included, as conditions of sale, in timber sale agreements for the sale of National Forest timber in the Unit.

In addition to establishing policy to maintain economic stability in the Paisley and Lakeview communities, this Policy Statement also is consistent with all applicable laws, policies, and the



Fremont National Forest Land and Resource Management Plan. The following goals and monitoring criteria are intended to promote a sustainable forest ecosystem within the Unit Area:

1. Sustain and restore a healthy, diverse, and resilient forest ecosystem that can accommodate human and natural disturbances.
2. Sustain and restore the land's capacity to absorb, store, and distribute quality water.
3. Provide opportunities for people to realize their material, spiritual, and recreational values and relationships with the forest.

Section III of this Policy Statement establishes the manner in which the Forest Service will manage the Unit to achieve the goals and criteria set out in this Statement, and the manner in which the Forest Service will review and monitor the Unit to determine whether the goals of this Policy Statement are being met.

### **III. Limits of Manufacture Area**

To ensure the economic stability of the Paisley and Lakeview communities and to ensure active competition for National Forest System timber sold within the Unit, the manufacture of certain timber and other material must occur within the Unit. This requirement will ensure that receipts from the manufacture of timber and other products directly benefit the local community through the creation and retention of forest product industry jobs needed to manufacture the material. This requirement also will promote the local economic base through the infusion of money into Unit businesses. Therefore, and except as otherwise provided, all material sold for commercial use from National Forest System land within the Unit that meets sawlog utilization standards, must be manufactured within (a) the Lakeview community, which is defined as the town of Lakeview and the adjacent area within a radius of six miles of the Lake County Courthouse; or, (b) the Paisley community, which is defined as the town of Paisley and the adjacent area within three miles of the center of town. Material not meeting sawlog utilization standards specified in the timber sale or stewardship contract authorizing the sale of National Forest System timber may be processed anywhere on site within the Unit.

Exceptions to the foregoing manufacturing restrictions will be made by the Forest Supervisor only: (1) to meet serious emergencies requiring the removal and utilization of timber at rates which are in excess of the capacity of manufacturing facilities in the Lakeview and Paisley communities; (2) to permit the removal and use of timber from rights-of-way over National Forest System land granted to operators whose plants are situated outside of the Lakeview and Paisley communities; (3) to facilitate the economic harvesting of isolated tracts of small amounts of timber closely associated with privately owned timber; (4) to make timber available, in amounts not exceeding five percent of the timber available for cutting during any period, for small mills within or near the Unit when primary manufacture at such points is cost efficient; (5) to remove material or species unsuitable for sawlog material<sup>1</sup> which may be utilized as pulp or

---

<sup>1</sup> Unsuitable for sawlog material means material that does not meet utilization standards for sawtimber in the timber sale contract.



products other than sawlogs, for which no market exists within the manufacturing area; (6) to remove dead timber resulting from fire, wind throw, insects, diseases, or other causes when following usual sale procedures would result in a significant loss to the Government through deterioration of the timber involved; (7) to consummate exchanges of land which do not reduce the amount of timber available for sale in the Unit; (8) to remove timber that has been previously offered for sale within the Unit and upon which no qualified bids were received; provided that no such sale will be offered outside the Unit until the appraisal has been reviewed by the Forest Supervisor.

#### **IV. Procedures of Manufacture, Processing, Further Manufacture and Remanufacture**

##### **A. Manufacture**

The term manufacture as used herein describes the procedures for the primary or first stage processing of logs by sawmills and veneer plants.

In sawmills, primary or first stage processing is the manufacture of rough green lumber products and sorting into various dimensions and lengths of lumber products at the green chain.

In veneer plants, primary or first stage processing is considered to be the manufacture of logs into green veneer ready for shipping. The dimensions of the green veneer are such to allow for the finished manufacturing of plywood or paneling.

##### **B. Processing**

First stage processing for whole log chipping facilities is the production of wood chips ready for transport. Material not meeting sawlog utilization standards specified in the contract governing the sale of timber or other products may be processed outside of the manufacturing areas, but inside the Unit.

##### **C. Further Manufacture**

The term "further manufacture" is the processing of lumber to the greatest practical degree pursuant to Appendix II-C.

##### **D. Remanufacture**

The term "remanufacture" is the processing of products beyond further manufacture and beyond the production of green veneer, chips, sawdust, bark, and other such materials.

#### **V. Forest Products Excluded from Manufacturing or Processing**

The following forest products will be excluded from the foregoing manufacturing or processing stipulations:

- A. Christmas trees,
- B. Pine cones, forest greens, etc.,
- C. Resin bearing material (stumps), and



D. Fuelwood for domestic use, posts, poles, pilings, house logs, and similar other products.

## **VI. Sale of Timber**

Timber will be offered for competitive sale from the National Forest System lands in the Unit in accordance with applicable laws, regulations, and policy including Forest Service directives contained in Forest Service manuals and handbooks.

In addition to other requirements for purchasers of National Forest timber, and unless the Forest Supervisor authorizes other actions pursuant to this Unit Policy Statement, timber from National Forest lands within the Unit shall be sold only to bidders who: (1) agree to comply with sections three (III) through seven (VIII) of this Unit Policy Statement and, (2) make a satisfactory showing of ability to meet the requirements in the Unit Policy Statement.

Such showing will be made when the bidder has:

1. Demonstrated from previous calendar-year's actual accomplishments that all Unit Policy Statement requirements have been met; or,
2. A written agreement with a Unit operator which is acceptable to the Forest Service to meet these requirements or,
3. Plans accepted by the Forest Service to meet these requirements.

The sale program for the Unit will be designed to obtain active competition for the purchase of the timber and efficient logging and manufacturing operations of varying sizes.

Unless approval by the Regional Forester is given in advance, purchasers who have been awarded sales within the Unit shall not bid on, or otherwise become involved in, other offerings of National Forest timber outside the Unit for primary manufacture within the Unit or within the Lakeview or Paisley communities. Biomass/chips/hogfuel processed outside the Unit may be delivered into the Unit.

National Forest timber will continue to be available in sufficient amounts to satisfy the needs of bona fide settlers, miners, residents, and prospectors for minerals, for personal and domestic use, in accordance with existing laws, regulations, and Forest Service policies.

## **VII. Harvest Scheduling**

Harvesting will be scheduled based upon ecosystem analysis at the watershed scale (watershed analysis) and site-specific analysis of proposed actions intended to promote ecological and watershed health, consistent with the Forest Plan. Timber resources will be produced within the capability of sustainable ecosystems to achieve the purpose and goals of this policy statement.

## **VIII. Unit Manufacture, Further Manufacture, and Remanufacture**

The economic stability of the communities of Lakeview and Paisley will be furthered by the removal and utilization of trees and other vegetative material resulting from stand treatments to improve forest health and reduce high intensity fires, and from sawdust and waste material from



the manufacturing processes at sawmills and veneer plants. Economic stability inside the unit can also be improved by further manufacture and remanufacture of the products of primary processing. Additionally, increasing the value of wood products to the greatest extent possible before leaving the community and sold to markets will maximize the monetary return to the communities. The result will be the expansion of business enterprises, and employment and training of local workers, all of which will further enhance the economic stability and well-being of the communities of Lakeview and Paisley.

To this end, each Purchaser of National Forest timber from the Unit is required to further manufacture their lumber products in the Unit to the greatest practical degree.<sup>2</sup> All material that can be remanufactured within the Unit will be available for sale at competitive prices<sup>3</sup> to other Unit processing concerns. Such material, when offered but not purchased, may be shipped out of the Unit.

Further manufacturing and remanufacturing of primarily processed veneer, whole log chipping products, and other wood fiber (non-lumber) products, are encouraged within the Unit.

In conducting timber harvesting activities, related road construction work, and in Unit manufacturing and further manufacturing operations, local labor and local contractors will be employed by Unit purchasers in so far as practical.<sup>4</sup>

## **IX. Unit Review and Monitoring**

A review of the Unit and Unit Area will be accomplished during the Forest Planning Process, and shall be based on information supplied by purchasers and manufacturers of timber sold from within the Unit (see Appendix I). In addition, a Unit review will be undertaken when closure of all manufacturing facilities occurs in both Lakeview and Paisley. The Forest Service will analyze progress toward achieving the purpose and goals set forth in Section II of this policy statement as outlined below in subparts A and B. The results obtained from the analysis of the application of these policies in the management of the National Forest will help determine whether the objectives of the Unit and Unit Area are being attained.

### **A. Unit Review**

All Purchasers are required to provide the information described in Appendix I.

Each Unit review will include, but will not be limited to:

1. Output offerings and harvest during the analysis period.
2. The extent to which Unit purchasers buy Unit sale offerings.

---

<sup>2</sup> See Appendix II C

<sup>3</sup> See Appendix II A (2)

<sup>4</sup> See Appendix II A and B

3. The extent to which National Forest timber from the Unit is further manufactured and remanufactured in the Lakeview and Paisley communities.
4. The extent to which local labor is employed.

## **B. Review of Unit Area**

Each Unit Area review will include, but will not be limited to:

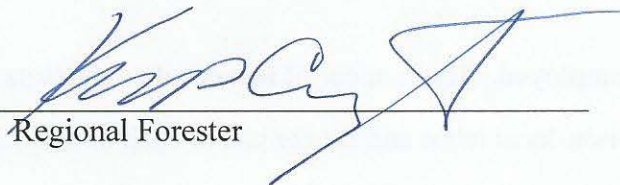
1. The extent to which management activities sustain and restore a healthy, diverse, and resilient forest ecosystem that can accommodate human and natural disturbances including progress toward:
  - a. Restoring stand-maintenance fire regimes where they historically occurred.
  - b. Maintaining and restoring habitat for focal species.
  - c. Sustaining and restoring healthy soil ecology.
  - d. Restoring forest conditions that approximate historical species composition and stand ages.
  - e. Eliminating, where possible, and controlling the spread of invasive and non-native species (especially noxious weeds).
2. The extent to which management activities sustain and restore the land's capacity to absorb, store, and distribute quality water including progress toward:
  - a. Managing upland vegetation to maintain and restore water and moisture absorption, retention, and release capacity over time.
  - b. Reducing road density and improving remaining roads to minimize impacts on water quality and flow.
  - c. Maintaining and improving aquatic and riparian habitat for native species.
  - d. Lowering stream temperature and sediment loads.
  - e. Improving biophysical structure of soils.
3. The extent to which management provides opportunities for people to realize their material, recreational, and spiritual values and relationships with the forest including:
  - a. Providing opportunities for firms and individuals to realize economic benefits from innovative contractual mechanisms and technologies focused on linking stewardship activities and community well-being.
  - b. Analyzing earnings and benefits of workers and businesses contracted to implement ecosystem management.



- c. Designing contracts to promote opportunities for year-round, long-duration, stable employment.
- d. Designing contracts for services and sales of products to be accessible and attractive as possible to local firms and individuals to the extent permitted by existing authorities and where it will help management objectives.
- e. Designing product sales and service contracts to promote local participation of vendors and purchasers by offering sales and contracts that are diverse in size, type, term length, and seasonal distribution.
- f. Promoting a local business environment that can take advantage of the products and services of ecosystem management (e.g. small diameter and under-utilized species).
- g. Protecting and maintaining areas of cultural significance within the forest.
- h. Improving opportunities for people to fish, hunt, and view nature.
- i. Promoting environmentally responsible recreation.

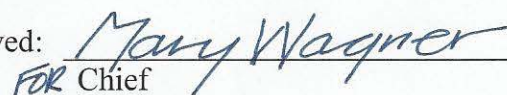
If it appears that the purpose of the Unit is not being substantially achieved, a public hearing will be held to consider proposals to correct the unsatisfactory conditions. If such hearing fails to identify reasonable approaches to meet the purpose of the Unit contemplated by the Act of March 29, 1944 (58 Stat. 132; 16 USC 583b), the declaration establishing the Unit may be revoked. If it is determined that the purpose of the Unit is being met, the program outlined in the Policy Statement may be continued without interruption or substantive change. The goals for the Unit Area may be reviewed and revised in accordance with the collaborative processes set forth in the Fremont National Forest Plan, and all other applicable law and policy.

Submitted:

  
Regional Forester

7/24/2012  
Date

Approved:

  
FOR Chief

8.3.2012  
Date

**Appendices to the  
Lakeview Federal Sustained Yield Unit Policy Statement  
Appendix I**

Monitoring

The Purchaser of National Forest timber from the Unit shall annually provide necessary business records which have been certified by a Certified Public Accountant. The Forest Service shall analyze the records to determine the following:

- 1) Primary manufacturing accomplishment in thousands of board feet MLT (Mill Lumber Tally) for lumber, square feet 3/8-inch basis for veneer and bone dry units for whole logs chips by species.
- 2) Further manufacturing accomplishments by MLT volume processed by species and grade:
  - a. Surfaced (S2SY)/dry
  - b. Rough/dry
  - c. Rough/green
  - d. Other condition
- 3) Volume of material remanufactured by Unit Purchasers including chips from all residues.
- 4) Volume of material by species and grade sold in the Unit for remanufacturing.
- 5) Volume of chips produced from other than whole logs in bone-dry units and volume of hog fuel in bone dry tons.<sup>5</sup>
- 6) Percentage of the local labor force working in logging, road construction, manufacturing, and further manufacturing. This includes labor working for contractors, subcontractors, and or other agents.
- 7) Number of local contractors employed. The number of non-local contractors employed.
- 8) Document reasons for use of non-local labor and for the use of each non-local contractor.

In addition, records documenting both the availability and the sale of products or material will be maintained by Unit purchasers and will be provided to the Forest Service upon request.

---

<sup>5</sup> Chips: Bone dry unit is 2,400 pounds, dry basis. Hog Fuel: Bone dry ton is 2,000 pounds, dry basis.



## Appendix II

### A. Glossary of Terms

1. *Green Chain* – conveyor belt from which freshly sawn lumber is sorted by grade.
2. *Local Labor* - Individuals with the knowledge and skills, or the capacity to acquire them, to be employed in businesses performing land management vegetative treatments, or the manufacturing of wood products, within Lake County, or within 35 air miles of the Lake County Courthouse.
3. *Local Contractors* - Contractors that have a continuing operating headquarters (home or office) within Lake County, or within 35 air miles of the Lake County Courthouse.
4. *Competitive Price* - Means the price that a willing seller, who is not compelled to sell, would accept and a willing purchaser, who is not compelled to buy, would pay. In cases of dispute of whether the price to buy or sell wood products is a *Competitive Price*, and is brought to the Forest Service for resolution, the following will be used as a guide: Prices not to exceed 105 percent of the prices paid for similar material sold by Unit mills from previous week's transactions, or in the event that the records of such recent transactions are inadequate, transaction evidence as currently published in Random Lengths or similar publications will be used to decide the competitiveness of the offered price to buy or sell wood products.
5. *Plan* - Means the Fremont National Forest Land and Resource Management Plan, as amended or revised.

### B. Unless otherwise agreed to, "practical" means:

1. *Timber harvesting* - Available and capable to complete the project at no more than Forest Service appraised estimates plus the pro rata share of the appraised profit and risk estimate and at standards and specifications set forth in the timber sale or stewardship contract.
2. *Road construction* - Available and capable to complete the project at no more than Forest Service appraised estimates plus the pro rata share of the appraised profit and risk estimate and at standards and specifications set forth in the timber sale or stewardship contract.

### C. Definitions of the minimum requirement for further manufacturing to the "greatest practical degree:"

- 1) For ponderosa pine, white pine, and sugar pine:

<u>Grade</u>	<u>Degree of Manufacturing</u>	
Molding Stock	Dry	100%
All shop	Dry	100%
	Surfaced (S2S)	90%
All other grades	Dry	95%
	Surfaced (S2S)	95%



- 1) For white fir and lodgepole pine:

<u>Grade</u>	<u>Degree of Manufacturing</u>	
All grades	Surfaced (S2S)	90%

- 3) For incense cedar or structural grade timbers:

<u>Grade</u>	<u>Degree of Manufacturing</u>	
All	Rough green	100%

- 4) Railroad ties:

<u>Grade</u>	<u>Degree of Manufacturing</u>	
All grades and species	Rough green	100%

Or

- 5) For all species, 5 man-hours per 1,000 board feet.