

**TIMBER SALE PIPELINE RESTORATION FUND**  
**FY 2010 Report of the USDA Forest Service**  
**Implementation, Accomplishments, and Planned Program**  
**June 9, 2011**

**Introduction**

Section 327 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (P.L. 104-134), enacted on April 26, 1996, provides an additional source of funding to pay for the preparation of timber sales and to address the backlog of recreation projects.

Section 327 directs the Departments of the Interior (DOI) and Agriculture (USDA) to establish separate Interior and Agriculture Funds, respectively. Revenues received from the timber sales released under Section 2001(k) of the fiscal year (FY) 1995 Supplemental Appropriations for Disaster Assistance and Rescissions Act, minus the funds necessary to make payments to States or local governments under other law, which are in excess of \$37.5 million, are deposited into the Funds. Section 2001(k) directed the Secretaries of the Interior and Agriculture to release for harvest certain timber sales subject to Section 318 of P.L. 101-121 (103 Stat. 745). Information compiled by the Forest Service in late 1996 indicated that the Agency had 29 sales awarded or released under Section 2001(k), plus an additional 42 sales that were to be replaced by new sales. The receipts generated from these sales are termed “first generation” funds.

From the funds deposited into the Agriculture and Interior Funds, the law directs that 75 percent of the revenues are to be available for the preparation of non-salvage timber sales, and 25 percent are to be available for the backlog of recreation projects.

On February 23, 1997, USDA’s Forest Service and DOI’s Bureau of Land Management entered into a Memorandum of Understanding (MOU) providing direction on how the \$37.5 million, and all additional timber sale receipts from the 2001(k) sales, would be calculated and shared between the two Agencies as required by law. That MOU was replaced by the current MOU on February 2, 2006. Calculations reflecting the changing balance of revenues between these two agencies continue to be prepared each fiscal year.

**Report Requirements**

The law requires that the Secretary concerned prepare an annual report describing the expenditures made from the Fund, the revenues received into the Fund, the timber sale and recreation work undertaken during the previous year, and the work projected for the next year for each Forest Service region. Reports by the Forest Service have previously been completed annually covering FYs 1997-2009.

## Status of the 2001(k) and Replacement Sales

Many of the 71 qualifying sales were harvested, and the receipts deposited, by the end of FY 1996. Most of the remaining replacement sales were either cancelled or delayed pending resolution of the issues that were addressed in the President's Plan for the Pacific Northwest.

## Financial Accomplishments

In FY 2010, the Agency obligated and expended approximately \$5,151,037 from this Fund. The table that follows summarizes the obligations and expenditures by region and program, rounded to the nearest dollar. This information is derived from the year-end closing (Period Ending 12) "Funds Control by Program–National" report available from the Forest Service's Foundation Financial Information System and is provided to Headquarters each year from the Regions.

<b>REGION</b>	<b>TIMBER SALE Obligations &amp; Expenditures FY 2010</b>	<b>RECREATION Obligations &amp; Expenditures FY 2010</b>
1	N/A	\$0
2	N/A	N/A
3	N/A	N/A
4	\$0	\$0
5	\$0	\$0
6	\$316,725	\$35,000
8	\$460,878	\$450,000
9	\$2,888,434	\$1,000,000
10	N/A	\$0
<b>Total</b>	<b>\$3,666,037</b>	<b>\$1,485,000</b>

**Notes:**

N/A = Not applicable, i.e. not participating in the program at this time.  
Data is from forest level accomplishment reports.

## Program Accomplishments for FY 2010

### Recreation

Recreation funds totalling \$1,485,000 were distributed to Regions for recreation backlog projects in FY 2010. FY 2010 project accomplishments are as follows:

#### **Region 6: FY 2010 allocation: \$35,000**

Gifford Pinchot NF (GIP)–Moss Creek Campground; replaced a deficient double vault toilet with a double CXT toilet to reduce deferred maintenance and enhance visitor satisfaction.

**Region 8: FY 2010 Allocation: \$450,000**

Chattahoochee-Oconee NFs–Hillsboro Lake Recreation Area – rehabilitate host sites and remove pit toilet.

Kisatchie NF–Saline Bayou Canoe Trail – rehabilitate recreation facilities along the trail, including table replacement, shoreline stabilization, and other site amenities.

NFs in Mississippi–Clear Springs Recreation Area – rehabilitate and/or replace site amenities, such as tables, grills, and lantern posts.

Francis Marion-Sumter NFs–Whetstone Recreation Area, Enoree District Recreation Sites, Wambaw Cycle trail – site rehabilitation, toilet replacement, Civilian Conservation Corp (CCC) shelter rehabilitation, and trail surfacing.

NFs in Texas–TADRA Horse Trail – rehabilitate trail surface, drainage, and bridges to provide for user safety.

**Region 9: FY 2010 Allocation: \$1,000,000**

Huron-Manistee NF–Pine River Corridor Restoration – Removed toilet and completed accessibility and sidewalk repairs.

Mark Twain NF–Motorized Trail Campground Rehabilitation – Began construction at Sutton Bluff. Work includes resurfacing of asphalt roads and campsite spurs, and associated clearing and grubbing. Work will be completed in FY 2011.

Mark Twain NF–River Sites Rehabilitation – Began resurfacing roads and campsite spurs, furniture replacement, and barrier installation. Work will be completed in FY 2011.

Shawnee NF–Lake Glendale Recreation Area – Began work to replace existing water and wastewater systems. Work will be completed in FY 2011.

Wayne NF–Leith Run Campground – Began work to replace waterline, fountains, and upgrade the wastewater system. Work will be completed in FY 2011.

White Mountain NF–Brickett Place National Register Historic Structure – Stabilized and rehabilitated historic structure. Work included window/door masonry repairs, interior and exterior carpentry repairs, and project administration.

**Timber Sale Pipeline Preparation**

Funds totalling \$7,080,000 were distributed to the Regions for timber sale pipeline preparation in FY 2010, an increase of \$2,142,000 over the previous fiscal year.

These net revenues were derived from 75 percent of the net second generation timber sale receipts collected in FY 2009.

The table that follows shows the second generation timber sale pipeline preparation work and timber sale accomplishments in each Forest Service region during

FY 2010 using all Agriculture Fund field allocations to date, including the funding allocated to the field in FY 2010. It also shows total receipts collected in FY 2010 from all of the sales funded through FY 2010.

<b>Region</b>	<b>Timber Pipeline Volume (CCF)*</b>	<b>Timber Volume Sold (CCF)</b>	<b>Timber Volume Harvested (CCF)</b>	<b>Total Pipeline Fund Receipts Collected (\$)</b>
1	N/A	N/A	N/A	N/A
2	N/A	N/A	N/A	N/A
3	N/A	N/A	N/A	N/A
4	6,961	0	546	\$14,936
5	0	0	0	0
6	32,438	28,976	0	0
8	160,261	28,764	22,621	\$774,845
9	357,186	94,944	109,841	\$5,062,648
10	N/A	N/A	N/A	N/A
<b>Total</b>	<b>556,846</b>	<b>152,684</b>	<b>133,008</b>	<b>\$5,852,429</b>

**Notes:**

Data above reflect accomplishments from all prior Pipeline Fund field allocations during the FYs shown.

N/A = Not applicable, i.e. not participating in the program at this time.

CCF = hundred cubic feet. Multiply CCF times 0.5 to approximate thousand board feet (MBF).

Timber Pipeline Volume is Gate 2 and/or Gate 3 completed and projected for offer in any future FY.

This information comes from forest-level accomplishment reports.

Timber Volume Sold comes from forest-level accomplishment reports.

Timber Volume Harvested comes from forest-level accomplishment reports.

Receipts Collected comes from the FY ending All Services Receipts – Receipts Summary Report (ASR-04).

**Work Planned for FY 2011 and Beyond**

**Recreation**

Recreation funds totalling \$1,285,000 will be distributed to Regions for backlog recreation work in FY 2011. Planned projects include:

**Region 6: FY 2011 allocation: \$35,000**

Gifford Pinchot NF–Cowlitz Valley RD -- North Fork Campground, replace a deficient double vault toilet with a double CXT toilet to reduce deferred maintenance and enhance visitor satisfaction.

\*Hundred Cubic Feet (CCF)

**Region 8: FY 2011 Allocation: \$250,000**

Daniel Boone NF–Sugar Creek Trailhead- rehabilitate trail area with a fence to discourage use of User-developed hill climbs.

Danile Boone NF–Auxier Ridge Trail – reconstruction of steps destroyed by fire in Red River Gorge.

Chattahoochee-Oconee NFs–Morgan Point and Lake Conasauga Campgrounds – begin replacement of rest rooms.

Cherokee NF–Backbone Rock – Address safety concerns, install steel posts and handrails across top of rock bridge.

Cherokee NF–Ocoee Whitewater Center Water Reservoir – Cap concrete reservoir to repair spalling roof.

Cherokee NF–French Broad Boat Launch – Erosion control at boat ramp and rehabilitation of impact area.

Kisatchie NF–Forest-wide trail system – Revamp signage and trail markers across forest.

NFs in Mississippi–Clear Springs Recreation Area – Repair foundation on CCC Pavillion and continue deferred maintenance repair by replacing waterlines.

Francis Marion- Sumter NFs–Forest Equestrian Trail Rehabilitation/Deferred Maintenance – Trail tread reshaping, relocation, and culvert replacement on Rock Gap, Long Cane, and Buncombe Horse Trails (leveraged with \$11,000 in grant funds).

NFs in Texas–TADRE Trail – Continue rehabilitation efforts on the trail system to provide for visitor safety.

**Region 9: FY 2011 Allocation: \$1,000,000**

Wayne NF–Leith Run Campground – Complete upgrade of water and wastewater systems.

Mark Twain NF–Motorized Trail Campground Rehabilitation – Complete road resurfacing and purchase and install picnic tables, kiosk, signs, and fire rings.

Mark Twain NF–River Sites Rehabilitation – Complete resurfacing of roads and campsite spurs, replacement of furniture, and barrier installation.

Shawnee NF–Lake Glendale Recreation Area – Complete the replacement of a water and waste water system and purchase additional water hydrants.

## Timber Sale Preparation Planned

The following table shows FY 2011 field allocations for timber sale pipeline preparation and timber sale pipeline preparation work for each Forest Service region during FY 2011 and beyond using all unspent Agriculture Funds.

<b>Region</b>	<b>New Budget Authority (\$)</b>	<b>Timber Pipeline Volume (CCF)</b>	<b>Timber Volume Under Contract (CCF)</b>	<b>Timber Volume Harvested (CCF)</b>
1	N/A	N/A	N/A	N/A
2	N/A	N/A	N/A	N/A
3	N/A	N/A	N/A	N/A
4	\$400,000	6,415	6,415	3,200
5	\$0	33,568	33,568	6,000
6	\$0	78,915	22,882	0
8	\$1,800,000	118,182	60,081	41,878
9	\$3,000,000	435,640	112,664	132,759
10	N/A	N/A	N/A	N/A
<b>Total</b>	<b>\$5,200,000</b>	<b>672,720</b>	<b>235,610</b>	<b>183,837</b>

**Notes:**

Data above reflect proposed accomplishments from all field allocations from the Agriculture Fund.

N/A = Not applicable, i.e., not participating in the program at this time.

CCF = hundred cubic feet. Multiply CCF times 0.5 to approximate thousand board feet (MBF)

New Budget Authority comes from regional requests.

Projected volumes come from forest-level accomplishment reports.

## Provisions for Agriculture Fund Termination

Timber sale pipeline means the timber volume being analyzed and/or prepared for offer in a future fiscal year. The law establishing the Timber Sale Pipeline Restoration Fund requires the Secretary of Agriculture to make a finding that, when sales sufficient to achieve the total allowable sales quantity (ASQ) of the National Forest System have been prepared, payments to the Agriculture Fund shall be terminated and any unobligated funds in the Fund returned to the U.S. Treasury as miscellaneous receipts. The Forest Service would consider this to have occurred when we have sufficient timber sale pipeline volume prepared at the end of any fiscal year for the next fiscal year's regular timber sales program (not including salvage) equal to 80 percent of the allowable sales quantity currently in effect as of the end of that fiscal year. The remaining 20 percent would come from short-term sales being fully prepared during the current year.

The ASQ currently is about 6.2 billion board feet, which includes about 1.6 billion board feet of salvage. Eighty percent of the regular (non-salvage) program would be about 3.7 billion board feet  $[(6.2 \text{ billion board feet (BBF)} - 1.6 \text{ BBF}) * 0.8]$ . This ASQ amount will fluctuate as

forest plans are amended or revised. As of the end of FY 2010, the Forest Service had approximately 254 million board feet (508,000 CCF) of timber sale pipeline volume that was progressing normally and had been field prepared for offer in FY 2011. Were this timber sale pipeline volume level to remain constant in the future, the Forest Service would need to accomplish an additional 3.45 billion board feet [3.70 BBF - 0.25 BBF] using this Fund before we could certify that the timber sale pipeline has been filled. Until such time as we can demonstrate that we can significantly increase the size of the Fund and sustain it so that we can begin to approach the amount of volume required, we cannot project when the timber sale pipeline would be filled.