United States Department of the Interior

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November 18, 2015

In Reply Refer To: 5400 (9300) P Supersedes IMAZ-2014-019

EMS TRANSMISSION 11/19/2015 Instruction Memorandum No. AZ-2016-006

Expires: 9/30/2019

To: District Managers and Field Managers

Attention: Foresters, Botanists, Biologists, and Fuel Specialists

From: State Director

Subject: Disposal of Forest Products and Other Vegetative Resources

Program Area: Forest Management and Botany

Purpose: This Instruction Memorandum (IM) provides direction in five areas concerning the disposal of forest and other vegetative products: 1) Disposal of forest products including minimum appraised prices; 2) Policy guiding Road Maintenance Funds; 3) Policy concerning Free Use; 4) The extension time for cutting and removal; 5) Procedures to be followed when completing forest and vegetative sale contracts. This direction is intended to bring consistency within the State.

Policy/Action: The individual Land Use Plans may provide additional, restrictive or more specific guidance on forest and other vegetative product disposal directions. No collection of listed threatened, endangered, or proposed species will be authorized. See Attachment 1 for Bureau of Land Management (BLM) Arizona Sensitive, Proposed and Listed Plants.

1. The current policy for the sale of vegetative resources is found in 43 CFR 5420.0-6. This policy states that all timber or other vegetative resources to be sold shall be appraised and in no case shall be sold at less than the appraised value. The minimum price listed should be considered as the State's minimum values only and may be adjusted upward when the Authorized Officer justifies an increase. Appraisal information must be documented in the official case file for the product.

A. Acceptable Appraisal Methods:

- 1. Ten percent of the local market selling price for the product (firewood, posts, poles, nuts, cones, transplants, etc.);
- 2. A comparative product sale analysis (Sawtimber or higher valued products); or
- 3. A residual value analysis, whereby cost obtaining and transporting the product to the market place are subtracted from the selling price at the market, including profit and risk;
- 4. Use the below Minimum Price List.
- 2. The following is the policy concerning the collection, deposit, and use of road maintenance funds for forest and other vegetative products disposed of from BLM-administered lands within the State of Arizona.

A. Collection of Road Maintenance Funds

1. Road maintenance funds may be collected for all vegetative products sold. The minimum road maintenance fee collected is 20 percent of the total product value (rounded to the closet dollar). Examples: A two cord firewood contract sold at \$5 per cord would have \$2 deposited into the road maintenance account; a \$3 Christmas tree tag would have \$1 deposited into the road maintenance account. Road maintenance funds are in addition to the product value (i.e., a \$10 firewood contract with a \$2 road maintenance charge equals a \$12 total contract value).

B. Deposits of Road Maintenance Funds

1. Road maintenance funds are to be deposited into the L91200000 road maintenance fee account. Those funds deposited come back to the office that deposited the funds minus a surcharge to manage the account.

C. Use of Road Maintenance Funds (L91200000)

- 1. The functional area L91200000 funds are derived primarily from the sale of forest/vegetative products, and are only to be used for the repair or maintenance of roads that service forest/vegetative product harvest areas.
- 2. The L91200000 road maintenance functional area is to be managed by the State Forestry Program Lead in coordination with the Division of Financial Management.
- 3. The State Forestry Program Lead will annually prioritize any forest products access roads requiring maintenance and provide the list to the appropriate management staff in a timely manner.

- 3. The following is the policy concerning Free Use for forest and other vegetative products disposed of from BLM-administered lands within the State of Arizona.
 - A. The objective of the Free Use and Non-Sale Disposal authorities is to provide reasonable quantities of timber and other vegetative resources free of charge to qualified individuals, nonprofit associations or corporation, and Federal, State and local Government agencies, when it can be demonstrated that such disposal will also benefit management of the public lands.
 - B. A Free Use Permit will not be granted to an applicant who owns or controls land with an adequate supply of timber or materials to meet his needs (43 CFR 5511.3-2.(b)).
 - C. In special circumstances, where it serves the interest of the Government, and where several attempts have been made to dispose of forest and other vegetal products at minimum value, Free Use Permits may be granted to the general public. In this situation, written documentation will be approved by the District Manager and attached to the file copy of the Free Use Permit and included in the project folder.
 - D. The only form authorized for issuing Free Use Permits is BLM Form 5510-1, Free Use Application and Permit.
 - E. Free Use Permits issued to governmental units have no dollar limit per calendar year, but the vegetative materials must be used for public projects.
 - F. Free Use Permits issued to nonprofit organizations have a dollar limit of \$100 worth of vegetative material during any one calendar year.
 - G. The time limit or expiration time for any Free Use Permit may not exceed six (6) months from the effective date of the permit.
 - H. Under no circumstances will the products under a Free Use Permit be sold or bartered.
- 4. The following procedures are to be used when completing contracts for vegetative sales.

A. Reporting Procedures

There are now several systems for reporting forest product sales. The Timber Sale Information System for timber sales, Stewardship Contracting Information Database for stewardship contracts, Special Forest Products (SFP) for SFP and Trespass for reporting timber trespasses.

1. Offices will utilize the SFP database to report all disposals of forest products and other vegetative resources, using forms:

Form 5450-1: Contact for Cash Sale of Vegetative Products

Form 5450-5: Vegetative or Mineral Negotiated Cash Sale Contract

Form 5450 10a,b,c: Christmas Tree Tag

Form 5450-24: Forest Product Removal Permit and Cash Sale receipt

Form 5510-1: Free Use Permit

- 2. The data entry is reported in SFP (Attachment 2). After the permit is filled out, data entry in SFP is required. Use the request access button on the Forest Resource Information System (FRIS) Launchpad to request access to the SFP application at: http://teamspace/or/sites/fris/Pages/dataview.aspx or contact Lisa Thornley, State Forestry Program Lead. The FRIS Launchpad has a training video for using the SFP database. When using Form 5450-24, the permit can be printed directly from the database.
- 3. See Attachment 3, Procedures for Permitting the Sale of Special Forest Products, for recommended procedures to be used when completing contracts for forest or vegetative sales.

Timeframe: Effective immediately.

Budget Impact: None expected, however; this should assist the Field and District Offices in becoming more efficient when issuing permits and contracts with the established procedures.

Background: There is no recent guidance for the State of Arizona concerning the sales of forest products and other vegetative resources. Updated direction is necessary in order to provide for a statewide standardized program.

Directives Affected: None.

Coordination: This IM was coordinated with the Arizona State Office and WO220.

Contact: Questions pertaining to the sale of vegetative products should be directed to Lisa Thornley, State Forestry Program Lead, at 602-417-9242 or email lthornley@blm.gov.

SIGNED BY: AUTHENTICATED BY:

Deborah K. Rawhouser Susan Williams for State Director Staff Assistant

3 Attachments:

- 1 <u>Federal Status Listed Plant Species for</u> <u>Arizona (2 pp)</u>
- 2 Accounting Information and Special Forest Products Reporting Requirements (2 pp)
- 3 <u>Procedures for Permitting the Sale of</u> Special Forest Products (4 pp)
- 4 <u>Arizona Forest/Vegetative Products</u> <u>Minimum Price List (2 pp)</u>

BLM ARIZONA SENSITIVE, PROPOSED AND LISTED PLANTS		
BLM SENSITIVE PLANTS		
Aquarius Milkvetch	Astragalus newberryi var. aquaria	
Aravaipa Sage	Salvia amissa	
Aravaipa Woodfern	Thelypteris puberula var. sonorensis	
Arizona Sonoran Rosewood	Vauquelinia californica ssp. sonorensis	
Bartram Stonecrop	Graptopetalum bartramii	
Blue Sand Lily	Triteleiopsis palmeri	
California Flannelbush	Fremontodendron californica	
Chihuahua Breadroot	Pediomelum pentaphyllum	
Clifton Rock Daisy	Perityle ambrosiifolia	
Dalhouse Spleenwort	Asplenium (=Ceterach) dalhousiae	
Diamond Butte Milkvetch	Astragalus toanus var. scidulus	
Fish Creek Fleabane	Erigeron piscaticus	
Gentry Indigo Bush	Dalea tentaculoides	
Giant Sedge	Carex spissa var. ultra	
Grand Canyon Rose	Rosa stellata var. abyssa	
Huachuca Golden Aster	Heterotheca rutteri	
Huachuca Milkvetch	Astragalus hypoxylus	
Kaibab Pincushion [Plains] Cactus	Pediocactus paradinei	
Kearney Sumac	Rhus kearneyi ssp. kearneyi	
Kofa Mt. Barberry	Berberis harrisoniana	
Marble Canyon Indigo Bush	Psorothamnus arborescens var. pubescens	
Marble Canyon Milkvetch	Astragalus cremnophylax var. hevronii	
Mt Trumbull Beardtongue	Penstemon distans	
Murphey Agave	Agave murpheyi	
Paria Plateau Fishhook Cactus	Sclerocactus sileri	
Parish Phacelia	Phacelia parishii	
Parish Wild Onion	Allium parishii	
Pima Indian Mallow	Abutilon parishii	
Pinto Beardtongue	Penstemon bicolor	
Purple-spike Coralroot	Hexalectris warnockii	
Round-leaf Broom	Errazurizia rotundata	
San Pedro River Wild Buckwheat	Eriogonum terrenatum	
Sand Food	Pholisma sonorae	
Scaly Sand Food	Pholisma arenaria	
Schott Wire-lettuce	Stephanomeria schottii	
September 11 Stickleaf	Mentzelia memorabilis	
Silverleaf Sunray	Enceliopsis argophylla	
Smooth Catseye	Crypthantha semiglabra	
Sticky Wild Buckwheat	Eriogonum viscidulum	

Three-cornered Milkvetch	Astragalus geyeri var. triquetrus	
Tumamoc Globeberry	Tumamoca macdougalii	
White-margined Penstemon	Penstemon albomarginatus	
J		
PROPOSED/LISTED PLANTS ON BLM		
Acuna Cactus	Echinomastus erectocentrus var. acunensis	
Arizona Cliffrose	Purshia subintegra	
Fickeisen Plains Cactus	Pediocactus peeblesianus var. fickeiseniae	
Gierisch Mallow	Sphaeralcea gierischii	
Holmgren (Paradox) Milk Vetch	Astragalus holmgreniorum	
Huachuca Water Umbel	Lilaeopsis schaffneriana ssp. recurva	
Jones cycladenia	Cycladenia humilis var. jonesii	
Kearney's Blue Star	Amsonia kearneyana	
Nichol Turk's Head Cactus	Echinocactus horizonthalonius var. nicholii	
Peebles Navajo Cactus	Pediocactus peeblesianus var. peeblesianus	
Pima Pineapple Cactus	Coryphantha scheeri var. robustispina	
Siler Pincushion Cactus	Pediocactus sileri	
Welsh's Milkweed	Asclepias welshii	
LISTED PLANTS NOT ON BLM		
Arizona Hedgehog Cactus	Echinocereus triglochidiatus var. arizonicus	
Canelo Hills Ladies' Tresses	Spiranthes delitescens	
Cochise Pincushion Cactus	Coryphantha robbinsorum	
Navajo Sedge	Carex specuicola	
San Francisco Peaks Groundsel (Ragwort)	Packera franciscana	
Sentry Milk Vetch	Astragalus cremnophylax var. cremnophylax	
	<u>l</u>	

Bureau of Land Management Appropriate Permit Forms, Accounting Information and Special Forest Products Reporting Requirements

Reporting Requirements

All sales of forest products and other vegetative resources will be reported in the Special Forest Products (SFP) database.

Accounting Information

The following information is required for proper entry into the Collections and Billing System (CBS) to ensure monies are deposited correctly:

• Commodity: Vegetative Materials

• Subject: PD Vegetative Materials Permit

• Action: Wilding – Miscellaneous

• State

- County
- Quantity
- Unit Price
- Total

Commercial Sales

Forms 5450-1, 5450-5, and 5450-24 can be used for personal use or commercial sales.

<u>Form 5450-1, Contract for the Sale of Vegetative Resources</u>: The data entry for this form is done in SFP. After data entry is complete, a hard copy of the permit must be filled out. If the total purchase price is not paid on or before the date the contract is signed by the Authorizing Official, then the bonding and deposit requirements in this form must be followed. Full cash payment is required for any purchase of less than \$2,500.

<u>Form 5450-5, Negotiated Cash Permit:</u> The data entry for this form is done in SFP. After data entry is complete, a hard copy of the permit must be filled out. This is only to be used for sales of less than \$2,500. Full cash payment is required prior to issuance of the permit.

<u>Form 5450-24, Vegetative Cash Permit:</u> This is an electronic form found in SFP. The actual permit is generated electronically. The limit on this permit is \$2,499. Full cash payment is required prior to issuance of the permit.

Free Use

<u>Form 5510-1, Free Use Permit:</u> The data entry for this form is done in SFP. After data entry is complete, a hard copy of the permit must be filled out. As defined in CFR 43 Part 5510.0-3(b), applicants must meet certain criteria in order for a Free Use Permit to be issued. They must be a Federal or State Governmental agency, unit or subdivision, including municipalities, or any association or corporation not organized for profit (CFR 43 Part 5510.0-3(b)). The permit is

issued at the discretion of the Authorizing Officer. Free use materials may not be used for commercial or industrial purposes or for resale.

When requested, Free Use Permits for vegetative materials will be issued to Native Americans for ceremonial purposes. Quantities will be limited to the amount identified in the personal use section above or specified in the local land use plan.

Recreational Use

Recreational use is defined under 43 CFR 8365.1- 5, Property and resources, Sections (b) (1). These sections allow the public to collect, in non-restricted areas, "reasonable amounts" for "non-commercial purposes" of commonly available renewable resources such as flowers, berries, nuts, seeds, cones, and leaves. Any request for Recreational Use collection in these areas requires an appropriate decision by the BLM manager.

To request access to SFP application and other questions, contact Lisa Thornley, State Forestry Program Lead, at 602-417-9242 or lthornley@blm.gov. Access to SFP can also be requested from the Forest Resource Information System Launchpad (http://teamspace/or/sites/fris/Pages/dataview.aspx) and clicking on the Request Access button.

Arizona Bureau of Land Management Procedures for Permitting the Sales of Special Forest Products

I. The following procedures are recommended to be used when completing contracts for forest or vegetative sales. These apply to the following forms:

Form 5450-1: Contract for Cash Sale of Vegetative Products

Form 450-5: Vegetative or Mineral Negotiated Cash Sale Contract

Form 5450 10a, b, c: Christmas Tree Tag

Form 5450-24: Forest Product Removal Permit and Cash Sale Receipt

Form 5510-1: Free Use Permit

Below are general procedures for completing Form 5450-5. The other forms use similar terms and the instructions apply to them as well:

- A. Section 1: Contract Terms: The "a" block under Section 1. Contract Terms should be checked unless otherwise stated by the District Forester or Assistant Field Manager, Renewable Resources. The "severance" and "removal" squares should also be checked indicating that no material in excess of the contract will be cut or removed.
- B. Section 2: General Stipulations: Both the "severed" and "removed" squares should be checked indicating that only the material designated in the contract may be cut or removed.
- C. Section 3: Special Stipulations: Write in "See attached Special Stipulations" if provided, otherwise, (1) Write in "Salvage Dead Trees and Wood Only" unless the applicant is cutting live green trees in one of the designated Greenwood sale areas. (2) List the load ticket number(s) that will accompany the permit.
- D. Kind of Product: List the product such as Firewood, Wildings or Posts and the species being sold. Refer to the attached sample contract.
- E. Location of Sale: Write in the sale area name and/or the legal land description if necessary to clarify location. In addition add on: On BLM-administered lands only.
- F. Road Maintenance Fee: Add on 20 percent for road maintenance (rounded to the closest dollar) to the total purchase price. The percentage can be adjusted at the Field Office (FO) level, depending on the Field Manager's discretion.

Example: Firewood, 2 cords @ \$5.00/cord for a total \$10.00 product value. A 20% road maintenance charge for a \$10.00 permit will add on an additional \$2.50 for road maintenance fees that will add up to a \$12.50 total purchase price for the two cord permit.

- G. If applicable, the stipulation sheet should have the contract number (number obtained from Form 5450-5 or Form 5450-1 contract) written in the appropriate space, be read, signed, and dated by the applicant; and then stapled to the contract.
- H. The minimum price for a forest product or vegetative sale permit is \$10.
- I. Pinyon, juniper, mountain mahogany, or aspen will be sold in lots of no less than two cords.
- J. Contracts for two cords shall have an expiration date not to exceed 60 days after the date of purchase. Refer to Section IV of this Instruction Memorandum (IM) for further guidance on Extensions of Time.
- K. Contracts for three or more cords shall have an expiration date not to exceed 90 days from the purchase date. Refer to Section IV of this IM for further guidance on Extensions of Time.
- L. All commercial contracts (forest products obtained for resale) must be routed to the Forester (State Forestry Lead) or the Field Manager.
- M. Maps of both dead and green cutting areas should be made available. If the applicant is harvesting in a specially designated cutting area, the appropriate area map(s) shall be attached to their contract.

Note: Maps, stipulation sheets and contracts should be located in a central location within the office reception area to facilitate issuing the contracts to the public. Each office should have a firewood gathering map as a reference for the public that indicates the common areas for firewood collection (i.e. greenwood and salvage areas).

- II. The following is procedures for the collection of Road Maintenance Funds for forest and other vegetative products disposed of from BLM-administered lands within the State of Arizona.
 - A. Collection of Road Maintenance Funds
 - 1. Road maintenance funds may be collected for all vegetative products sold. Road maintenance fees collected are generally 20 percent of the total product value (rounded to the closest dollar).
 - B. Deposits of Road Maintenance Funds
 - 1. Road maintenance funds are to be deposited into the 9120 Road Maintenance Fee account. Those funds deposited come back to the office that deposited the funds minus a surcharge that is taken off to manage the account.

- C. Use of Road Maintenance Funds (9120)
- 1. The 9120 Road Maintenance subactivity funds are derived primarily from the sale of forest products, and are only to be used for the repair or maintenance of roads that service forest product harvest areas.
- 2. The 9120 Road Maintenance subactivity is to be managed by or in connection with the Forester/State Forestry Lead.
- 3. Roads servicing forest product harvest areas requiring maintenance will be recorded annually by the Forester/State Forestry Lead. The road maintenance list will be submitted to the appropriate management staff to be included in the force account project list.
- III. The following includes procedures to be used when issuing Free Use of forest products on BLM administered lands within the State of Arizona.
 - A. The only form authorized for issuing free use permits is BLM Form 5510-1, Free Use Application and Permit.
 - B. A Free-Use permit may be issued to a Federal or State agency, unit, or subdivision, including a municipality, only if the applicant makes a satisfactory showing to the authorized officer that such products will be used for a public project.
 - C. A Free Use Permit issued to a nonprofit association or corporation may not provide for the disposition of more than \$100 worth of timber to the permittee during any one calendar year.
- IV. The following includes procedures concerning Extension of Time for Cutting and Removal.
 - A. An extension of time for cutting and removing vegetative resources may be approved if a written request for extension is delivered to the appropriate BLM office prior to the expiration date for cutting and removal. Such request shall be attached to the original contract and retained for record.
 - B. If the purchaser shows that the delay in cutting and removal was due to causes beyond their control and without their fault or negligence, the contracting officer may grant an extension of time. Such extension shall not exceed one year beyond the original permit end date.

All contracts permits will have a unique contract number using the following format:

Office Code: AAA99

Contract Type:

Form: 5450-1 C Form: 5450-5 V Form: 5450-10 Y Form: 5450-24 V Form: 5510-1 F

Fiscal Year: YYYY

Contract Number: NNNNNN

For example a Form 5450-24 contract in the Arizona Strip would have the following contract number AZA01-V2013.00098765.

Arizona Forest/Vegetative Products Minimum Price List

Product ¹	Unit of Measure CCF	Unit of Measure MBF
	(100 CF)	(1,000 BF)
Sawtimber (Live) ²	\$ 10.00	\$ 20.00
Sawtimber (Dead) ³	\$ 5.00	\$ 10.00
Pulpwood	\$ 1.00	\$ 2.00
Product	Unit of Measure	Minimum Price
Fuelwood	Cord	\$ 6.00
Biomass	Green Ton	\$ 0.10
Fence stays	Number (each)	\$ 0.10
Posts and poles		
a. Line and Corner (7-8 ft.)	Number (each)	\$0.40
b. Poles (standard 16 ft.)	Number (each)	\$0.50
c. Poles (other size option)	Lineal Foot	\$0.05
Teepee poles	Number	\$ 1.00
Christmas tree	Number (each)	\$ 4.00
Wilding/Transplants-Cactus ⁴	Number (each)	\$ 7.50 Saguaro \$8.00
Wildings/Transplants-	Number (each)	
Plants/Shrubs/Trees ⁴		\$3.00
a. Up to 6 feet in height		\$6.00
b. 6 to 10 feet		\$10.00
c. Over 10 feet		
Piñon nuts	Pound	\$ 0.25
(over 75 lbs)		
Dry cones	Bushel	\$ 0.50
Nuts and All	Pounds	10 percent of
Species (commercial or		Commercial
individual harvest over 75 lbs)		Value

¹ The local forest products appraiser may establish a higher price for any forest product when based on a local market appraisal. These minimum prices may be used when no better market data is available. Field Offices experiencing strong demands for forest products should appraise those products to establish their local fair market value made to establish a maximum price for any forest product. The local forest products appraiser may establish a higher price for any forest product when based on a local market appraisal.

² Minimum prices for these products apply to personal and commercial uses with the exception of Christmas trees where negotiated sale or sealed bid will be used. The minimum purchase

price for a commercial Christmas tree permit is \$60.00. Biomass is in green tons, with approximately 40 percent moisture content. The minimum amount for each transaction is \$22.50, most states only require \$10.00 minimum. The sale of Christmas trees and wildings are exempted from this requirement their minimum is \$5.00.

³ Includes sawtimber, house logs, mine timbers, ties, large and small poles.

⁴ Wildings includes any vegetative material that is being purchased for transplanting. Saguaro, Coryphantha, Mammillaria, Cholla, Prickly Pear, Night-blooming Cereus, Hedgehog, Barrel, Yucca, Agave, Joshua Tree, Jerusalem Thorn, Smoke Tree, Ironwood Tree, Palo Verde, Desert Spoon, Ocotillo, Crucifixion Thorn, Mesquite, other native plants, shrubs, trees are included in this category.