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TSPIRS

Timber
Sale
Program
Information
Reporting
System

USDA
FOREST SERVICE
TONGASS NATIONAL FOREST

**Tongass
National Forest
1990**

United States
Department of
Agriculture

PREPARED BY
Forest
Service

Alaska Region
Leaflet
R10-MB-123



INTRODUCTION

The Forest Timber Sale Program Information Reporting System (TSPIRS) presents three viewpoints of the forests timber program for 1990. Each viewpoint presents a different approach to measure the timber program; each stands on its own and is not cumulative. Forest plans provide the management direction for all Forest Service resource activities. TSPIRS is one monitoring tool for us to find out how well we are managing according to the plans. This report will be produced and available to the public on an annual basis.

BACKGROUND: Based on the public concern over the benefits and costs of timber sales, Congress directed the Forest Service to develop a system that would show all timber related benefits and costs. TSPIRS is an effort to improve the way information is developed and displayed to help public understanding of timber management. This reporting system was developed jointly with the General Accounting Office (GAO) and the Forest Service. It has been reviewed and approved by Congress.

PURPOSE: The purpose of the report is to display fiscal year 1990 financial benefits and cost information for the Tongass National Forest timber management program.

FORMAT: The reporting system consists of three reports which display costs and benefits of the Forests' timber management program.

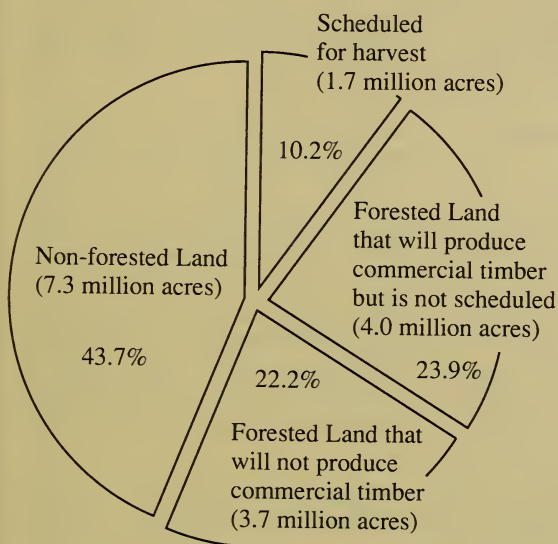
Descriptions of the three reports are listed below:

Report 1: Financial Report (revenues compared with costs) is similar to a private business profit and loss statement.

Report 2: Economic Report—long term benefits, effects, and costs expected from the acres harvested in 1990. This report is tied to Forest Plan data.

Report 3: Employment, Income and Program Report—current effects to local employment and income from harvest activities.

The following chart displays acres allocated for harvest over the next 100 years for the Tongass National Forest as provided for in the current Forest Plans versus the total land base. This chart will be revised for 1991 as a result of the Tongass Timber Reform Act passed by Congress in late 1990.



Summary - Tongass National Forest: Timber harvest for 1990 was the highest level since 1981. Timber markets have remained strong in Southeast Alaska.

REPORT 1 - FINANCIAL REPORT

Report 1 is an accounting report of the Tongass National Forest's timber management program for fiscal year 1990. This report displays revenues and costs developed by GAO and Forest Service cost centers.

I. REVENUES

Timber Sales	\$ 16,095,334
Purchaser Road Credit ^{1/}	20,171,968
Associated Charges ^{1/}	235,562
Interest and Penalties	111,852
Total Revenues	\$36,614,715

II. EXPENSES

Sale Administration	\$3,704,950
Sale Activity Allowance ^{1/}	7,151,608
Growth Activity Allowance ^{1/}	3,568,690
Facilities Depreciation	538,457
General Administration	3,006,205
Total Operating Expenses	\$17,969,911

Gain/ <Loss > Before Payments to State	\$18,644,804
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III. PAYMENT TO STATE ^{1/}	\$8,886,068
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Net Gain/ <Loss > From Timber Sales	\$9,758,736
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IV. VOLUME HARVESTED ^{2/} (In board feet)	470,711,000
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1/ See Glossary of Terms

2/ 399,000,000 board feet, net sawlog volume

REPORT 2 - ECONOMIC REPORT

Report 2 provides the present net value of future benefits and costs on the acres harvested in 1990. This report gives a perspective for the future flow of timber and associated non-timber resource costs and benefits.

The Report 2 analysis is consistent with the analysis and decisions of the Forest Plan. Costs and prices have been updated as appropriate.

The values of benefits and costs in Report 2 have been discounted to the present to account for the time preference. The standard Forest Service discount rate of 4% was used.

For discounting timber outputs, the time span extends from the year following the reporting period through the harvest of all future regenerated stands. In addition to timber outputs, Report 2 includes estimates of the presented net value for non-timber outputs. The kinds and quantities of outputs associated with timber harvest is specified in the Forest Plan.

I. PRESENT VALUE BENEFITS

Timber	\$38,197,397
Recreation	0
Wildlife	0
Fisheries	2,100,866
Total Present Benefits	\$40,298,263

II. NEGATIVE EFFECTS

Wildlife	\$790,356
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III. INVESTMENT VALUE

Timber	\$19,304,661
Roads	16,628
Recreation	0
Wildlife	0
Fisheries	659,387
Total Investments	\$19,980,676

V. PRESENT NET VALUE	\$19,527,231
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REPORT 3 - EMPLOYMENT & INCOME REPORT AND RELATED PROGRAM ACCOMPLISHMENTS

Report 3 displays the effects the 1990 harvest had upon local employment and income.

I. EMPLOYMENT

Direct Jobs	2,203
Indirect & Induced Jobs	1,879
Total Jobs	4,082

II. LOCAL FISCAL EFFECTS

Total Personal Income	\$135,931,000
Fed. Inc. Tax Generated	\$25,827,000
Cumulative Value to	
Local Communities	\$560,650,000
25% Fund Payment to State	\$8,886,068

III. TIMBER PROGRAM ACCOMPLISHMENTS

Volume (in board feet):	
Offered-net sawlog vol. ^{1/}	334,300,000
Sold-net sawlog vol.	285,902,000
Harvested-net sawlog vol.	399,000,000
-utility ^{1/}	72,000,000
Total Harvest	471,000,000
Regeneration Treatment (acres)	7,924
Timber Stand Improvement (acres)	2,688
Total Area Harvested (acres)	13,997

IV. MILES OF ROADS TO SUPPORT TIMBER PROGRAM

Appropriated	27
Purchaser Credit	123
Total	150

1/ See Glossary of Terms

Glossary of Terms

Associated Charges. These are cash collections from the purchaser required or allowed by the timber sale contract and include deposits made for brush disposal, road maintenance, and erosion control. Cooperative deposits, liquidated damages and default payments are other possible associated charges.

Cost Pools. This cost accounting system uses two cost pools to accumulate certain costs. The cost pools are ways to capture different types of multi-year costs and allow them to be matched against revenues. The two cost pools are;

Sale Activity Allowance is composed of the following activities: Timber Planning, Silviculture Examinations, Sale Preparation, Other Resource Support, Timber Salvage Sale Fund, Brush Disposal, KV Reforestation, Co-op Road Maintenance, and Transportation Planning. Current actual costs for these activities are added to the pool each year and then depleted from the pool and allocated to the current fiscal year according to the formula: $\text{Sale Activity Pool Allowance} = (\text{Volume Harvest} \times \text{Current Year Pool Balance}) / (\text{Volume Under Contract} + \text{Volume Harvested})$.

Growth Activity Allowance is composed of the following activities: Appropriated Reforestation, Appropriated Stand Improvement, Nursery Management, Genetic Tree Improvement, KV Stand Improvement, Timber Road Design and Construction, and Purchaser Credits Established. Current actual costs from these activities are added to the pool each year and then depleted from the pool and allocated to the current fiscal year according to the formula: $\text{Growth Activity Pool Allowance} = (\text{Volume Harvested} \times \text{Current Year Pool Balance}) / (\text{Total Volume Over Average Rotation Period})$.

Purchaser Road Credit. Credit earned by the timber purchaser that is applied to stumpage charges above base rates and is considered revenue. Purchaser road credit is determined by a Forest Service engineer's estimate. This amount is reflected in the timber sale contract.

Payments to States. A fund consisting of approximately 25 percent of the gross annual timber receipts received by the National Forests in that state. This is returned to the State for use on roads and schools.

Regeneration Treatment. Treatments and activities that relate to the reestablishment of stands of trees. Includes planting, seeding, and preparing the ground for seed-in from adjacent stands where ground preparation is not necessary.

Net Sawlog Volume. Trees suitable in size and quality for producing logs that can be processed into lumber. In Southeast Alaska, depending on the market, the volume may be processed as pulp or lumber.

Utility (Pulp) Volume. Logs that do not meet minimum requirements for sawtimber but are suitable for the production of usable pulp chips.