



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Oregon State Office

P.O. Box 2965

Portland, Oregon 97208



**In Reply Refer to:**

5400 (OR-931) P

November 1, 2007

EMS TRANSMISSION 11/21/2007

Instruction Memorandum No. OR-2008-020

Expires: 9/30/2009

To: All District Managers

From: State Director, Oregon/Washington

Subject: Partial Delegation of Authority to Conduct Scale Timber Sales and Associated Direction for Conduct of Scale Timber Sales

**Program Area:** Timber sale program, Preparation for sale

**Purpose:** The purpose of this Instruction Memorandum (IM) is to: (1) delegate authority for districts to conduct certain scale timber sales without direct approval by the State Director and (2) provide direction for the conduct of scale timber sales.

**Policy/Action:** For the purposes of this IM, the following definitions will apply:

- *Timber* means standing trees and downed trees or logs, which are capable of being measured in board feet or tons.
- *Sawlog* means logs which meet the prescribed minimum merchantability standards to be included in a timber volume estimate as net merchantable sawlog volume.
- *Third party scaling* means the measurement of logs by a scaling organization, other than a Government agency, approved by the Bureau of Land Management (BLM).

## A. REGULATORY DIRECTION

1. Lump sum tree measurement shall remain the principle method of selling timber. Lump sum sales are the required "default" method of measuring and selling timber unless scale timber sales can be justified as being in the best interest of the public. If appropriate rationale does not exist for a scale sale, districts must revert to the default (refer to 43 CFR §5422.2 (a)).
2. Third party scaling may be ordered by the BLM after a determination that all of the following factors exist (43 CFR §5422.2 (b)): (a) a timber disaster has occurred; (b) a critical resource loss is imminent; and (c) tree cruise measurement practices are inadequate to permit orderly disposal of the damaged timber. The BLM may also

order third party scaling (factors (a) through (c), above, need not apply) by scalers or scaling bureaus under contract to BLM for the scaling of density management timber sales when the quadratic mean diameter of the trees to be cut and removed is equal to or less than 20 inches. “Density management” is a broad term that includes differing forms of partial cutting, such as commercial thinning.

## B. PARTIAL DELEGATION OF AUTHORITY

1. District Managers are delegated the authority to authorize scale sales in their districts for Designation by Description (DxD)/Designation by Prescription (DxP) thinning or density management sales, fiber/biomass sales, and salvage sales when it is in the best interest of the public.
2. All other scale sales (e.g., regeneration sales) remain subject to the approval of the State Director (OR-910). The authority to approve certain scale sales as described in this IM will terminate on the expiration date of this IM, unless it is extended.

## C. CONDUCT OF SCALE TIMBER SALES

1. For any scale timber sales, the Contracting Officer must document in the sale file a determination of regulatory compliance and best interests of the public, and notify OR-931 of the intent to proceed with a scale sale at least 90 days prior to the publication of the sale notice. For westside districts, designation in the first draft of each Westside Annual Sale Plan (approximately April of the previous year) would provide sufficient notification. Examples of acceptable interest-of-the-public rationale for a DxD/DxP scale sale are: (a) testing of a new procedure for cost effectiveness of sale preparation and administration, (b) expectation of lower cost of sale preparation and administration, or (c) accomplishment of a greater acreage of priority treatment.
2. In cases where greater cost effectiveness of a DxD/DxP scale sale, versus lump sum with tree marking, is the rationale for best interest of the public, the Government costs of preparing and administering the sale will be tracked by the district sufficiently to establish a “track record” of greater cost effectiveness. Compared to lump sum, the savings are not marking the timber and cruising at the lower intensity; and the additional costs are administering the DxD/DxP tree falling, ensuring log accountability, and conducting the scaling.
3. DxD/DxP scale versus lump sum should represent less risk to the purchaser. For such sales, the Basic Profit and Risk Rate shall be five percent, with Additional Risk Rates of one to three percent being applicable.
4. Only certified federal government scalers will be permitted to scale BLM commercial sawlogs for purposes of sale unless third party scaling is permitted. Acceptance of “company scale,” i.e., scale data from scalers in the direct employ of the purchaser, is not permitted. When contracted third party scalers are scaling for the BLM, certified Federal Government Check Scalers must be used to inspect (check scale) the

contractors. This level of scaling certification is also required for government employees scaling sawlogs disposed of in a 100% scale timber sale.

5. Districts will place an emphasis on employing or obtaining sufficient numbers or assistance of certified check scalers to meet their identified scaling needs. The westside districts are required to have at least one certified check scaler on board. Eastside districts should coordinate with the State Scaler for scaling assistance. An important consideration for a contracting officer when planning a scale timber sale is determining how the scaling or check scaling will be accomplished by certified check scalers. All costs for scaling will come out of the district's existing base budget, unless other arrangements are negotiated with the State Office.
6. It is recommended that the District Cruiser/Appraiser be appointed for coordination of scaling workload and to review contract provisions and exhibits governing scaling to ensure the necessary quality.

#### D. SCALING METHODOLOGY

1. All scale sawlog sales with an average cut tree diameter at breast height (DBH) greater than six inches shall be scaled with one of the following methods:
  - a. 100% scale (board foot scaling of all loads)
  - b. sample scale (board foot scaling of a sample of the loads)
  - c. sample weight scale (weighing of all loads; board foot scaling of a sample of the loads to determine a rolling average weight to volume ratio)
2. 100% weight scale (no board foot scaling of sample weighed loads) is reserved for only small log (maximum average cut tree DBH of six inches) disposal, fiber/biomass disposal (maximum average DBH of six inches), juniper stand treatments, and residual material salvage. Residual material salvage (i.e., landing residue) is comprised of woody material that was deemed as non-merchantable tops, limbs, and non-merchantable logs from a previous harvest entry. There is no diameter limitation on material harvested from juniper stand treatments and residual material salvage, nor for chip and saw material (also known as hew wood on the eastside). Diameter limitations on juniper trees may be established in the future as more information is gathered on juniper markets.
3. The usual requirement of a maximum sampling error for sample scaling is two percent. To increase the feasibility of sample weight scale, the following maximum sampling errors will be permitted:
  - a. four percent for average cut tree diameters up to eight inches
  - b. three percent for average cut tree diameters from eight up to 10 inches
  - c. two percent for average cut tree diameters 10 inches and greater
4. The determination of scaling method can be made on a cutting area basis versus on an entire contract. The State Scaler will be consulted in all sawlog scaling situations considering sample scaling.

## E. PROPER LOG UTILIZATION AND ACCOUNTABILITY

1. On a lump-sum timber sale, title passes on timber not otherwise reserved when the logs are removed from the contract area and paid for. The purchaser has an economic incentive to not to leave merchantable timber on the site or waste timber during the falling and yarding process. On scaled timber sales, the purchaser only pays for what is hauled and scaled, so there is less incentive to remove every merchantable log. The BLM contracts will require additional provisions to address timber utilization standards. These utilization standards will be specified in Exhibit B for scale timber sale contracts. Exhibit B of the contract shall be submitted to the State Scaler for review and approval prior to sale advertisement. The State Scaler has a sample Exhibit B available for use.
2. Proper utilization of sawlogs, i.e., the removal of all logs above the minimum merchantable piece size specified in Exhibit B, is best addressed by contract administrators as yarding progresses. Ensuring ongoing compliance avoids the necessity of a scaler covering the ground to scale logs for a penalty scale calculation. Penalty scaling must be conducted by a scaler certified at the Woods Scaler level or above.
3. Log accountability is an important consideration when conducting scale sawlog sales. All log loads must be accounted for and all provisions of Exhibit B, such as preclusion of weekend logging, must be strictly enforced. The Ticket Tracker application is useful for tracking of log loads and for the determination of scaled volume removed monthly for billing purposes.

## F. FORMS AND PROCEDURES

1. Procedures, standards, and forms associated with conducting scale sawlog disposal have been established and are maintained by the State Scaler. This includes guidance for conducting sample scaling, changing log sorts, transferring ticket books, and scaling lost products.
2. A Scaling Authorization Form, which is produced by the Ticket Tracker Application, lists the approved scaling sites associated with a particular contract. This form shall be completed no later than the pre-work conference.
3. Documentation of sample group information is vital to ensure proper accountability of sawlogs to be removed. The Contract Scale Information Form, also produced by the Ticket Tracker Application, shall be used to document the attributes associated with each sample group.
4. The Memorandum of Agreement for Yard Scaling shall be executed prior to utilizing any mill yard associated with a contract. Execution no later than the pre-work conference is preferred if all mill sites have been identified at that time. When the purchaser changes the log sorts/mill locations, he/she must execute a new Memorandum of Agreement for Yard Scaling for each scale yard being utilized.

5. In the event of an addition or change in log sorts and mill location(s), contract language shall provide that the purchaser notify the BLM three days prior to hauling logs to a new location so the necessary revisions to the Scaling Authorization and Memorandum of Agreement for Yard Scaling can be executed prior to hauling.
6. A copy of the original and changes to the Scaling Authorization and/or Memorandum of Agreement for Yard Scaling shall be supplied to the State Scaler for overall coordination of scaling activities.
7. The Second Growth Taper Rules for Butt Cut Logs are used to standardize taper for second growth timber within the different districts in Oregon and Washington (and in Idaho and Northern California). Taper Rules for old-growth timber have been distributed and have been commonly applied by BLM employees when scaling logs.

**Timeframe:** This delegation and direction become effective immediately.

**Budget Impact:** Potential for significant cost savings exist.

**Background:** When preparing timber for sale, 43 CFR Ch. II Subpart 5420.0-6 states: “Measurement shall be by tree cruise, log scale, weight, or such other form of measurement as may be determined to be in the public interest.” Subpart 5422.1 states: “As the general practice, the Bureau will sell timber on a tree cruise basis.” “Tree cruise” is synonymous with “lump sum.” Subpart 5422.1 states: “Scaling by the Bureau will be used from time to time for administrative reasons.” The text of this subpart includes example reasons to conduct a scale sale, all of which constitute a best-interest-of-the-public rationale.

In western Oregon, lump sum timber sales have been the generally accepted form of measurement for selling timber unless there is a more effective measurement that is in the public interest, such as scaling. When procedures and policies were established for measuring timber for regeneration harvests and commercial thinnings in western Oregon, the majority of timber harvested from public land came from regeneration harvest of older and highly variable forest stands. Individual trees harvested from the stands had a high monetary value; there was a lower stem density per acre, and a higher board foot volume per tree.

For a variety of reasons, Oregon/Washington BLM timber sale plans contain a larger number of commercial thinning and density management entries than historically was the case. The majority of trees harvested from these types of entries are generally more uniform and lack the value and variability of the trees historically removed. As long as the BLM continues harvesting in younger stands, the number of trees removed per acre will continue to be higher than the number of trees removed per acre in regeneration harvest sales. Utilizing only the lump sum tree measurement method for determining the volume being sold from public land has not changed to keep pace with the silvicultural practices now being employed.

DxD/DxP timber sales require less investment in pre-sale preparation; i.e., trees not required to be marked, a substantially lower cost for tree marking paint, and a less intensive cruise to establish estimated sale volume. In the interest of improving efficiency in timber sale preparation and

administration, the Oregon State Office has allowed some western Oregon districts to conduct trial DxD/DXP timber sales to test the concept of payment based upon log scale volume instead of cruise volume. With DxD/DxP, the trees are not marked and the purchaser falls trees in accordance with a contractual description or prescription. DxD/DxP has been tried with both lump sum and scale sales. Conceptually DxD/DxP lends itself well to scale sales, has been successfully utilized by other public and private entities, and is an accepted practice within the industry. DxD is less prescriptive; the contract may only specify an upper diameter limit above which all timber is reserved. DxP is more prescriptive; the timber faller must apply the contract criteria (basal area, species/form characteristics, etc.) to determine which trees to fall.

The Oregon State Office has approved a limited number of sample weight scale sales that were comprised of green sawlog material. Although a 100% weight scale is used by some private companies and government agencies, the BLM does not have sufficient data to justify or support selling sawlogs using the 100% weight scale method.

To increase administrative efficiency, the districts desire the authority to conduct sales without State Director approval. Scale sales can save time and cost in certain situations, but with a greater perceived risk of timber theft and the associated adverse publicity.

The Washington Office 1203 Manual Delegation of Authority grants authority to the State Director to conduct scale sales. This manual does not grant this authority to any lesser officials. However, the State Director may delegate authority to conduct scale sales to District and/or Field Managers.

In support of meeting the terms of the Settlement Agreement (*AFRC et al. v. Clarke*) the BLM is striving to offer the full Allowable Sale Quantity envisioned under its Resource Management Plans, a component of which is smaller diameter commercial thinning sales in the Matrix and Adaptive Management Areas. Additional thinning in Late Successional Reserves is also an objective of the Settlement Agreement. Approximately 74,000 acres of Northwest Forest Plan Late-Successional Reserve are occupied by timber stands less than 80 years of age that have been determined to be both silviculturally suitable and operationally feasible for density management treatment. To effectively treat this large acreage, the BLM needs alternative methods that may be more cost effective for the measurement of thinning volume. In times of competing budget priorities and increasingly scarce skills, the most efficient method of accomplishing work should be considered. Scale sales, coupled with DxD/DxP timber falling under a timber sale contract, may work well for measuring the timber volume that is harvested from some thinning and density management timber sales.

In the past three years, the State Scaler has developed and implemented a training program supporting the certification of Woods, Check, and Master Scalers. To support the possible increase in the number of scale sales, more of the current BLM cruisers may need to be trained and certified in scaling. With intensive training and mentoring of a BLM journeyman cruiser, certification as a check scaler can be achieved within one to three years. To maintain scaling proficiency, refresher training and re-certification must occur annually (refer to IM No. OR-2007-052).

**Manual/Handbook Sections Affected:** The Timber Sale Procedure Handbook Series, Volume 1, Preparation for Sale 5420-1, Chapters III (Sale Layout) and IV (Forest Products Measurement).

**Coordination:** Production of this IM was coordinated with the State Scaler, State Cruiser/Appraiser, District Cruiser/Appraisers, and District Forestry Leads.

**Contact:** For additional information, contact Lyndon Werner, Forester, at 503-808-6071 for policy questions or contact information to address the State Scaler regarding scale sale methodology, forms, or procedures.

**Districts with Unions** are reminded to notify their unions of this Instruction Memorandum and satisfy any bargaining obligations before implementation. Your servicing Human Resources Office or Labor Relations Specialist can provide you assistance in this matter.

Signed by  
Edward W. Shepard  
State Director

Authenticated by  
Paj Shua Cha  
Records Section

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