



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
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JUL 31, 2015

IN REPLY REFER TO:
2812 (OR936.1) P

EMS TRANSMISSION 07/31/2015
Instruction Memorandum No. OR-2015-029
Expires: 08/01/2017

To: All Western Oregon District Managers and Lakeview District Manager
From: State Director, Oregon/Washington
Subject: Updated Standard Use Fees for Unilateral Permits

Program Area: O&C Reciprocal Rights of Way and Engineering

Purpose: To provide an updated Standard Use Fee, applied for O&C Reciprocal Right-of-Way (RROW) Unilateral Permits.

Policy/Action: To charge new Standard Use Fee rates as set forth in this instruction memorandum (IM). The Oregon State Office RROW Program Lead will change the existing policy in the O&C Logging Road Right-of-Way Handbook, H-2812-1, Rel. 2-166, to include the new Standard Use Fee in Chapter IV, page 2, Section C.1.c.1.

The new road use fee rates will be as follows:

- Roads with no surfacing (Natural) – \$0.60/MBF*-mile
- Non-Bituminous Surface Treatment roads – \$2.00/MBF*-mile
- Bituminous Surface Treatment roads – \$1.50/MBF*-mile

Timeframe: This policy is effective immediately. This policy change will not be retroactive to any previously issued unilateral permits.

Budget Impact: There will be no anticipated impact to the Bureau of Land Management (BLM) budget from increasing the standard road use fee. Road use fees collected by the BLM go to the United States General Treasury and are not directly realized by the state or district in which they are collected.

Background: The BLM Oregon State Office, in coordination with our Reciprocal Partners (Permittees), publishes and periodically updates a maintenance fee schedule. The standard road use fee to be used in a particular permit is based on road surfacing type as shown in the Road

*MBF = Thousand Board Feet

Maintenance Fee Schedule. The road use fee applies to new unilateral permits. Before charging a road use fee associated with a unilateral permit, please review Chapter IV, Page IV-3, a) Wavier of Road Use Fees, of the O&C Logging Road Right-Of-Way Handbook Rel.2-165. The standard road use fee has not been updated for twenty years.

The new standard use fee rate is based on the road cost and hauling data from the road maintenance fee program and the BLM Road Cost Guide (see attachment 1). Road maintenance and surface replacement fees still apply to all unilateral permits.

Manual/Handbook Sections Affected: O&C Logging Road Right-of-Way Handbook, H-2812-1, Rel. 2-165, Chapter IV, O&C Logging Road Right-of-Way Permits, Page 2, Section C. 1.c.1.

Coordination: This policy has been coordinated with Dustin Wharton, RROW Program Lead (OR936); Brian Thauland, Transportation Program Support (OR959); the Industry/BLM RROW Subcommittee; and the Western Oregon Transportation Team.

Contact: RROW Program Lead Dustin Wharton, Branch of Land, Mineral, and Energy Resources at (541) 471-6659.

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

Signed by
Steven Calish
Acting Association State Director

Authenticated by
K. Wentworth
Records Section

Attachment
1 - Standard Fee Use (2pp)

Distribution

WO350 (Mike Bechdolt)
OR931 (Rick Schultz, David Roche)
OR936 (Fred O’Ferrall, Janet Cheek, Dustin Wharton)
OR959 (Jonathan LeBaron, Brian Thauland)
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STANDARD USE FEE

April 2015

Road Replacement Costs

1. Costs based on Road Replacement Guidelines (Sept 2013)

Half Bench 8" Aggregate Road = \$109,296/mile

Full Bench 8" Aggregate Road = \$215,160/mile

Half Bench BST Road = \$171,865/mile

Full Bench BST Road = \$277,730/mile

Half Bench Natural Road = \$27,190/mile

Full Bench Natural Road = \$133,055/mile

Haul Volume

1. Volumes based on CY 2005-2012 data (Road Maintenance Fee Model-2013)
2. Natural surface haul assumed to be 65% of aggregate surface haul
3. Long log volume basis (LL approx. 80% of SL)

Aggregate = 1194 MBF-mile/mile

BST = 2755 MBF-mile/mile

Natural = 776 MBF-mile/mile

Standard Use Fee Calculation

1. Payoff deficient investments over one rotation (60/50 years)
2. Weighted averages used for half bench/full bench for each surface type

Aggregate Roads

Half Bench

$\$109,296/\text{mile} / 1194 \text{ MBF-mi/mile} = \$91.54/\text{MBF-mi} / 60 \text{ yrs} = \$1.53/\text{MBF-mile}$
 $/ 50 \text{ yrs} = \$1.83/\text{MBF-mile}$

Full Bench

$\$215,160/\text{mile} / 1194 \text{ MBF-mi/mile} = \$180.20/\text{MBF-mi} / 60 \text{ yrs} = \$3.00/\text{MBF-mile}$
 $/ 50 \text{ yrs} = \$3.60/\text{MBF-mile}$

Weighted Average = .75(1.53) + .25(3.60) = \$2.05/MBF-mile

BST Roads

Half Bench

$$\begin{aligned} \$171,865/\text{mile} / 2755 \text{ MBF-mi}/\text{mile} &= \$62.38/\text{MBF-mi} / 60 \text{ yrs} = \$1.04/\text{MBF-mile} \\ & / 50 \text{ yrs} = \$1.25/\text{MBF-mile} \end{aligned}$$

Full Bench

$$\begin{aligned} \$277,730/\text{mile} / 2755 \text{ MBF-mi}/\text{mile} &= \$100.81/\text{MBF-mi} / 60 \text{ yrs} = \$1.68/\text{MBF-mile} \\ & / 50 \text{ yrs} = \$2.02/\text{MBF-mile} \end{aligned}$$

Weighted Average = .50(1.04) + .50(2.02) = \$1.53/MBF-mile

Natural Roads

Half Bench

$$\begin{aligned} \$27,190/\text{mile} / 776 \text{ MBF-mi}/\text{mile} &= \$35.04/\text{MBF-mi} / 60 \text{ yrs} = \$0.58/\text{MBF-mile} \\ & / 50 \text{ yrs} = \$0.70/\text{MBF-mile} \end{aligned}$$

Full Bench

$$\begin{aligned} \$133,055/\text{mile} / 776 \text{ MBF-mi}/\text{mile} &= \$171.46/\text{MBF-mi} / 60 \text{ yrs} = \$2.86/\text{MBF-mile} \\ & / 50 \text{ yrs} = \$3.43/\text{MBF-mile} \end{aligned}$$

Weighted Average = 1.0(.58) + 0.0(3.43) = \$0.58/MBF-mile

Western Oregon

Standard Use Fee Table

<u>Surface Type</u>	<u>Use Fee</u>
Natural	\$0.60/MBF-mile
Aggregate	\$2.00/MBF-mile
BST	\$1.50/MBF-mile