

**Revenue and Cost Analysis of the Herger-Feinstein Quincy
Library Group Forest Recovery Act**

Fiscal Year 2001, October 2000 through September 2001

U. S. Department of Agriculture
Forest Service
Herger-Feinstein Quincy Library Group Forest Recovery Act
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Summary of Results

Fiscal year 2001 was a period when the Herger-Feinstein Quincy Library Group Forest Recovery Act (HFQLG Act) began to generate more revenue for the U.S. Treasury. The Forest Service generated \$175,000 of revenue from timber sales in fiscal year 2001.

The Forest Service, in planning and implementing the HFQLG Act, also spent more, nearly \$28.3 million, than in fiscal years 1999 and 2000, when the Forest Service spent a combined \$9.1 million. This spending increase, however, was largely due to the awarding of a number of large service contracts to private firms.

Purpose

President Bill Clinton signed the HFQLG Act on October 21, 1998. The act was a mandate to the U. S. Forest Service to set up a pilot project in the Lassen National Forest, the Plumas National Forest, and the Sierraville Ranger District in the Tahoe National Forest. The intent of the pilot project was to implement resource management activities described in the act, including construction of up to 300,000 acres of Defensible Fuel Profile Zones over a five-year period, which would require greatly increased removal of biomass¹.

The Forest Service is required under the HFQLG Act to provide status reports to Congress. Section (j) (1) (D) of the HFQLG Act states that "...status reports shall include at least the following...."

(j) (1) (D) A comparison of the revenues generated by, and costs incurred in, the implementation of the resource management activities described in subsection (d) on the Federal lands included in the pilot project area with the revenues and costs during each of the fiscal years 1992 through 1997 for timber management of such lands before their inclusion in the pilot project.

CED was contracted to analyze the revenues generated and costs incurred through the planning and implementation of the HFQLG Act during fiscal years 1999 through 2001.

Revenues and Costs

During fiscal year 2001, 11 timber sales were advertised. Four of these timber sales were awarded in fiscal year 2001. Twenty-two service contracts were also awarded, 12 of which included an embedded timber sale. The revenue from these timber sales will be generated from timber sale harvest during the next several years.

Revenue generated by the implementation of the HFQLG Act rose to \$175,000 in fiscal year 2001. The only other revenue generated by the HFQLG Act so far was \$15,000 generated in fiscal year 2000. In fiscal year 2001, expenses rose nearly four-fold over fiscal year 2000 expenses, from \$7.2 million to nearly \$28.3 million. Planning and implementation of the HFQLG Act is showing substantial progress.

Acres Awarded and Treated

The total amount of Defensible Fuel Profile Zone acreage awarded a service contract or advertised for a timber sale greatly increased in fiscal year 2001, from over 5,500 acres in fiscal year 2000 to over 38,400 in fiscal year 2001. Acres in group and individual tree selection rose to nearly 2,500 acres in fiscal year 2001 while the previous two years combined to total just over 1,300.

¹ Biomass includes timber and underbrush.

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Treated acreage harvested increased to nearly 3,200 acres in fiscal year 2001, up from less than 300 acres in fiscal year 2000. The total acreage treated in the implementation of the HFQLG Act in fiscal year 2001 reached 5,200 acres, including areas where mechanical removal of underbrush occurred without a timber harvest.

Sawlog and Biomass Volume

The volume of biomass offered reached 145,000 CCF during fiscal year 2001, up nearly three times from 45,030 in fiscal year 2000. Nearly 61,000 CCF was sold and awarded as well, an increase from 42,000 during the previous fiscal year.

Sawlog volume offered reached 91,000 CCF during fiscal year 2001, also up nearly three times from the fiscal year 2000 volume of nearly 35,000. Sawlog volume sold and awarded reached nearly 44,000 in fiscal year 2001, an increase of about 45 percent over the previous fiscal year.

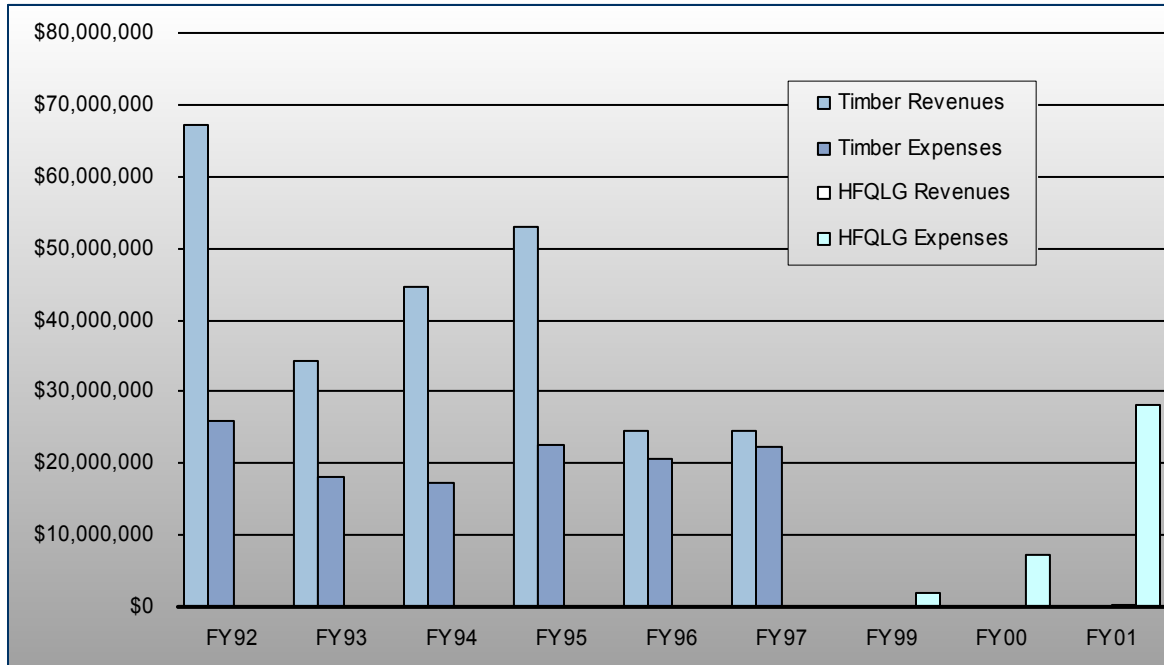
Figure 1 - FY92 to FY97 Revenues and Expenses Associated With Timber Management Activities, And FY99 To FY01 Revenues And Expenses Associated With HFQLG Activities

	FY92	FY93	FY94	FY95	FY96	FY97	FY99	FY00	FY01
TIMBER MANAGEMENT REVENUES AND EXPENSES							HFQLG REVENUES AND EXPENSES		
Revenues (Thousand \$)	67,187	34,408	44,501	52,873	24,590	24,465	0	15	175
Expenses (Thousand \$)	25,856	18,194	17,376	22,596	20,490	22,207	1,943	7,182	28,267
TIMBER MANAGEMENT ACTIVITIES:							HFQLG ACTIVITIES		
Regeneration (Acres)	8,634	7,853	8,206	7,531	9,063	15,591	N/A	N/A	N/A
Site Preparation (Acres)	6,176	5,264	4,667	2,363	3,321	3,321	N/A	N/A	N/A
Timber Stand Improvement (Acres)	10,045	10,600	8,740	13,866	15,062	22,646	N/A	N/A	N/A
DFPZ (Acres)	N/A	N/A	N/A	N/A	N/A	N/A	640	5,545	38,421
Group Selection (Acres)	N/A	N/A	N/A	N/A	N/A	N/A	0	200	1,949
Individual Tree Selection (Acres)	N/A	N/A	N/A	N/A	N/A	N/A	172	944	528
Biomass Volume Offered (CCF)	N/A	N/A	N/A	N/A	N/A	N/A	4,278	45,030	145,558
Biomass Volume Sold & Awarded (CCF)	N/A	N/A	N/A	N/A	N/A	N/A	4,278	41,992	60,940
Sawlog Volume Offered (CCF)	426,000	424,000	375,000	555,200	374,200	383,000	4,785	34,777	91,784
Sawlog Volume Sold & Awarded (CCF)	329,400	535,200	332,600	316,400	242,600	353,400	4,785	30,169	43,859
Total Area Harvested (Acres)	55,689	70,885	57,922	47,317	38,917	32,223	0	292	3,172
Total Area Treated (Acres)	N/A	N/A	N/A	N/A	N/A	N/A	0	292	5,215

Notes: The Act required a comparison of FY92 - FY97; therefore, no figures for FY98 are displayed.

Conversion factor to estimate MBF is 1 MBF = 2 CCF

Figure 2 - FY92 To FY97 Revenues and Expenses Associated with Timber Management Activities, and FY99 to FY01 Revenues and Expenses Associated with HFQLG Activities (Chart)



Notes: The HFQLG Act required a comparison of FY92 - FY97; therefore, no figures for FY98 are displayed.
HFQLG Revenues (\$175,000 in FY 2001) are too small to show in this chart.