

GAO

Report to the Ranking Minority Member,
Committee on Resources, House of
Representatives

November 1998

FOREST SERVICE

Distribution of Timber Sales Receipts, Fiscal Years 1995 Through 1997





**United States
General Accounting Office
Washington, D.C. 20548**

**Resources, Community, and
Economic Development Division**

B-281250

November 12, 1998

The Honorable George Miller
Ranking Minority Member
Committee on Resources
House of Representatives

Dear Mr. Miller:

The Forest Service distributes receipts from national forest timber sales to various funds or accounts that have been established for specific purposes. Any receipts not otherwise distributed are deposited into the General Fund of the U.S. Treasury. In September 1995, we reported on the amount of timber sales receipts, the amounts distributed to specific funds or accounts, and the amounts deposited into the General Fund of the U.S. Treasury for fiscal years 1992 through 1994.¹ You asked us to update the information on the amount of the Forest Service's timber sales receipts for fiscal years 1995 through 1997, the amounts distributed to specific Forest Service funds or accounts, the outlays for preparing and administering timber sales, and the amounts of timber sales receipts transferred to the General Fund of the U.S. Treasury. You also asked us to describe any changes in the receipt distribution process that have occurred since our last report.

The data in this report are timber sales accounting data on a cash basis that recognizes receipts when collected and outlays when paid. Because of this, the data presented in this report are not a measure of profitability, nor is it appropriate to compare the data against budget authority amounts. Cash accounting data do not reflect all costs associated with operating a particular forest and, thus, cannot be used as a measure of profitability on an individual forest basis. Profitability would be measured on an accrual basis that matches all annual sales-related revenues with all annual sales-related expenses. We chose to use cash accounting data because they reflect the day-to-day operations of a forest.

Results in Brief

During fiscal years 1995 through 1997, the Forest Service collected about \$1.85 billion in timber sales receipts and distributed about \$1.7 billion, or about 92 percent, to Forest Service funds or accounts established for specific purposes such as reforestation, salvage sale preparation, and

¹Forest Service: Distribution of Timber Sales Receipts, Fiscal Years 1992-94 (GAO/RCED-95-237FS, Sept. 8, 1995).

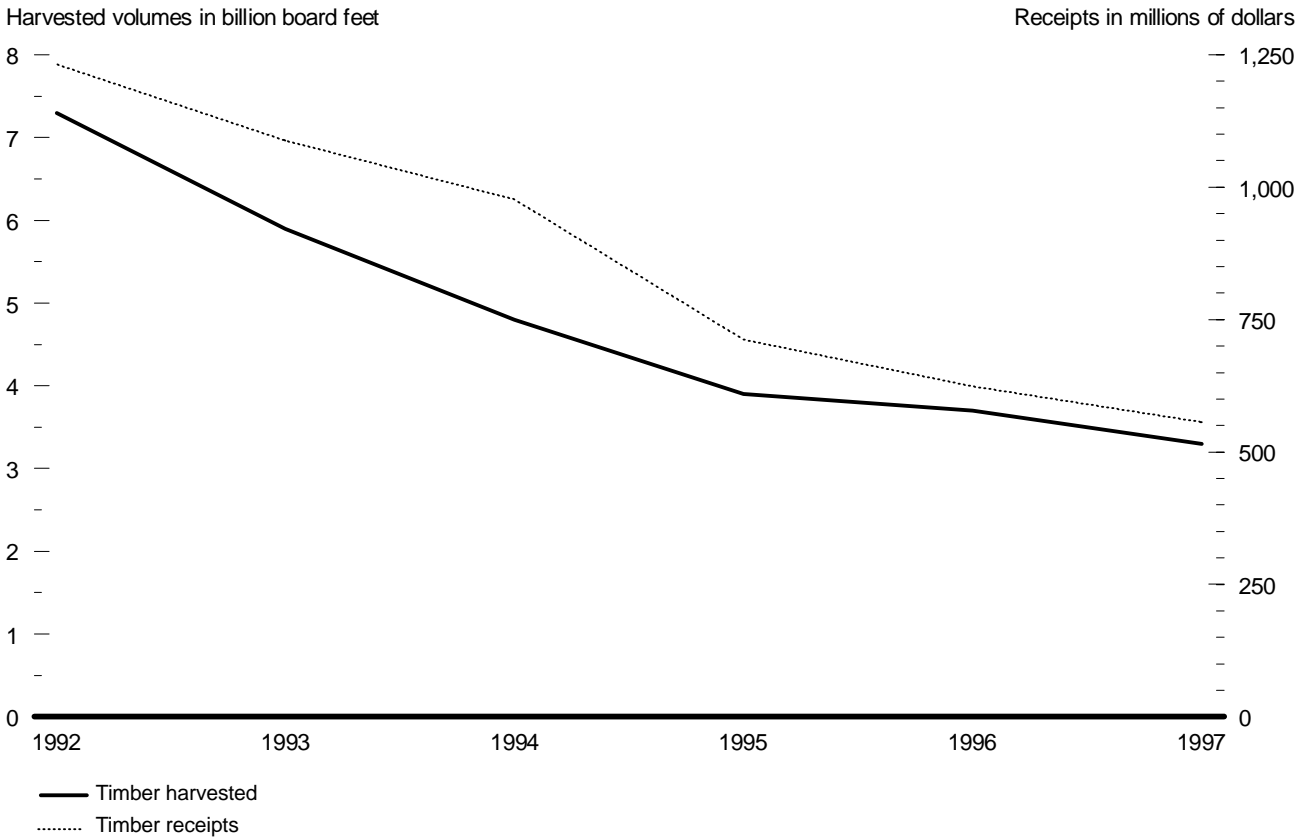
credits for roads that timber purchasers build. During this same period, the funds not otherwise distributed—about \$125 million—plus about \$29 million from the Roads and Trails Fund were deposited into the General Fund of the U.S. Treasury. To operate the timber program and to prepare and administer timber sales, the Forest Service expended about \$1.2 billion in appropriations and other moneys during the period fiscal years 1995 through 1997.

Since our September 1995 report, the Congress, in April 1996, established an additional fund to be used to prepare future timber sales. Beginning in fiscal year 1996, the Congress omitted appropriation language requiring that the moneys in the Roads and Trail Fund be deposited in the General Fund of the U.S. Treasury. Also, since fiscal year 1996, the Forest Service has been using a special appropriation provided by the Congress for a portion of the required payments to the states affected by a substantial drop in the size of timber harvests—and, therefore, a substantial drop in payments to these states—as a result of listing the northern spotted owl as a threatened species. In addition, beginning in fiscal year 1999, the Congress eliminated the credit given purchasers for building roads.

Background

The Forest Service, within the U.S. Department of Agriculture, manages the 192 million acre national forest system with its 155 national forests. The national forests generate receipts from a variety of resources, including recreation, grazing, and minerals; however, timber sales have traditionally generated more than 90 percent of the total receipts. As shown by figure 1, the harvested volume of timber has declined from 7.3 billion board feet in fiscal year 1992 to 3.3 billion board feet in fiscal year 1997. Accordingly, total timber sales receipts have also declined from \$1.2 billion in fiscal year 1992 to \$558 million in fiscal year 1997.

Figure 1: Timber Harvested and Total Timber Sales Receipts, Fiscal Years 1992 Through 1997



Preparing timber sales usually takes 3 to 8 years and consists of six steps or “gates.” The early steps involve identifying the timber to be offered for sale and conducting necessary environmental assessments of the proposed sale area. The later steps involve actually advertising the sale and selling the timber. Because of the time involved, some timber sales on a particular forest could be in the beginning steps while others could be at or near the end steps. This multiyear, multistep process of having timber sales in various stages of development up until the time a sale is offered is referred to as the timber pipeline. At the forest level, appropriated funds are used

to pay the costs associated with preparing and administering these timber sales.

The process for distributing timber sales receipts starts when a timber contract is awarded and the timber purchaser makes certain required contractual deposits. These deposits can include down payments on the timber as well as specific amounts for purposes such as ensuring that logging debris is properly treated after the timber harvest is completed. During the harvest, the purchaser makes additional payments in accordance with schedules established in the contract. In addition, timber purchasers may reduce the amount they pay in cash for timber by agreeing to build roads that provide access to the timber sale area. When purchasers build the roads, the Forest Service provides credits that may be applied against the purchase price of the timber.

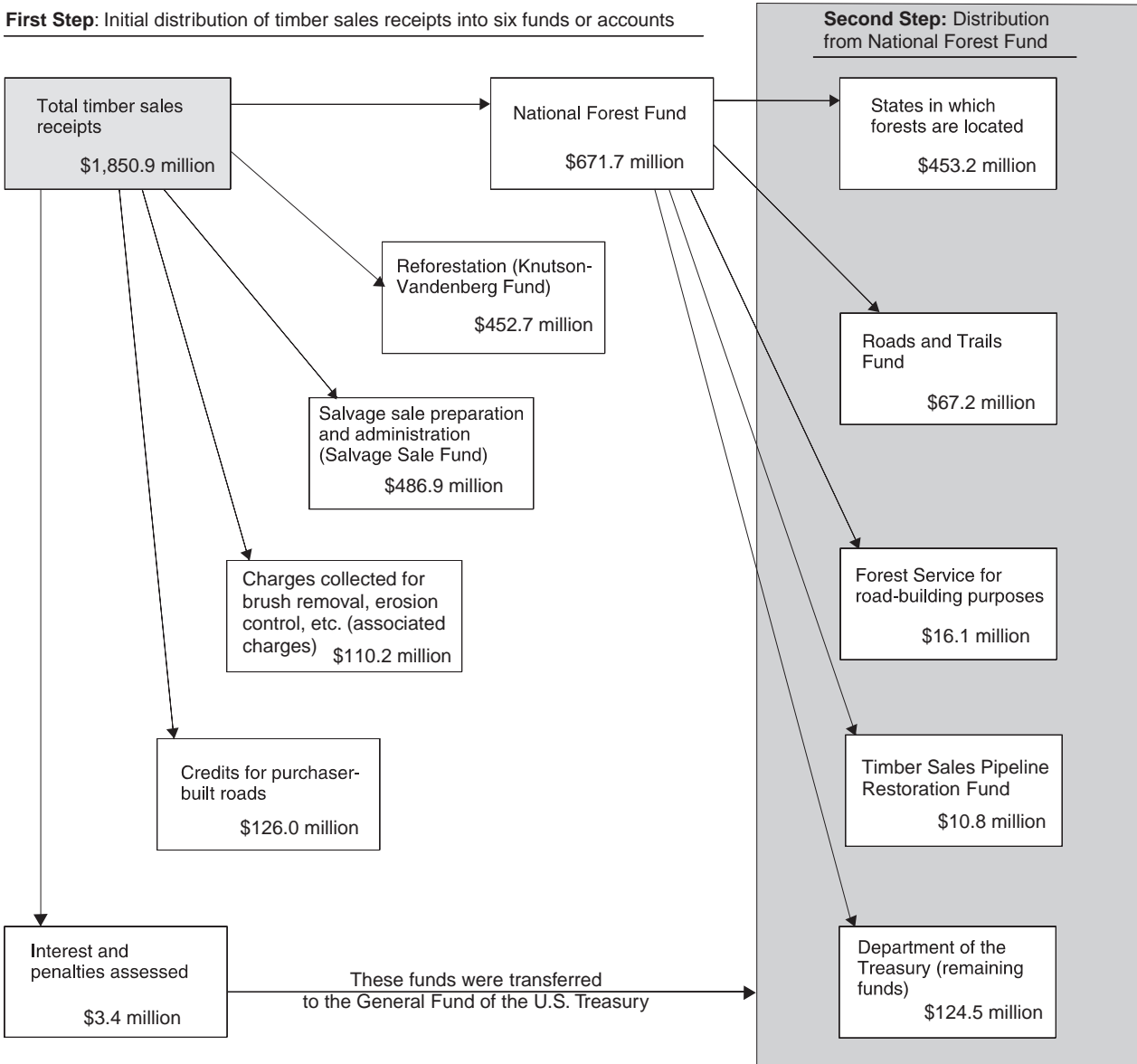
The actual distribution of timber sales receipts is a two-step process. Initially, timber sales receipts are distributed into six funds or accounts. The second step involves distributions from one of the six funds—the National Forest Fund—into several additional funds or accounts. Any funds remaining after the second stage distribution are deposited in the General Fund of the U.S. Treasury.

Timber Sales Receipts, Distributions, Outlays, and Deposits to the General Fund of the U.S. Treasury

During fiscal years 1995 through 1997, timber purchasers harvested about 11 billion board feet of timber from the national forests, for which the Forest Service collected about \$1.85 billion. The Forest Service distributed about \$1.7 billion to various Forest Service funds and accounts established for specific purposes and deposited about \$124.5 million of timber sales receipts into the General Fund of the U.S. Treasury. While these funds or accounts are provided for by law, two have specific percentage distributions mandated by law—the Roads and Trails Fund and the payments to states. Figure 2 shows this distribution process, and appendix I further explains the receipt distribution process and the various funds and accounts.

Figure 2: Distribution of Timber Sales Receipts, Fiscal Years 1995 Through 1997

First Step: Initial distribution of timber sales receipts into six funds or accounts



Note: Figures sometimes do not add because of rounding.

Timber Sales Receipts and Distributions

As shown in figure 2, the distribution of timber sales receipts is essentially a two-step process. The first step distributes receipts into six funds or accounts including the Knutson-Vandenberg Fund, the Salvage Sale Fund, associated charges account, purchaser road credit account, and interest and penalties. Any timber sales receipts not distributed to these funds or accounts passes into the National Forest Fund.

The second step involves further distributions from the National Forest Fund, which serves as a holding account for timber-related receipts at the national level. At the end of the fiscal year, any amount not distributed from the National Forest Fund for specific purposes is transferred to the General Fund of the U.S. Treasury. The largest distribution from this fund involves the payments to states. By law, states are entitled to 25 percent of the receipts from timber sales located within their boundaries.² In addition, certain counties in California, Oregon, and Washington are entitled to guaranteed payments as a result of listing the northern spotted owl as a threatened species.

Table 1 shows, for fiscal years 1995 through 1997, total timber sales receipts, the amounts distributed for specific Forest Service purposes, the amounts deposited in the General Fund of the U.S. Treasury, and the amounts distributed to the states.

²Payments to the states are authorized by the Twenty-Five Percent Fund Act of 1908 (16 U.S.C. 500). The annual calculation of the 25-percent payment to the states is based on the amounts in the National Forest Fund, purchaser road credit account, the Salvage Sale Fund, and the Knutson-Vandenberg Fund. Interest and penalties and associated charges are not included in this calculation.

Table 1: Timber Sales Receipts and Distributions, Fiscal Years 1995 Through 1997

Dollars in millions				
Fiscal year	Timber sales receipts			
	Total	Amount distributed for specific Forest Service purposes	Amount distributed to states ^a	Amount deposited in the General Fund of the U.S. Treasury ^b
1995	\$682.0	\$392.9	\$257.4	\$31.7
1996	610.9	448.4	106.1	56.4
1997	558.0	399.1	89.7	69.2
Total	\$1,850.9	\$1,240.4	\$453.2	\$157.3

^aThe amounts distributed to states reflect only those amounts attributable to timber receipts from national forests. States received more moneys when forest receipts from all sources are considered. In addition, in fiscal year 1995, about \$140 million for the spotted owl payments was made out of the National Forest Fund rather than using the special appropriation for these payments, as provided for in P.L. 103-66, as amended, which was used in fiscal years 1996 and 1997.

^bFor fiscal year 1995, deposits to the General Fund of the U.S. Treasury included about \$29.4 million from the Roads and Trails Fund. In fiscal years 1996 and 1997, the Forest Service was allowed to retain the amounts collected for the Roads and Trails Fund.

Source: Prepared by GAO from the Forest Service's data.

Timber Sales Outlays

Annually, the Forest Service receives and expends appropriations to prepare and administer timber sales. In addition, moneys from the Salvage Sale Fund are used to prepare and administer salvage sales. However, no requirement exists that timber sales receipts cover the outlays for preparing and administering timber sales.

These outlays would include, among other things, the cost of environmental and other analyses, the cost to prepare and offer the timber sale, and the cost to administer the purchaser's operations as timber is harvested. During fiscal years 1995 through 1997, the Forest Service's timber sale preparation and administration outlays were about \$1.2 billion, as shown in table 2.

Table 2: Timber Sales Outlays, Fiscal Years 1995 Through 1997

Dollars in millions				
Outlay	Fiscal year			Total
	1995	1996	1997	
Sale preparation	\$121.3	\$153.5	\$135.8	\$410.6
General administration attributable to sales	100.1	125.5	125.3	350.9
Analysis/documentation	45.7	50.5	65.8	162.0
Harvest administration	51.3	53.3	50.4	155.0
Silvicultural exams	22.5	19.8	21.1	63.4
Transportation planning	16.0	13.3	15.1	44.4
Appeals/litigation	2.9	1.6	4.1	8.6
Appeals/litigation-indirect	4.6	3.1	3.5	11.2
Total	\$364.4	\$420.6	\$421.1	\$1,206.1

Source: Prepared by GAO from the Forest Service's data.

Appendix II contains information on total timber sales receipts, the amounts distributed to the specific funds and accounts, and preparation and administration outlays, at the regional level. Appendix III contains similar information at the forest level. In addition, we have included, for informational purposes, the amounts of attributable payments to states, even though these payments are made at the national, not the forest level.

Deposits Into the General Fund of the U.S. Treasury

For fiscal years 1995 through 1997, the Forest Service deposited about \$124.5 million from timber sales receipts into the General Fund of the U.S. Treasury. In addition, the Forest Service deposited \$3.4 million from interest and penalties generated on timber sales. This category includes such items as interest on late payments and fines assessed for cutting the wrong trees. According to Forest Service officials, they classify interest and penalties as miscellaneous receipts. These receipts are not distributed to the National Forest Fund but instead are directly deposited to the General Fund of the U.S. Treasury.

Finally, for fiscal year 1995, the Forest Service deposited an additional \$29.4 million into the General Fund of the U.S. Treasury from the Roads and Trails Fund. Thus, in total, for fiscal years 1995 through 1997, the Forest Service deposited a total of \$157.3 million into the General Fund of the U.S. Treasury.

Recent Changes in the Receipt Distribution Process

A number of changes have occurred in the receipt distribution process since our September 1995 report. During the period, the Congress authorized a new fund for deposits from timber sales receipts, omitted the appropriation language requiring Roads and Trails Fund's moneys to be deposited into the General Fund of the U.S. Treasury, and eliminated the use of the purchaser road credits. Also, since fiscal year 1996, the Forest Service has been using a special appropriation provided by the Congress for a portion of the required payments to the states affected by a substantial drop in the size of timber harvests—and, therefore, a substantial drop in payments to these states—as a result of listing the northern spotted owl as a threatened species. These changes will result in more timber sales receipts being distributed to specific funds and less being available for deposit to the General Fund of the U.S. Treasury.

Timber Sales Pipeline Restoration Fund

The Congress established the Timber Sales Pipeline Restoration Fund in April 1996. The 1996 appropriations act authorized the Forest Service and the Department of the Interior's Bureau of Land Management to create a Timber Sales Pipeline Restoration Fund to be used for preparing timber sales to refill the timber pipeline.³ Revenues collected from selected timber sales in Oregon and Washington, less the funds necessary to make payments to states or local governments that are in excess of \$37.5 million, are to be deposited in the Timber Sales Pipeline Restoration Fund.⁴ Of the revenues deposited into the fund, 75 percent are to be used to prepare future timber sales, other than salvage sales, and 25 percent are to be used on backlogged recreation projects. For fiscal years 1995 through 1997, the Forest Service deposited about \$11 million in the fund and expects to allocate about \$4.5 million to the regions in fiscal year 1999 to prepare future timber sales.

³Section 327 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (P.L. 104-134).

⁴Section 2001(k) of the Fiscal Year 1995 Supplemental Appropriations for Disaster Assistance and Rescissions Act (P.L. 104-19) released for sale the timber sales contracts in Washington and Oregon that were offered under section 318 of the Fiscal Year 1990 Interior and Related Agencies Appropriation Act but were not allowed to be completed because of the listing of the northern spotted owl as a threatened species.

Roads and Trails Fund

Prior to fiscal year 1996, language in the Forest Service’s annual appropriations acts required that the amount deposited into the Roads and Trails Fund be transferred to the General Fund of the U.S. Treasury to offset annual appropriations for road and trail construction and maintenance. Beginning in fiscal year 1996, the Congress omitted this appropriation language, and the Forest Service has retained about \$50 million in the fund, of which about \$38 million related to timber receipts. Guidance to regional foresters provides that the Roads and Trails Fund moneys are to be used, beginning in fiscal year 1998, to correct road and trail problems that are adversely affecting forest, rangeland, and aquatic ecosystems on forest lands. According to Forest Service officials, these funds are being used in addition to regular appropriations for road and trail maintenance and reconstruction.

Purchaser Road Credits

Beginning in fiscal year 1999, the Congress eliminated purchaser road credits for future timber sales. Timber purchasers who currently have unused road credits will be allowed to use them. In future timber sales, offered without purchaser road credits, the Forest Service must estimate the cost to construct the roads and include that amount in its calculation of the payments to the states.

Spotted Owl Guarantee Appropriation

For specific counties in California, Oregon, and Washington, the listing of the northern spotted owl as a threatened species accounted for a substantial drop in the size of timber harvests—and, therefore, a substantial drop in the receipts that the counties would receive under the 25-percent payments to states. To reduce the fiscal impact of the listing, the Congress included a “safety net”, or spotted owl guarantee in the Forest Service’s annual appropriations acts for fiscal years 1991 through 1993 to ensure that state payments remained at a comparable level to those payments made before the listing. A special appropriation was established by the Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66), as amended, to make these payments beginning in fiscal year 1994.

In August 1997, we reported that the Forest Service inappropriately made the spotted owl guarantee payments for fiscal years 1994 and 1995 from the National Forest Fund and recommended that the Forest Service make the necessary accounting adjustments to reflect the use of the special spotted owl appropriation in lieu of the National Forest Fund.⁵ Since fiscal

⁵Forest Service: Unauthorized Use of the National Forest Fund (GAO/RCED-97-216, Aug. 29, 1997).

year 1996, the Forest Service has been using the special spotted owl appropriation for a portion of the required payments to the states.

The Forest Service is in the process of working on appropriate actions with Department of Treasury and Office of Management and Budget officials that will implement the recommendations in our report. Once the Forest Service, Department of Treasury, and Office of Management and Budget officials agree on the accounting adjustments needed, the increase in deposits to the General Fund of the U.S. Treasury for fiscal years 1994 and 1995 should total about \$285 million.

Agency Comments

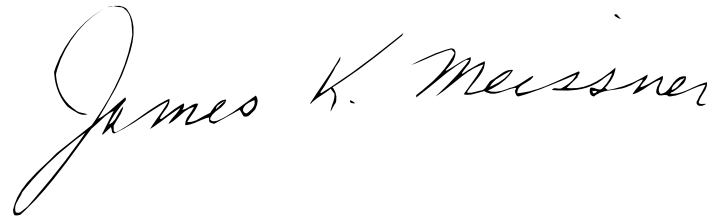
We provided the Forest Service with a draft of this report for review and comment. The Forest Service commented that the report accurately and fairly presented information on the distribution of timber sales receipts. The Forest Service also provided technical clarifications, which we incorporated into the report.

We conducted our review by analyzing the Forest Service's timber sales accounting data for fiscal years 1995 through 1997. Appendix IV explains our methodology in detail. We conducted our work from June through October 1998 in accordance with generally accepted government auditing standards.

As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 10 days after the date of this letter. We will then send copies to the Secretary of Agriculture, the Chief of the Forest Service, appropriate congressional committees, and other interested parties. We will also make copies available to others on request.

If you or your staff have any questions about this report, please call me at (206) 287-4810. Major contributors to this report are listed in appendix V.

Sincerely yours,

A handwritten signature in black ink that reads "James K. Meissner". The signature is written in a cursive style with a large, looping initial "J".

James K. Meissner
Associate Director, Energy,
Resources, and Science Issues

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Distribution of Timber Sales Receipts

This appendix explains the special funds or accounts into which timber sales receipts are deposited before the remaining receipts are deposited into the General Fund of the U.S. Treasury. The two-step process involves distributing the receipts into a number of funds and accounts that the Forest Service uses to finance various activities. This appendix provides the data we developed for this report as well as the similar data we previously reported for fiscal years 1992 through 1994.

Receipt Distribution Process: First Step

In the first step, timber sales receipts are deposited into six funds or accounts. The following is a detailed description of each of the six categories in which timber sales receipts are initially deposited.

Knutson-Vandenberg Fund

The Knutson-Vandenberg Act of 1930 (16 U.S.C. 576b), as amended, authorizes the use of timber sales receipts to reforest harvested areas and to improve and protect the land's future productivity. The Forest Service maintains the Knutson-Vandenberg Trust Fund for this purpose. For each timber sale, the Forest Service prepares a sale area improvement plan that determines how much money should be set aside to meet the act's requirements and how this money should be spent. The percentage of the timber sales receipts to be set aside varies with each sale according to the kinds of activities that must be performed. The Knutson-Vandenberg Trust Fund received about 24 percent of timber receipts in fiscal years 1995 through 1997 as well as for the period fiscal years 1992 through 1994.

Salvage Sale Fund

"Salvage" timber refers to timber that is being made available for harvest because it is disease- or insect-infested, dead, damaged or downed by wind, or affected by fire or imminently susceptible to fire or insect attack. The National Forest Management Act of 1976 (16 U.S.C. 472a(h)) established the Salvage Sale Fund. Individual salvage sale timber contracts designate the amount of receipts to be collected and transferred to the Salvage Sale Fund. The Forest Service uses moneys in the fund to prepare and administer future salvage sales. The fund may also be used to pay for the design, engineering, and supervision of construction of roads associated with such sales. The Salvage Sale Fund received about 36 percent of total timber sales receipts in fiscal years 1995 through 1997 compared with about 18 percent for the period fiscal years 1992 through 1994.

The amount for fiscal years 1995 through 1997 is, in part, attributable to the emergency salvage timber sale program authorized by the Fiscal Year 1995 Supplemental Appropriations for Disaster Assistance and Rescissions Act (P.L. 104-19). This program contained a number of provisions that were intended to increase the volume of salvage timber that the Forest Service offered for sale during the period July 27, 1995, through December 31, 1996.

Purchaser Road Credits

This category of receipts differs from the others in that it represents a noncash payment for timber. In this case, the payment is in the form of roads and is referred to as purchaser road credits. With many timber sales, timber purchasers reduce the amount they pay in cash for timber by agreeing to build roads that provide access to the timber sales area. The use of purchaser road credits was established in the National Forest Roads and Trails Act of 1964 (16 U.S.C. 532 *et seq.*). Timber contracts stipulate which roads are to be built and their estimated cost. When timber purchasers build these roads, they receive credits equal to the estimated cost of the road stipulated in the contract. Purchasers may then use these credits, instead of cash, to pay for timber. These road credits, in turn, reduce the amount of cash entering the distribution system. The value of the road credits, however, is considered a receipt in the calculation of the payments to states. For both periods—fiscal years 1995 through 1997 and fiscal years 1992 through 1994—this category represented about 7 percent of total timber sales receipts.

Beginning in fiscal year 1999, the Congress eliminated purchaser road credits on future timber sales. However, timber purchasers with unused road credits will be allowed to use them. In future timber sales, offered without purchaser road credits, the Forest Service must estimate the cost to construct the roads and include that amount in its calculation of the payments to the states.

Associated Charges

The Forest Service assesses various charges for certain other activities related to timber sales, such as piling and burning logging debris remaining after a timber harvest, maintaining and repairing existing Forest Service roads used during the timber harvest, and controlling erosion in newly harvested areas. Each timber sales contract specifies the amounts to be collected for these purposes. The Forest Service's authority to assess these charges stems from a number of laws, beginning with the Cooperative Funds Act of 1914 (laws include 16 U.S.C. 471h, 498, 572, 535,

Appendix I
Distribution of Timber Sales Receipts

537, 693d, and 1643). Associated charges accounted for about 6 percent of timber sales receipts in fiscal years 1995 through 1997 and about 4.5 percent in fiscal years 1992 through 1994.

National Forest Fund

Any timber sales receipts not designated for distribution into one of the previously described categories passes into the National Forest Fund. Among other things, this fund serves as a holding account for distributing timber-related receipts to several other accounts or funds for specific purposes.¹ At the end of the fiscal year, any amount not distributed is deposited into the General Fund of the U.S. Treasury. This fund accounted for about 36 percent of the timber receipts for fiscal years 1995 through 1997 compared with about 45 percent for fiscal years 1992 through 1994.

Interest and Penalties

This category includes such items as interest on late payments and fines assessed for cutting the wrong trees. According to Forest Service officials, they classify interest and penalties as miscellaneous receipts. These receipts are not distributed to the National Forest Fund but instead are directly deposited into the General Fund of the U.S. Treasury. This category of receipts is quite small, accounting for just 0.2 percent of timber sales receipts for fiscal years 1995 through 1997 and fiscal years 1992 through 1994.

Summary
Distributions—Step One

The six categories into which timber sales receipts are initially distributed, together with the amounts for fiscal years 1992 through 1997, are shown in table I.1.

¹Receipts from all resources on Forest Service lands are deposited in the National Forest Fund. We are reporting on only that portion of the National Forest Fund attributable to timber sales receipts.

Appendix I
Distribution of Timber Sales Receipts

Table I.1: First-Step Distribution of Timber Sales Receipts, Fiscal Years 1992 Through 1997

Dollars in millions						
Fund or account	Fiscal year					
	1992	1993	1994	1995	1996	1997
Knutson-Vandenberg Fund	\$278.1	\$301.8	\$230.1	\$183.4	\$156.7	\$123.8
Salvage Sale Fund	218.6	208.4	183.9	139.0	198.9	155.6
Purchaser road credits	100.2	71.0	73.2	50.1	42.2	36.9
Associated charges	63.9	47.8	37.2	31.9	33.7	46.7
Interest and penalties assessed	2.6	2.1	0.9	0.9	1.7	0.9
National Forest Fund	568.9	456.6	451.1	307.3	190.8	190.7
Total	\$1,232.3	\$1,087.7	\$976.4	\$712.6	\$624.0	\$554.6

Note: The amounts are presented in constant 1997 dollars and differ from the amounts shown in our prior report for fiscal years 1992 through 1994.

Source: Prepared by GAO from the Forest Service's data.

Receipt Distribution Process: Second Step

The second step applies to only one of the funds initially receiving timber sales receipts—the National Forest Fund. In step two, receipts in the National Forest Fund are further distributed among several additional funds. Timber sales receipts deposited in the National Forest Fund are distributed as payments to the states, to the Roads and Trails Fund, to the Timber Sales Pipeline Restoration Fund, and to Purchaser-Elect Roads; the remainder is deposited into the General Fund of the U.S. Treasury at the end of the fiscal year. Following is a more detailed description of each fund or account to which distributions are made from the National Forest Fund.

Payments to States

The Forest Service uses receipts placed in the National Forest Fund to make the required payments to the states. The Twenty-Five Percent Fund Act of 1908 (16 U.S.C. 500) requires that 25 percent of a national forest's gross receipts be transferred to the states where the forest is located, to be used to benefit roads and schools in the counties where the receipt was earned. By law, gross receipts are defined as the total of the annual distribution to the Knutson-Vandenberg Fund, the Salvage Sale Fund, the

National Forest Fund, and purchaser road credits. Over 60 percent of the state payments are made from the National Forest Fund. The remainder of the payments to the states is made from a special appropriation established by the Congress by the Omnibus Budget and Reconciliation Act of 1993 (P.L. 103-66, as amended) to compensate specific counties in California, Oregon, and Washington for the loss of revenues as a result of listing the northern spotted owl as a threatened species. For the purposes of calculating the payments to the states, the Forest Service does not include associated charges and interest and penalties. Payments to states accounted for about 24 percent of timber sales receipts in fiscal years 1995 through 1997, while for fiscal years 1992 through 1994 they accounted for about 30 percent of timber sales receipts.

For specific counties in California, Oregon, and Washington, the listing of the northern spotted owl as a threatened species accounted for a substantial drop in the size of timber harvests—and, therefore, a substantial drop in the receipts that the counties would receive under the 25-percent payments to states. To reduce the fiscal impact of the listing, the Congress included a “safety net”, or spotted owl guarantee in the Forest Service’s annual appropriations acts for fiscal years 1991 through 1993 to ensure that state payments remained at a comparable level to those payments made before the listing. A special appropriation was established by the Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66), as amended, to make these payments beginning in fiscal year 1994 and included a formula designed to lessen the impacts on affected counties’ timber receipts by guaranteeing a payment based on an average of the receipts from prior years. The payment formula varies by year and began decreasing by 3 percent a year after fiscal year 1994 until it expires in 2003.

Roads and Trails Fund

The Roads and Trails Fund annually receives 10 percent of all receipts deposited in the National Forest Fund. Authorized by the Expenditures From Receipts Act of 1913, as amended, (16 U.S.C. 501), the fund’s purpose is to support the construction and maintenance of roads and trails within the national forests in the states where the receipts were collected. Prior to fiscal year 1996, language in the Forest Service’s annual appropriation acts required that the amount deposited in the Roads and Trails Fund be transferred to the General Fund of the U.S. Treasury to offset annual appropriations for road and trail construction and maintenance. Deposits to the Roads and Trails Fund were about 4 percent of timber sales receipts for fiscal years 1995 through 1997, while they

accounted for about 5 percent of timber sales receipts during fiscal years 1992 through 1994.

Beginning in fiscal year 1996, the Congress omitted the appropriation language requiring deposits in the Roads and Trails Fund to be transferred to the General Fund of the U.S. Treasury. In fiscal years 1996 and 1997, the Forest Service deposited about \$50 million into this fund, of which about \$38 million related to timber receipts. Guidance provided to regional foresters indicates that the Roads and Trails Fund moneys are to be used, beginning in fiscal year 1998, to correct road and trail problems that are adversely affecting forest, rangeland, and aquatic ecosystems on forest lands. According to Forest Service officials, these funds are being used in addition to regular appropriations for road and trail maintenance and reconstruction.

Timber Sales Pipeline Restoration Fund

The Congress established the Timber Sales Pipeline Restoration Fund in section 327 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (P.L. 104-134). The act authorized the Forest Service and the Department of the Interior's Bureau of Land Management to create a Timber Sales Pipeline Restoration Fund to be used for preparing timber sales to refill the timber pipeline. Net revenues collected from section 2001(k) timber sales, less the funds necessary to make payments to states or local governments, that are in excess of \$37.5 million are to be deposited into the Timber Sales Pipeline Restoration Fund.² Of the revenues deposited in the fund, 75 percent is to be used to prepare future timber sales, other than salvage sales, and 25 percent is to be used on backlogged recreation projects. During fiscal years 1995 through 1997, the Forest Service deposited about \$11 million in the fund and expects to allocate about \$4.5 million to the regions in fiscal year 1999 to prepare future timber sales.

Purchaser-Elect Roads

Under section 14(i) of the National Forest Management Act of 1976 (16 U.S.C. 472a(i)), certain small purchasers may elect to have the Forest Service build the roads necessary to access the timber. The Forest Service refers to these as "purchaser-elect" roads. The Forest Service does not charge timber purchasers for building the roads, but it does have a

²Section 2001(k) of the Fiscal Year 1995 Supplemental Appropriations for Disaster Assistance and Rescissions Act (P.L. 104-19) released for sale the timber sale contracts in Washington and Oregon that were offered for sale under section 318 of the Fiscal Year 1990 Interior and Related Agencies Appropriation Act but were not allowed to be completed because the northern spotted owl was listed as a threatened species.

mechanism for ensuring that it recovers its estimated road-building costs before the remaining timber sales receipts are deposited into the General Fund of the U.S. Treasury. Each timber sales contract specifies the cost of the roads related to the sale, and the Forest Service transfers these amounts from the National Forest Fund to its purchaser-elect account. For both fiscal years 1995 through 1997 and fiscal years 1992 through 1994, purchaser-elect roads accounted for about 1 percent of timber receipts.

Treasury Payment

At the end of each fiscal year, any money remaining in the National Forest Fund after the above payments are made is deposited into the General Fund of the U.S. Treasury. However, when such deposits are made, timber-related receipts are not separated from receipts collected from other forest resources, such as grazing, mining, or recreation. In total, timber-related receipts were about 60 percent of total receipts deposited from the National Forest Fund during fiscal years 1995 through 1997. During fiscal years 1992 through 1994, about 50 percent of the receipts deposited into the General Fund of the U.S. Treasury were timber-related.

The Forest Service is in the process of working with Department of Treasury and Office of Management and Budget officials on appropriate actions that will implement the recommendations in our August 1997 report on the National Forest Fund.³ Once the Forest Service, Department of Treasury, and Office of Management and Budget officials agree on the accounting adjustments needed, the increase in deposits to the General Fund of the U.S. Treasury for fiscal years 1994 and 1995 should total about \$285 million.

Summary
Distributions—Step Two

The five categories into which timber receipts are distributed from the National Forest Fund, together with the amounts for fiscal years 1992 through 1997, are shown in table I.2.

³Forest Service: Unauthorized Use of the National Forest Fund (GAO/RCED-97-216, Aug. 29, 1997).

Appendix I
Distribution of Timber Sales Receipts

Table I.2: Second-Step Distribution of Receipts From the National Forest Fund, Fiscal Years 1992 Through 1997

Dollars in millions						
Fund or account	Fiscal year					
	1992	1993	1994	1995	1996	1997
Payments to states	\$343.5	\$317.9	\$313.4	\$269.0	\$108.4	\$89.7
Roads and Trails Fund ^a	56.9	45.7	45.1	30.7	19.1	19.1
Purchaser-elect roads	9.6	9.3	6.3	5.9	5.7	4.2
Timber Sales Pipeline Restoration Fund ^b	0	0	0	0	1.4	9.4
General Fund of the U.S. Treasury	158.9	83.8	86.3 ^c	1.5 ^c	55.8	68.4
Total	\$568.9	\$456.7	\$451.1	\$307.1	\$190.4	\$190.8

Note: The amounts are presented in constant 1997 dollars and differ from the amounts shown in our prior report for fiscal years 1992 through 1994.

^aUntil fiscal year 1996, the Forest Service was required by the Congress in annual appropriation acts to transfer the amounts deposited into the Roads and Trails Fund to the General Fund of the U.S. Treasury. Beginning in fiscal year 1996, this language was omitted, and the Forest Service has retained these deposits and, starting in fiscal year 1998, began to use the amounts for road and trail construction and maintenance.

^bThis fund was established in the fiscal year 1996 appropriations act.

^cIn fiscal years 1994 and 1995, the spotted owl payment of \$145 million and \$140 million, respectively, was inappropriately made out of the National Forest Fund rather than using the special spotted owl appropriation, as provided for in P.L. 103-66, as amended.

Source: Prepared by GAO from the Forest Service's data.

Timber Sales Receipts and Outlays by Region Fiscal Years 1995 Through 1997

This appendix shows, by region, total receipts, the first-step distribution of timber sales receipts, and outlays for preparing and administering timber sales. Total receipts equals the total of the National Forest Fund, purchaser road credits, Knutson-Vandenberg Fund, Salvage Sale Fund, interest and penalties, and associated charges.

Outlays for preparing and administering timber sales include not only the outlays of the individual forests, but also regional office outlays. There is no requirement that timber receipts cover the outlays for preparing and administering timber sales; however, these outlays are shown for information purposes only.

The data shown in this appendix are timber sales accounting data on a cash basis, which recognizes receipts when collected and outlays when paid. Because of this, the data in the report are not a measure of profitability, nor is it appropriate to compare these data against budget authority amounts. Profitability would be measured on an accrual basis, which matches all annual sales-related revenues with all annual sales-related expenses.

Table II.1: Timber Sales Receipts and Outlays by Region, Fiscal Years 1995 Through 1997

Dollars in millions

Region ^a / Fiscal year	Total receipts	Distributions of timber sales receipts					Interest and penalties	Associated charges	Preparation and administration outlays
		National Forest Fund	Purchaser road credits	Knutson- Vandenberg Fund	Salvage Sale Fund				
1—Northern Region									
1995	\$83.67	\$25.72	\$5.81	\$19.32	\$27.67	\$0.04	\$5.11	\$40.84	
1996	74.94	14.49	4.68	15.17	35.09	0.09	5.41	47.14	
1997	62.93	13.06	4.67	8.72	30.45	0.08	5.93	45.16	
2—Rocky Mountain Region									
1995	25.77	7.22	2.42	6.69	8.09	0.04	1.30	15.20	
1996	23.05	7.40	2.50	4.71	7.48	0.13	0.90	19.38	
1997	24.31	10.18	3.06	5.05	5.00	0.51	0.98	21.95	
3—Southwestern Region									
1995	10.37	1.46	0.27	3.03	5.04	0.01	0.56	14.84	
1996	3.38	0.99	0.10	1.12	0.10	0.01	0.16	15.90	
1997	6.33	1.71	0.14	2.99	1.10	0.01	0.29	15.20	

(continued)

**Appendix II
Timber Sales Receipts and Outlays by
Region Fiscal Years 1995 Through 1997**

Dollars in millions

Region ^a / Fiscal year	Total receipts	Distributions of timber sales receipts					Interest and penalties	Associated charges	Preparation and administration outlays
		National Forest Fund	Purchaser road credits	Knutson- Vandenberg Fund	Salvage Sale Fund				
4—Intermountain Region									
1995	26.47	9.00	2.09	6.65	7.52	0.02	1.19	28.10	
1996	42.44	7.73	3.48	10.30	19.55	0.03	1.34	28.90	
1997	36.69	8.53	2.06	3.65	20.92	0.04	1.48	29.46	
5—Pacific Southwest Region									
1995	115.23	29.87	4.10	43.00	30.54	0.11	7.60	55.19	
1996	98.46	35.15	4.88	26.13	23.05	0.14	9.12	69.42	
1997	84.17	17.07	5.13	17.18	34.83	0.10	9.87	63.49	
6—Pacific Northwest Region									
1995	238.60	128.26	5.39	51.76	40.55	0.35	12.28	91.77	
1996	166.07	19.56	6.02	40.70	85.86	0.55	13.37	111.89	
1997	182.95	61.13	10.77	33.36	53.18	0.13	25.87	111.98	
8—Southern Region									
1995	99.39	49.54	8.92	32.64	6.44	0.07	1.78	42.15	
1996	118.48	53.22	7.97	43.68	11.52	0.10	1.98	46.90	
1997	91.38	42.19	7.69	36.67	3.04	0.08	1.71	45.50	
9—Eastern Region									
1995	53.56	33.37	3.91	10.39	5.18	0.09	0.62	28.89	
1996	60.67	36.82	3.68	11.19	8.43	0.01	0.55	32.82	
1997	60.26	35.04	2.58	15.48	6.53	0.04	0.58	37.16	
10—Alaska Region									
1995	29.96	9.59	16.98	0.98	2.17	0.11	0.12	32.97	
1996	23.32	11.40	7.98	0.39	2.78	0.64	0.11	32.52	
1997	4.11	1.76	0.74	0.74	0.50	0.34	0.01	32.68	

Note: For consistency with our prior report, the figures have not been converted to constant 1997 dollars.

Totals may not add due to rounding.

^aThe Forest Service no longer has a region 7.

Source: Prepared by GAO from the Forest Service's data.

Appendix II
Timber Sales Receipts and Outlays by
Region Fiscal Years 1995 Through 1997

Timber Sales Receipts and Outlays by Forest Fiscal Years 1995 Through 1997

This appendix shows, by forest, total receipts, the first step distribution of timber sales receipts, outlays for preparing and administering timber sales, and the payment to the states attributable to that particular forest. At the forest level, for financial reporting purposes, the Forest Service groups its 155 national forests into 118 administrative units because many forests are too small to have their own management structure. We used these 118 units, except for the Caribbean National Forest which has no timber sales receipts, for our reporting to be consistent and comparable with the Forest Service's reports.

Total receipts equals the total of the National Forest Fund, purchaser road credits, Knutson-Vandenberg Fund, Salvage Sale Fund, interest and penalties, and associated charges. We have not included distributions to the Timber Sales Pipeline Restoration Fund because this distribution is made at the national level at the end of each fiscal year.

Outlays for preparing and administering timber sales are also shown for the individual forests. There is no requirement that timber receipts cover the outlays for preparing and administering timber sales; however, these outlays are shown for information purposes only.

The attributable payments to the states is calculated on the basis of 25 percent of the total amounts in the National Forest Fund, purchaser road credits, Knutson-Vandenberg Fund, and the Salvage Sale Fund. Certain forests in Regions 5 and 6, however, receive a special payment to compensate for lost revenues due to the listing of the northern spotted owl as a threatened species. These payments, from a special appropriation, are based on a legislative formula and continue until the year 2003. Payments to the states are not made from individual forests, rather, they are made at the national level.

The data shown in this appendix are timber sales accounting data on a cash basis, which recognizes receipts when collected and outlays when paid and, are thus, not a measure of the profitability of timber sales. Profitability would be measured on an accrual basis which matches all annual sales-related revenues with all annual sales-related expenses.

**Appendix III
Timber Sales Receipts and Outlays by
Forest Fiscal Years 1995 Through 1997**

Table III.1: Timber Sales Receipts and Outlays by National Forest, Fiscal Years 1995 Through 1997

Region/ Forest/ Fiscal year	Total receipts	Distribution of timber sales receipts						Preparation and administration outlays	
		National Forest Fund ^a	Purchaser road credits ^b	Knutson- Vandenberg Fund ^c	Salvage Sale Fund ^d	Interest and penalties ^e	Associated charges		Attributable payments to states ^f
Region 1									
Beaverhead Forest									
1995	\$601,491	\$(159,445)	\$0	\$183,807	\$532,147	\$3,879	\$41,103	\$139,127	\$948,667
1996	1,286,957	586,013	0	454,793	178,353	772	67,026	304,790	1,161,729
1997	718,908	214,653	0	209,725	163,840	457	130,233	147,055	2,571,814
Bitterroot Forest									
1995	1,217,233	269,958	0	272,718	586,411	0	88,146	282,272	957,731
1996	1,012,238	(65,548)	45,224	371,476	462,587	104	198,395	203,435	1,209,805
1997	1,394,452	188,253	129,798	227,687	530,038	475	318,201	268,944	1,267,685
Clearwater Forest									
1995	9,440,150	2,678,101	84,239	1,919,700	3,559,284	3,835	1,194,991	2,060,331	4,480,171
1996	2,564,863	402,934	235,853	298,090	958,893	31,094	637,999	473,943	5,957,683
1997	6,538,695	491,257	513,694	1,073,805	3,232,869	718	1,226,352	1,327,906	5,270,318
Custer Forest									
1995	541,284	122,866	110,064	118,980	17,934	1,273	170,167	92,461	456,414
1996	264,117	(93,374)	63,387	115,102	64,573	7	114,422	37,422	435,914
1997	40,353	16,631	0	1,575	21,660	0	487	9,967	528,637
Deerlodge Forest									
1995	1,995,844	(202,247)	178,678	967,793	859,454	213	191,953	450,920	1,188,075
1996	1,161,054	707,505	53,688	279,205	17,188	163	103,305	264,397	1,240,174
1997	966,890	440,072	16,394	228,467	281,957	0	0	241,723	29,960
Flathead Forest									
1995	4,486,061	2,133,195	187,580	687,345	1,238,296	2,256	237,389	1,061,604	2,467,112
1996	3,508,775	(152,836)	202,622	436,933	2,769,504	16,144	236,408	814,056	2,776,913
1997	2,983,521	466,557	187,749	807,962	1,045,323	44,592	431,338	626,898	3,503,159
Gallatin Forest									
1995	387,271	8,565	38,538	138,619	164,349	531	36,669	87,518	888,830
1996	663,658	(34,807)	94,827	162,120	362,545	1,449	77,524	146,171	1,015,131
1997	756,953	(27,187)	19,450	390,374	323,973	51	50,292	176,653	1,401,198
Helena Forest									
1995	1,697,618	1,007,344	78,744	234,783	323,480	1,576	51,691	411,088	942,818
1996	1,222,168	5,456	13,908	49,057	1,067,047	265	86,435	283,867	1,283,198
1997	1,920,717	509,740	149,887	406,456	797,842	400	56,392	465,981	1,249,158

(continued)

**Appendix III
Timber Sales Receipts and Outlays by
Forest Fiscal Years 1995 Through 1997**

Region/ Forest/ Fiscal year	Total receipts	Distribution of timber sales receipts							Preparation and administration outlays
		National Forest Fund ^a	Purchaser road credits ^b	Knutson- Vandenberg Fund ^c	Salvage Sale Fund ^d	Interest and penalties ^e	Associated charges	Attributable payments to states ^f	
Kootenai Forest									
1995	19,865,326	5,223,667	866,628	2,296,762	10,391,190	(156)	1,087,235	4,694,562	10,152,577
1996	18,300,806	2,676,330	947,098	3,475,136	9,534,771	22,501	1,644,970	4,158,334	11,190,511
1997	15,757,139	4,535,842	1,171,344	1,964,171	6,370,470	6,156	1,709,156	3,510,457	9,694,295
Lewis and Clark Forest									
1995	1,913,741	777,279	300,929	165,123	593,999	4,132	72,279	459,333	1,150,191
1996	1,829,268	751,895	36,129	221,258	741,261	363	78,362	437,636	1,039,546
1997	763,221	546,538	264,298	(89,281)	2,088	6	39,572	180,911	1,208,050
Lolo Forest									
1995	5,995,668	334,759	293,361	2,672,961	2,330,998	9,385	354,204	1,408,020	3,918,691
1996	5,787,401	818,855	424,548	1,582,728	2,527,769	5,146	428,355	1,338,475	5,373,554
1997	8,489,998	1,344,004	626,524	945,177	4,820,156	13,885	740,252	1,933,965	4,835,614
Nez Perce Forest									
1995	4,967,786	(195,598)	759,398	2,441,912	1,687,839	20	274,215	1,173,388	3,313,377
1996	6,471,173	2,678,437	1,587,950	713,420	1,151,882	7,584	331,900	1,532,922	3,007,225
1997	2,853,716	200,604	300,795	263,510	1,925,219	7,692	155,896	672,532	3,261,157
Idaho Panhandle Forests									
1995	30,564,164	13,717,647	2,913,188	7,221,435	5,383,140	17,720	1,311,034	7,308,853	7,019,325
1996	30,865,920	6,205,676	975,926	7,011,238	15,254,484	8,810	1,409,786	7,361,831	8,211,402
1997	19,743,400	4,131,874	1,295,746	2,296,282	10,938,186	7,380	1,073,932	4,665,522	8,114,581
Region 2									
Arapaho and Roosevelt Forests									
1995	797,890	216,972	56,804	270,815	225,432	2,070	25,797	192,506	457,657
1996	769,066	333,379	84,125	199,221	134,574	249	17,518	187,825	849,097
1997	864,438	424,485	196,213	91,716	98,750	55	53,219	202,791	556,975
Bighorn Forest									
1995	619,984	(18,040)	18,629	202,481	390,021	(1,025)	27,918	148,273	488,878
1996	792,753	140,964	11,562	85,172	490,823	0	64,232	182,130	806,000
1997	514,805	266,714	109	196,752	11,499	3,565	36,166	118,769	768,016
Black Hills Forest									
1995	13,261,859	3,296,331	1,738,422	4,107,533	3,636,854	6,580	476,139	3,194,785	4,835,793
1996	10,922,878	2,462,288	1,614,094	3,140,825	3,369,465	94,799	241,407	2,646,668	4,966,863
1997	17,888,320	6,342,134	2,635,498	4,917,686	3,539,948	1,570	451,484	4,358,817	6,400,603

(continued)

**Appendix III
Timber Sales Receipts and Outlays by
Forest Fiscal Years 1995 Through 1997**

Region/ Forest/ Fiscal year	Total receipts	Distribution of timber sales receipts							Preparation and administration outlays
		National Forest Fund ^a	Purchaser road credits ^b	Knutson- Vandenberg Fund ^c	Salvage Sale Fund ^d	Interest and penalties ^e	Associated charges	Attributable payments to states ^f	
Grand Mesa, Uncompahgre, and Gunnison Forests									
1995	1,763,553	693,449	121,342	183,534	608,462	4,318	152,448	401,697	1,474,547
1996	1,459,712	739,867	84,582	114,812	454,435	2,277	63,739	348,424	1,982,391
1997	602,584	419,478	4,293	26,322	97,324	121	55,046	136,854	2,046,804
Medicine Bow Forest									
1995	1,055,673	446,505	133,075	325,580	(20,821)	467	170,867	221,085	832,177
1996	875,552	(24,790)	30,550	130,682	541,649	24,516	172,945	169,523	2,138,728
1997	891,989	362,759	49,052	158,479	192,919	3,929	124,851	190,802	3,038,401
Nebraska Forest									
1995	8,014	7,511	0	503	0	0	0	2,004	19,547
1996	941	605	0	336	0	0	0	235	22,945
1997	600	531	0	69	0	0	0	150	23,586
Pike and San Isabel Forests									
1995	322,755	108,042	28,790	84,106	49,530	9,286	43,001	67,617	171,078
1996	396,663	179,014	(671)	119,974	40,168	9,271	48,907	84,621	388,718
1997	304,010	86,869	0	53,260	59,482	450	103,949	49,903	364,979
Rio Grande Forest									
1995	3,460,957	502,621	0	1,016,132	1,807,252	2,018	132,934	831,501	910,939
1996	1,251,773	566,726	18,086	243,401	288,812	1,428	133,320	279,256	2,973,571
1997	502,522	120,170	0	87,700	219,939	38,433	36,280	106,952	3,116,847
Routt Forest									
1995	1,766,177	802,836	159,173	218,040	498,435	767	86,926	419,621	1,095,604
1996	2,648,770	925,344	261,184	404,929	1,057,313	0	0	662,193	62,785
1997	2,124,618	1,797,671	50,574	131,336	145,037	0	0	531,155	314
San Juan Forest									
1995	1,007,449	292,936	38,470	113,178	502,159	9,611	51,095	236,686	1,334,466
1996	1,315,056	726,923	134,582	83,608	369,943	0	0	328,764	135,846
1997	(605,084)	97,619	22,091	(779,247)	54,453	0	0	(151,271)	8,864
Shoshone Forest									
1995	316,112	188,862	123	22,361	100,797	245	3,724	78,036	389,159
1996	627,571	517,388	25,283	1,622	68,710	116	14,452	153,251	519,320
1997	416,667	95,824	17,880	43,721	244,735	617	13,890	100,540	696,610
White River Forest									
1995	1,388,586	686,556	124,716	143,330	297,333	9,204	127,447	312,984	1,595,342
1996	2,078,622	836,942	237,140	190,555	667,831	557	145,597	483,117	1,934,951
1997	805,846	163,273	81,114	120,165	337,701	2,077	101,516	175,563	2,328,621

(continued)

**Appendix III
Timber Sales Receipts and Outlays by
Forest Fiscal Years 1995 Through 1997**

Region/ Forest/ Fiscal year	Total receipts	Distribution of timber sales receipts							Preparation and administration outlays
		National Forest Fund ^a	Purchaser road credits ^b	Knutson- Vandenberg Fund ^c	Salvage Sale Fund ^d	Interest and penalties ^e	Associated charges	Attributable payments to states ^f	
Region 3									
Apache-Sitgreaves Forest									
1995	3,146,871	370,396	24,047	1,126,848	1,488,793	2,534	134,253	752,521	4,225,581
1996	1,808,482	577,932	31,918	628,798	507,344	131	62,359	436,498	2,753,743
1997	2,002,144	702,920	8,809	996,431	222,522	3,751	67,711	482,671	3,073,599
Carson Forest									
1995	558,362	5,730	55,672	316,942	112,890	0	67,128	122,809	1,185,662
1996	379,805	32,815	16,122	157,888	127,275	3,794	41,911	83,525	1,126,789
1997	237,373	64,593	15,357	96,386	47,988	300	12,749	56,081	1,537,282
Cibola Forest									
1995	141,744	48,025	4,396	69,688	12,418	0	7,217	33,632	429,715
1996	61,487	6,586	0	41,048	11,278	0	2,575	14,728	621,091
1997	285,657	108,846	7,823	139,377	13,459	0	16,152	67,376	606,238
Coconino Forest									
1995	2,273,585	933,540	48,614	387,760	813,624	4,702	85,345	545,885	2,500,629
1996	340,460	108,523	25,771	80,207	110,653	250	15,056	81,289	2,798,510
1997	798,346	246,311	50,164	150,054	312,187	2,005	37,625	189,679	2,183,972
Coronado Forest									
1995	14,325	3,414	0	9,134	1,777	0	0	3,581	243,802
1996	23,398	6,598	0	16,519	281	0	0	5,850	298,363
1997	17,532	6,810	0	10,595	0	54	73	4,351	275,621
Gila Forest									
1995	332,704	18,115	51,268	85,369	133,891	140	43,921	72,161	954,512
1996	70,679	21,874	3,506	13,411	29,366	103	2,419	17,039	1,521,042
1997	36,842	21,347	(6,878)	11,671	14,359	0	(3,657)	10,125	898,776
Kaibab Forest									
1995	2,679,148	67,057	19,467	665,709	1,742,615	1,554	182,746	623,712	1,194,721
1996	395,389	204,502	15,419	80,953	69,357	4,121	21,037	92,558	1,622,961
1997	1,714,225	355,602	21,748	977,958	253,719	2,694	102,504	402,257	1,692,151
Lincoln Forest									
1995	74,119	(8,138)	63,705	(2,705)	16,912	0	4,345	17,444	438,659
1996	37,836	5,425	0	13,499	17,950	0	962	9,219	626,063
1997	156,557	60,416	36,553	38,447	17,252	0	3,889	38,167	376,055

(continued)

**Appendix III
Timber Sales Receipts and Outlays by
Forest Fiscal Years 1995 Through 1997**

Region/ Forest/ Fiscal year	Total receipts	Distribution of timber sales receipts							Preparation and administration outlays
		National Forest Fund ^a	Purchaser road credits ^b	Knutson- Vandenberg Fund ^c	Salvage Sale Fund ^d	Interest and penalties ^e	Associated charges	Attributable payments to states ^f	
Prescott Forest									
1995	71,426	3,487	0	44,947	19,539	0	3,453	16,993	375,515
1996	39,404	10,179	0	13,166	15,518	0	541	9,716	615,166
1997	580,525	45,646	0	429,944	72,183	0	32,752	136,943	757,035
Santa Fe Forest									
1995	286,868	13,945	(549)	36,214	231,338	0	5,920	70,237	1,194,333
1996	186,768	18,829	6,012	67,237	89,649	0	5,041	45,432	1,340,478
1997	281,018	90,847	7,194	50,525	123,901	0	8,551	68,117	1,275,242
Tonto Forest									
1995	794,016	2,864	2,007	291,613	466,337	2,825	28,370	190,705	585,612
1996	35,655	1,710	0	8,088	18,391	0	7,466	7,047	827,613
1997	43,174	9,016	0	5,539	21,130	0	7,489	8,921	850,061
Region 4									
Boise Forest									
1995	8,564,034	2,204,811	516,963	3,034,975	2,510,241	10,363	286,681	2,066,748	7,789,076
1996	18,609,586	2,674,489	568,928	7,301,703	7,620,705	15,261	428,500	4,541,456	8,275,322
1997	11,331,557	2,529,665	455,070	(1,184,866)	9,281,348	14,000	236,340	2,770,304	7,865,620
Bridger-Teton Forest									
1995	993,550	26,856	124,665	305,122	474,377	(76)	62,606	232,755	707,425
1996	971,115	324,625	52,785	217,822	327,757	12,055	36,071	230,747	1,075,477
1997	515,834	(13,387)	61,827	80,121	349,292	13,215	24,766	119,463	912,973
Caribou Forest									
1995	364,647	83,715	98,493	123,452	26,623	0	32,364	83,071	727,685
1996	596,187	330,510	33,181	145,200	46,930	0	40,366	138,955	727,377
1997	698,751	197,548	120,488	308,248	19,385	1,532	51,550	161,417	686,054
Challis Forest									
1995	305,536	8,688	60,384	170,878	65,586	0	0	76,384	241,301
1996	366,610	99,205	35,383	90,847	141,175	0	0	91,653	72,453
1997	51,986	(14,077)	62,586	31,819	(28,342)	0	0	12,997	62,041
Dixie Forest									
1995	945,386	94,542	105,574	81,061	630,905	0	33,304	228,021	2,472,300
1996	1,742,341	153,767	218,702	172,300	1,148,616	0	48,956	423,346	2,778,852
1997	1,534,054	(107,593)	121,603	109,104	1,161,575	951	248,414	321,172	2,432,662

(continued)

**Appendix III
Timber Sales Receipts and Outlays by
Forest Fiscal Years 1995 Through 1997**

Region/ Forest/ Fiscal year	Total receipts	Distribution of timber sales receipts							Preparation and administration outlays
		National Forest Fund ^a	Purchaser road credits ^b	Knutson- Vandenberg Fund ^c	Salvage Sale Fund ^d	Interest and penalties ^e	Associated charges	Attributable payments to states ^f	
Fishlake Forest									
1995	162,527	2,074	23,870	69,722	61,734	0	5,127	39,350	460,539
1996	362,860	48,363	35,061	105,378	160,322	0	13,736	87,281	421,823
1997	467,157	(55,099)	26,019	163,352	315,594	0	17,291	112,467	554,916
Humboldt Forest									
1995	10,795	3,175	0	4,032	3,588	0	0	2,699	53,964
1996	31,313	2,187	0	2,208	26,918	0	0	7,828	391
1997	(15,379)	(21,941)	0	3,029	3,533	0	0	(3,845)	300
Manti-La Sal Forest									
1995	255,835	(848)	11,059	62,132	151,976	25	31,491	56,080	968,349
1996	589,006	58,378	1,385	84,957	388,531	0	55,755	133,313	1,065,512
1997	327,934	(83,608)	33,192	(33,471)	339,193	25	72,603	63,827	844,284
Northern Utah Eco Group^g									
1995	2,601,142	546,973	127,834	446,824	1,406,196	136	73,179	631,957	1,249,218
1996	2,912,402	1,037,175	479,218	256,266	1,069,429	2,433	67,881	710,522	2,739,027
1997	2,760,452	296,206	195,329	868,034	1,334,366	4,504	62,013	673,484	2,743,489
Payette Forest									
1995	9,541,826	5,212,681	991,811	1,457,674	1,454,885	1,977	422,798	2,279,263	7,091,913
1996	13,964,461	2,517,520	1,836,176	1,204,311	7,945,532	108	460,814	3,375,885	5,042,996
1997	16,415,562	5,975,503	920,708	2,245,446	6,721,049	2,346	550,510	3,965,677	6,219,363
Salmon Forest									
1995	1,140,640	405,019	28,471	382,594	256,570	436	67,550	268,164	1,788,557
1996	699,294	95,799	198,303	179,943	132,620	322	92,307	151,666	2,090,260
1997	998,907	(116,165)	46,455	379,810	621,913	1,472	65,422	233,003	1,982,449
Sawtooth Forest									
1995	513,216	4,601	0	183,515	242,789	3,118	79,193	107,726	551,427
1996	810,185	129,968	0	146,098	483,414	0	50,705	189,870	610,002
1997	468,304	(142,603)	0	77,722	485,526	501	47,158	105,161	687,055
Targhee Forest									
1995	881,413	387,709	0	289,501	129,316	1,015	73,872	201,632	998,518
1996	404,025	126,828	0	111,010	126,705	1,720	37,762	91,136	596,336
1997	461,506	155,037	0	171,787	71,826	1,339	61,517	99,663	974,832
Toiyabe Forest									
1995	193,205	24,679	6,342	38,478	105,615	0	18,091	43,779	618,669
1996	383,601	132,773	23,415	279,870	(63,394)	0	10,937	93,166	1,083,593
1997	673,357	(65,935)	22,629	426,528	245,418	0	44,717	157,160	724,506

(continued)

**Appendix III
Timber Sales Receipts and Outlays by
Forest Fiscal Years 1995 Through 1997**

Region/ Forest/ Fiscal year	Total receipts	Distribution of timber sales receipts							Preparation and administration outlays	
		National Forest Fund ^a	Purchaser road credits ^b	Knutson- Vandenberg Fund ^c	Salvage Sale Fund ^d	Interest and penalties ^e	Associated charges	Attributable payments to states ^f		
Region 5										
Angeles Forest										
1995	18,695	6,542	0	12,153	0	0	0	4,674	72,234	
1996	21,917	4,457	0	17,460	0	0	0	5,479	63,862	
1997	7,588	2,260	0	5,328	0	0	0	1,897	99,232	
Cleveland Forest										
1995	7,397	3,268	0	4,129	0	0	0	1,849	41,401	
1996	7,719	2,424	0	5,295	0	0	0	1,930	(615)	
1997	9,121	3,573	0	5,548	0	0	0	2,280	31,498	
Eldorado Forest										
1995	2,010,365	(4,422,694)	29,127	5,788,095	529,675	11	86,151	481,051	5,062,751	
1996	3,593,656	843,961	137,650	483,476	1,921,593	8,241	198,735	846,670	4,846,538	
1997	3,749,001	732,954	223,561	2,870,021	(366,023)	0	288,488	865,128	4,577,351	
Inyo Forest										
1995	3,868,551	2,213,453	0	1,573,959	24,275	746	56,118	952,922	767,758	
1996	1,314,434	1,040,079	0	192,499	52,468	103	29,285	321,262	394,989	
1997	173,808	(305,444)	0	400,969	69,812	63	8,408	41,334	322,912	
Klamath Forest^h										
1995	6,278,901	2,979,448	439,898	1,374,728	987,701	2,823	494,303	4,251,530	4,830,335	
1996	10,278,966	1,631,716	967,651	1,653,820	4,652,557	6,973	1,366,249	4,095,986	6,628,771	
1997	9,763,795	1,192,714	913,403	1,604,856	4,199,155	23,206	1,830,461	3,940,442	5,144,113	
Lassen Forest										
1995	27,628,546	4,760,191	405,669	14,872,537	6,208,491	29,626	1,352,032	6,561,722	6,201,074	
1996	11,587,822	1,445,681	744,038	4,301,341	4,089,276	20,813	986,673	2,645,084	8,182,624	
1997	15,890,304	2,816,918	719,174	2,979,562	8,081,368	21,385	1,271,897	3,649,256	7,462,399	
Los Padres Forest										
1995	7,653	672	0	2,897	1,431	0	2,653	1,250	64,729	
1996	14,719	626	0	4,863	5,174	0	4,056	2,666	63,907	
1997	9,174	880	0	2,878	3,163	0	2,253	1,730	75,712	
Mendocino Forest^h										
1995	32,495	5,058	0	13,554	13,457	0	426	2,344,278	817,010	
1996	1,168,316	(175,045)	531,210	452,381	239,665	0	120,105	2,258,512	1,365,129	
1997	3,274,735	593,611	143,671	1,219,848	1,155,205	228	162,172	2,172,745	1,853,543	

(continued)

**Appendix III
Timber Sales Receipts and Outlays by
Forest Fiscal Years 1995 Through 1997**

Region/ Forest/ Fiscal year	Total receipts	Distribution of timber sales receipts							Preparation and administration outlays
		National Forest Fund ^a	Purchaser road credits ^b	Knutson- Vandenberg Fund ^c	Salvage Sale Fund ^d	Interest and penalties ^e	Associated charges	Attributable payments to states ^f	
Modoc Forest^h									
1995	11,159,792	3,281,416	101,112	4,425,657	2,887,724	71	463,812	2,642,197	3,770,167
1996	7,111,895	3,552,087	57,526	1,130,459	1,537,894	9,106	824,823	2,545,532	4,658,479
1997	5,799,475	838,290	77,725	1,281,074	3,062,434	17,687	522,265	2,448,866	4,660,273
Plumas Forest									
1995	22,511,143	6,626,301	952,775	3,527,010	10,085,667	6,661	1,312,729	5,297,938	3,684,403
1996	16,327,786	9,677,855	354,514	2,979,357	2,494,885	64,129	757,046	3,876,653	5,592,926
1997	6,187,639	1,224,706	416,206	966,400	2,573,975	1,272	1,005,080	1,295,322	4,745,334
San Bernardino Forest									
1995	164,388	5,002	0	29,624	123,528	0	6,234	39,539	270,257
1996	91,801	11,055	0	28,922	44,656	0	7,168	21,158	299,214
1997	79,741	2,919	0	22,694	47,300	0	6,828	18,228	144,444
Sequoia Forest									
1995	3,900,626	185,398	136,421	1,620,334	1,761,920	3,107	193,446	926,018	3,008,823
1996	4,217,942	2,313,076	118,940	1,368,738	132,094	3,213	281,881	983,212	3,305,046
1997	4,073,403	1,164,352	251,301	2,110,828	102,354	1,689	442,879	907,209	2,668,961
Shasta-Trinity Forest^h									
1995	11,933,569	7,107,932	469,794	1,360,272	1,242,134	303	1,753,134	6,707,680	4,268,405
1996	15,021,448	9,686,981	177,278	2,814,931	1,380,697	0	961,561	6,462,277	6,490,632
1997	10,352,186	5,363,524	261,136	213,611	3,449,902	556	1,063,457	6,216,874	7,720,485
Sierra Forest									
1995	5,249,678	3,114,578	206,921	1,358,661	313,087	18,489	237,942	1,248,312	3,225,340
1996	10,517,304	2,556,271	995,322	3,144,623	2,562,521	9,022	1,249,545	2,314,684	4,041,717
1997	6,603,422	1,580,525	674,521	1,320,518	2,349,741	149	677,968	1,481,326	3,285,846
Six Rivers Forest^h									
1995	3,455,619	(1,112,516)	20,115	4,077,176	307,575	51,926	111,343	4,101,614	2,112,270
1996	7,018,493	5,240,282	213,347	406,472	539,041	6,622	612,729	3,951,556	2,806,598
1997	4,126,021	835,456	173,959	206,582	2,128,752	10,846	770,426	3,801,496	3,161,264
Stanislaus Forest									
1995	10,767,528	5,085,373	204,003	1,801,102	3,234,128	6,340	436,582	2,581,152	3,680,987
1996	4,906,710	(3,154,504)	206,806	5,232,408	2,231,218	4,249	386,533	1,128,982	6,367,892
1997	5,382,894	1,734,771	733,511	417,257	1,885,638	12,532	599,185	1,192,794	4,930,616
Tahoe Forest									
1995	5,097,232	215,871	598,068	724,370	2,590,805	(6,890)	975,008	1,032,279	7,034,666
1996	5,266,652	473,361	374,409	1,912,101	1,163,032	6,346	1,337,403	980,726	8,832,653
1997	8,687,899	(712,288)	539,287	1,548,223	6,084,406	9,873	1,218,398	1,864,907	8,220,333

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**Appendix III
Timber Sales Receipts and Outlays by
Forest Fiscal Years 1995 Through 1997**

Region/ Forest/ Fiscal year	Total receipts	Distribution of timber sales receipts							Preparation and administration outlays
		National Forest Fund ^a	Purchaser road credits ^b	Knutson- Vandenberg Fund ^c	Salvage Sale Fund ^d	Interest and penalties ^e	Associated charges	Attributable payments to states ^f	
Region 6									
Colville Forest									
1995	3,966,225	650,097	229,047	1,016,889	1,682,600	2,153	385,439	894,658	4,172,594
1996	4,962,987	(222,209)	300,595	1,624,318	2,984,827	3,957	271,499	1,171,883	5,892,776
1997	5,241,614	(128,592)	901,097	560,809	3,539,893	5,297	363,110	1,218,302	5,939,884
Deschutes Forest^h									
1995	15,433,760	5,607,308	467,658	4,023,316	3,830,431	13,481	1,491,566	5,218,522	5,615,342
1996	7,169,926	(10,135,969)	489,680	2,997,391	12,896,687	5,442	916,695	5,027,600	8,143,591
1997	11,873,245	1,279,064	908,644	3,422,152	4,664,912	7,491	1,590,982	4,836,679	8,123,822
Fremont Forest									
1995	10,410,898	1,717,078	676,971	1,274,925	6,073,955	122,210	545,759	2,435,732	3,194,797
1996	4,539,035	(1,680,268)	229,529	726,562	4,973,581	24,935	264,696	1,062,351	3,604,378
1997	8,532,851	1,920,784	7,029	270,648	5,668,167	22,290	643,933	1,966,657	3,501,938
Gifford-Pinchot Forest^h									
1995	11,510,878	8,448,367	368,676	910,360	1,290,087	1,347	492,041	11,258,368	5,817,702
1996	3,403,934	(9,244,263)	11,948	434,148	11,315,944	10,090	876,067	10,846,476	5,961,360
1997	14,799,787	1,626,228	433,079	1,324,904	2,464,613	15,472	8,935,491	10,434,585	6,426,502
Malheur Forest									
1995	47,249,844	29,101,479	554,086	10,362,751	5,579,519	8,226	1,643,783	11,399,459	6,166,811
1996	13,783,037	7,684,257	1,011,105	523,743	4,001,071	332	562,529	3,305,044	8,235,067
1997	8,884,663	(4,780,822)	673,261	2,121,693	10,239,489	1,433	629,609	2,063,405	7,643,815
Mt. Baker-Snoqualmie Forest^h									
1995	13,873,114	11,258,089	181,662	1,721,083	479,718	10,281	222,281	8,245,498	1,753,489
1996	3,352,533	(3,615,474)	178,394	4,188,303	2,486,073	1,385	113,852	7,943,833	1,720,471
1997	1,468,039	(811,306)	123,267	1,528,573	571,236	16	56,253	7,642,169	1,551,717
Mt. Hood Forest^h									
1995	11,030,545	7,269,019	146,537	1,434,096	1,692,257	7,069	481,567	10,244,103	7,099,532
1996	8,745,193	3,617,800	382,228	2,299,501	1,569,678	(7,611)	883,597	9,869,319	8,538,637
1997	9,771,258	3,547,320	436,358	1,109,525	2,872,231	6,026	1,799,798	9,494,535	7,723,631

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**Appendix III
Timber Sales Receipts and Outlays by
Forest Fiscal Years 1995 Through 1997**

Region/ Forest/ Fiscal year	Total receipts	Distribution of timber sales receipts							Preparation and administration outlays
		National Forest Fund ^a	Purchaser road credits ^b	Knutson- Vandenberg Fund ^c	Salvage Sale Fund ^d	Interest and penalties ^e	Associated charges	Attributable payments to states ^f	
Ochoco Forest									
1995	14,340,684	6,181,797	285,170	3,612,304	3,665,975	646	594,792	3,436,312	4,990,122
1996	5,019,206	2,810,178	17,896	757,788	1,060,877	2,045	370,422	1,161,685	5,385,254
1997	4,321,871	1,050,132	276,947	709,065	1,673,039	45	612,643	927,296	3,846,656
Okanogan Forest^h									
1995	4,871,734	(3,311,505)	42,998	2,738,624	3,855,980	5,811	1,539,826	1,454,916	2,630,363
1996	2,987,931	571,032	49,323	1,115,595	853,459	1,687	396,835	1,401,687	3,816,223
1997	2,869,253	(3,318,702)	23,350	1,906,011	3,909,949	36	348,609	1,348,458	3,874,485
Olympic Forest^h									
1995	3,116,656	2,033,223	107,893	286,228	535,204	7,768	146,340	4,757,998	1,968,336
1996	5,091,304	2,071,152	150,181	250,494	1,284,279	45,786	1,289,412	4,583,925	2,129,774
1997	2,646,719	487,938	92,354	386,662	1,504,088	1,779	173,898	4,409,852	2,154,422
Rogue River Forest^h									
1995	9,388,159	4,693,950	17,926	3,791,398	415,113	3,642	466,130	6,416,272	3,136,759
1996	7,886,345	(6,067,947)	617,721	842,290	11,916,272	83,818	494,191	6,181,530	4,696,327
1997	13,906,275	8,162,283	422,716	2,584,954	1,935,124	23,594	777,604	5,946,789	5,102,504
Siskiyou Forest^h									
1995	7,314,253	4,994,549	628,773	1,189,975	161,505	477	338,974	6,351,831	3,167,195
1996	18,189,906	9,883,848	632,990	4,982,098	1,667,109	11,078	1,012,783	6,119,447	4,303,775
1997	14,706,726	6,295,116	937,277	4,647,202	1,959,619	1,399	866,113	5,887,063	3,743,609
Siuslaw Forest^h									
1995	10,579,713	7,036,216	144,318	2,937,447	266,722	1,500	193,510	13,026,387	3,062,831
1996	8,727,090	4,296,019	39,749	2,229,308	1,963,961	4,393	193,660	12,549,812	3,187,798
1997	1,272,131	197,353	70,675	583,833	396,883	0	23,387	12,073,237	3,181,344
Umatilla Forest									
1995	3,741,556	(450,612)	15,187	1,335,971	2,457,840	3,954	379,216	839,597	4,554,347
1996	6,933,541	1,438,255	82,205	1,572,723	3,188,579	3,967	647,812	1,570,441	5,643,815
1997	10,570,903	1,701,069	451,331	2,911,836	4,687,834	254	818,579	2,438,018	5,335,104
Umpqua Forest^h									
1995	20,034,350	17,098,675	374,111	1,726,824	229,015	10,366	595,359	14,427,826	4,682,755
1996	21,071,531	15,446,691	321,420	2,413,523	2,086,272	5,561	798,064	13,899,978	5,555,947
1997	25,784,265	19,991,509	992,306	2,309,852	1,667,387	327	822,884	13,372,131	6,561,373
Wallowa-Whitman Forest									
1995	3,688,131	(2,422,881)	741,734	3,253,686	1,926,468	2,092	187,032	874,752	4,645,481
1996	4,185,581	(582,976)	153,444	2,410,756	1,930,715	2,638	271,004	977,985	5,272,014
1997	5,392,586	444,728	407,939	1,251,917	2,597,858	5,401	684,743	1,175,611	5,409,223

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**Appendix III
Timber Sales Receipts and Outlays by
Forest Fiscal Years 1995 Through 1997**

Region/ Forest/ Fiscal year	Total receipts	Distribution of timber sales receipts							Preparation and administration outlays
		National Forest Fund ^a	Purchaser road credits ^b	Knutson- Vandenberg Fund ^c	Salvage Sale Fund ^d	Interest and penalties ^e	Associated charges	Attributable payments to states ^f	
Wenatchee Forest^h									
1995	1,665,083	415,874	8,375	914,302	122,883	5,544	198,105	2,275,447	6,708,630
1996	4,099,645	(1,931,171)	0	1,763,673	3,592,791	19,391	654,961	2,192,199	6,194,854
1997	2,372,351	(283,860)	68,205	1,210,017	875,960	9,575	492,454	2,108,951	5,078,385
Willamette Forest^h									
1995	39,352,499	27,002,877	393,035	7,872,167	2,062,900	139,281	1,882,239	27,009,152	7,746,243
1996	23,257,845	2,868,162	1,310,722	6,407,867	9,680,731	327,184	2,663,179	26,021,012	8,262,942
1997	39,703,696	22,177,836	3,488,996	4,598,059	3,589,935	22,682	5,826,188	25,032,872	11,154,652
Winema Forest^h									
1995	7,031,678	938,103	9,121	1,362,747	4,225,658	2,568	493,481	8,116,463	6,244,587
1996	12,667,955	2,356,796	38,222	3,165,258	6,412,137	3,357	692,185	7,819,519	7,476,837
1997	3,860,644	1,570,594	57,159	(81,005)	1,905,335	3,447	405,114	7,522,575	7,923,430
Region 8									
National Forests in Alabama									
1995	5,765,465	2,268,987	143,189	2,607,333	614,732	1,827	129,397	1,408,560	2,283,176
1996	8,138,340	1,125,326	22,521	4,507,424	2,327,007	4,393	151,669	1,995,570	2,809,438
1997	3,832,815	969,893	19,942	2,661,874	105,554	10,142	65,410	939,316	2,220,976
Chattahoochee and Oconee Forests									
1995	2,797,032	1,505,757	159,115	831,959	235,582	3,375	61,244	683,103	2,416,827
1996	3,368,784	942,958	128,566	1,172,402	1,056,950	6,186	61,722	825,219	2,818,022
1997	2,495,688	796,655	166,852	1,133,456	342,259	(87)	56,553	609,806	2,490,310
Cherokee Forest									
1995	1,401,376	619,752	231,870	520,516	0	300	28,938	343,035	1,359,901
1996	899,521	210,317	126,388	533,317	13,510	718	15,271	220,883	1,234,769
1997	1,363,840	676,367	100,993	559,526	8,897	0	18,057	336,446	1,386,642
Daniel Boone Forest									
1995	1,187,779	(10,440)	260,136	927,352	0	1,229	9,502	294,262	1,911,476
1996	1,880,272	279,815	339,641	1,212,655	10,325	12,408	25,428	460,609	2,097,687
1997	1,658,960	378,774	189,777	1,029,072	14,546	18,178	28,613	403,042	2,052,207
National Forests in Florida									
1995	4,604,913	3,271,547	180,884	1,048,292	0	220	103,970	1,125,181	1,727,396
1996	3,679,936	2,666,252	90,139	827,913	10,008	409	85,215	898,578	1,938,553
1997	3,521,218	1,889,646	432,662	1,099,563	207	1,485	97,655	855,520	2,437,252

(continued)

**Appendix III
Timber Sales Receipts and Outlays by
Forest Fiscal Years 1995 Through 1997**

Region/ Forest/ Fiscal year	Total receipts	Distribution of timber sales receipts							Preparation and administration outlays
		National Forest Fund ^a	Purchaser road credits ^b	Knutson- Vandenberg Fund ^c	Salvage Sale Fund ^d	Interest and penalties ^e	Associated charges	Attributable payments to states ^f	
George Washington Forest									
1995	2,311,637	932,062	67,533	883,143	392,142	0	36,757	568,720	1,469,347
1996	1,907,451	841,803	11,706	706,779	277,897	8,229	61,037	459,546	3,006,850
1997	1,780,659	529,997	66,686	719,832	419,660	2,346	42,138	434,044	2,893,857
Jefferson Forest									
1995	1,549,541	423,318	179,871	698,651	197,674	1,478	48,549	374,879	1,497,150
1996	1,173,785	263,723	70,491	700,562	139,009	0	0	293,446	15,932
1997	1,095,617	220,606	55,651	809,768	9,592	0	0	273,904	(289)
Kisatchie Forest									
1995	8,673,866	3,434,450	1,275,575	3,385,784	394,722	12,254	171,081	2,122,633	2,671,876
1996	10,903,457	3,869,653	1,215,536	5,192,220	455,565	2,333	168,150	2,683,244	2,835,931
1997	11,848,905	5,328,074	971,774	5,257,759	39,975	9,736	241,587	2,899,396	2,920,484
Marion-Sumter Forest									
1995	5,322,049	3,840,450	255,492	1,061,237	83,349	173	81,348	1,310,132	2,316,613
1996	3,738,485	2,606,068	163,807	706,135	167,093	1,723	93,659	910,776	2,280,449
1997	5,061,347	3,885,470	301,260	760,633	28,615	6,743	78,626	1,243,995	2,328,898
National Forests in Mississippi									
1995	29,026,587	17,387,726	1,650,188	6,710,289	2,915,720	13,189	349,475	7,165,981	6,293,087
1996	33,276,940	16,631,419	2,702,456	10,565,828	2,934,450	15,626	427,161	8,208,538	6,016,942
1997	19,543,723	11,002,348	1,938,424	6,196,446	273,576	11,579	121,350	4,852,699	7,146,658
National Forests in North Carolina									
1995	3,412,479	760,125	900,133	1,643,173	29,417	283	79,348	833,212	2,287,916
1996	2,466,325	295,763	574,831	1,238,784	290,325	188	66,434	599,926	3,026,292
1997	2,504,073	816,685	450,589	870,984	304,158	273	61,384	610,604	3,039,258
Ouachita Forest									
1995	16,797,236	5,327,955	656,324	9,051,826	1,306,965	13,419	440,747	4,085,768	6,210,274
1996	22,929,941	9,364,256	694,736	9,218,236	3,125,197	29,037	498,479	5,600,606	7,083,042
1997	21,078,840	8,053,142	812,578	10,418,134	1,129,421	7,500	658,065	5,103,319	7,000,796
Ozark and St. Francis Forests									
1995	5,038,963	1,859,672	672,459	2,446,567	0	21,953	38,312	1,244,675	2,834,878
1996	6,771,172	3,764,090	349,985	2,386,277	187,742	13,286	69,792	1,672,024	3,635,063
1997	6,699,124	2,889,210	742,289	2,720,220	219,944	9,797	117,664	1,642,916	3,547,274
National Forests in Texas									
1995	11,505,723	7,922,252	2,283,588	822,895	268,668	5,042	203,278	2,824,351	3,209,782
1996	17,350,182	10,364,232	1,478,267	4,715,946	528,308	8,051	255,378	4,271,688	3,610,581
1997	8,900,540	4,752,097	1,436,961	2,435,386	145,964	3,140	126,992	2,192,602	3,603,901

(continued)

**Appendix III
Timber Sales Receipts and Outlays by
Forest Fiscal Years 1995 Through 1997**

Region/ Forest/ Fiscal year	Total receipts	Distribution of timber sales receipts							Preparation and administration outlays
		National Forest Fund ^a	Purchaser road credits ^b	Knutson- Vandenberg Fund ^c	Salvage Sale Fund ^d	Interest and penalties ^e	Associated charges	Attributable payments to states ^f	
Region 9									
Allegheny Forest									
1995	21,397,747	14,934,486	1,574,154	2,166,063	2,549,397	52,672	120,975	5,306,025	4,036,607
1996	24,754,406	16,060,722	1,971,264	3,438,689	3,143,000	(36,352)	177,083	6,153,419	3,840,547
1997	24,064,734	14,118,546	1,076,902	6,775,876	1,902,648	12,966	177,796	5,968,493	4,130,989
Chequamegon Forest									
1995	2,410,400	1,385,131	55,311	658,103	248,558	2,793	60,504	586,776	2,307,270
1996	3,486,894	2,124,131	37,119	837,898	432,718	2,474	52,554	857,967	2,982,317
1997	4,525,045	3,360,240	32,892	720,651	348,620	1,784	60,858	1,115,601	2,946,078
Chippewa Forest									
1995	3,295,912	2,295,526	55,699	789,898	122,927	4,189	27,673	816,013	1,636,707
1996	3,618,923	1,730,451	28,879	450,269	1,382,212	812	26,300	897,953	2,189,057
1997	3,348,618	1,316,252	55,060	760,248	1,190,584	3,760	22,714	830,536	2,658,840
Green Mountain Forest									
1995	431,635	249,728	9,009	116,325	53,661	722	2,190	107,181	502,359
1996	665,656	486,115	5,027	107,977	60,375	3,560	2,602	164,874	475,129
1997	415,300	215,636	2,175	105,585	89,694	471	1,739	103,273	661,874
Hiawatha Forest									
1995	3,464,425	1,867,228	200,990	1,095,275	277,711	2,094	21,127	860,301	1,894,669
1996	2,963,343	1,560,384	53,995	751,156	579,110	0	18,698	736,161	1,825,825
1997	2,751,554	773,949	69,788	1,261,836	635,132	78	10,771	685,176	2,142,806
Huron-Manistee Forest									
1995	2,856,117	2,178,738	77,630	505,027	43,926	1,492	49,304	701,330	2,434,683
1996	3,104,681	2,301,477	97,421	554,382	118,800	796	31,805	768,020	2,806,017
1997	4,423,725	2,993,945	63,960	1,130,551	156,280	11,419	67,570	1,086,184	2,775,125
Hoosier Forest									
1995	27,335	26,869	0	0	0	466	0	6,717	93,888
1996	12,740	4,243	0	7,274	1,223	0	0	3,185	197,261
1997	92,224	8,449	0	42,629	40,829	0	317	22,977	393,436
Mark Twain Forest									
1995	4,738,375	1,813,092	198,309	2,210,261	358,311	141	158,261	1,144,993	2,815,953
1996	4,899,968	2,381,897	278,386	1,901,896	266,134	964	70,691	1,207,078	3,299,238
1997	4,604,746	2,039,092	188,581	2,007,833	285,093	849	83,298	1,130,150	2,966,085

(continued)

**Appendix III
Timber Sales Receipts and Outlays by
Forest Fiscal Years 1995 Through 1997**

Region/ Forest/ Fiscal year	Total receipts	Distribution of timber sales receipts							Preparation and administration outlays
		National Forest Fund ^a	Purchaser road credits ^b	Knutson- Vandenberg Fund ^c	Salvage Sale Fund ^d	Interest and penalties ^e	Associated charges	Attributable payments to states ^f	
Monogahela Forest									
1995	5,166,648	3,552,198	1,076,927	436,393	51,872	0	49,258	1,279,348	1,721,627
1996	7,019,612	5,610,362	727,736	618,611	14,929	0	47,974	1,742,910	2,047,540
1997	6,097,195	4,586,665	764,815	690,843	1,942	0	52,930	1,511,066	2,113,415
Nicolet Forest									
1995	2,594,058	1,593,717	189,456	497,139	286,426	5,968	21,352	641,685	1,988,671
1996	2,661,359	1,845,465	133,775	362,075	301,252	2,119	16,673	660,642	2,361,772
1997	2,587,168	1,793,223	142,257	394,064	243,450	935	13,239	643,249	2,155,889
Ottawa Forest									
1995	3,307,288	1,936,550	239,915	637,624	459,517	1,412	32,270	818,402	2,810,900
1996	3,115,701	1,990,024	90,656	570,622	426,456	7,515	30,428	769,440	2,913,490
1997	3,482,750	2,129,088	83,890	703,292	524,825	2,299	39,356	860,274	3,277,497
Shawnee Forest									
1995	74,666	14,592	14,809	11,063	33,991	0	211	18,614	472,246
1996	62,204	28,041	2,500	13,165	0	18,439	59	10,927	288,880
1997	5,449	2,714	2,409	232	0	56	38	1,339	177,114
Superior Forest									
1995	2,757,601	864,404	117,202	1,152,926	552,477	2,539	68,053	671,752	2,120,337
1996	3,295,624	105,451	122,843	1,411,139	1,588,443	1,443	66,305	806,969	2,788,633
1997	2,443,433	651,864	4,492	722,797	1,017,203	5,440	41,637	599,089	3,036,280
Wayne Forest									
1995	23,006	6,849	6,768	9,025	0	0	364	5,661	234,678
1996	6,595	6,595	0	0	0	0	0	1,649	201,749
1997	30,563	26,110	35	4,418	0	0	0	7,641	242,908
White Mountain Forest									
1995	1,012,933	651,281	91,512	110,351	143,722	10,680	5,387	249,217	1,874,643
1996	1,001,829	583,518	130,487	161,600	111,386	8,562	6,276	246,748	2,477,505
1997	1,386,105	1,024,006	95,507	164,713	93,026	141	8,712	344,313	2,171,797
Region 10									
Tongass Forest									
1995	29,936,634	9,595,351	16,980,017	983,868	2,149,975	108,647	118,776	7,427,303	26,502,587
1996	23,246,320	11,404,755	7,982,729	385,365	2,724,369	638,966	110,136	5,624,305	26,078,793
1997	4,084,188	1,754,407	745,895	732,029	496,209	342,191	13,457	932,135	26,425,518

(continued)

**Appendix III
Timber Sales Receipts and Outlays by
Forest Fiscal Years 1995 Through 1997**

Region/ Forest/ Fiscal year	Total receipts	Distribution of timber sales receipts							Preparation and administration outlays
		National Forest Fund ^a	Purchaser road credits ^b	Knutson- Vandenberg Fund ^c	Salvage Sale Fund ^d	Interest and penalties ^e	Associated charges	Attributable payments to states ^f	
Chugach Forest									
1995	22,866	(8,206)	0	1,578	21,479	5,283	2,732	3,713	894,595
1996	70,209	(4,981)	0	9,373	57,199	5,116	3,502	15,398	1,815,329
1997	22,993	9,205	0	8,025	4,758	436	569	5,497	947,031

Note: For consistency with our prior report, the figures have not been converted to constant 1997 dollars. Totals may not add due to rounding.

^aAccording to the Forest Service's records, negative figures appear for several reasons including setting aside funding for land exchanges by forests covered by the spotted owl guarantee and transferring funds from the National Forest Fund to the Salvage Sale Fund and the Knutson-Vandenberg Fund in anticipation of excess receipts.

^bAccording to the Forest Service's records, negative figures appear because an adjustment was made in the timber volume offered and cash paid for timber was returned to the purchaser. The forests replaced the money from these adjustments with charges to the purchaser road credits account resulting in a negative balance.

^cAccording to the Forest Service's records, negative figures appear for several reasons including transferring funds to the National Forest Fund to assure that sufficient funds were available to make the payments to states.

^dAccording to the Forest Service's records, negative figures appear because reversals of prior year transfers from the National Forest Fund to the Salvage Sale Fund resulted in a negative balance.

^eAccording to the Forest Service's records, negative figures appear because charges assessed in prior years were dismissed in a subsequent year and an adjustment became necessary.

^fPayments to states are calculated on the basis of 25 percent of the total amounts in the National Forest Fund, purchaser road credits account, Knutson-Vandenberg Fund, and the Salvage Sale Fund. Certain counties in Regions 5 and 6, however, receive a special payment based on a legislatively mandated formula to compensate them for lost revenues due to the listing of the northern spotted owl as a threatened species. The amounts distributed to states are reflective of only those amounts attributable to the timber receipts portion of the formula.

^gThe Ashley, Uinta, and Wasatch-Cache National Forests combined for financial reporting purposes during this period.

^hThis forest is one affected by the listing of the northern spotted owl as a threatened species and thus, the payments to the state are based on a special formula.

Source: Compilation based on the Forest Service's records.

Objectives, Scope, and Methodology

The Ranking Minority Member of the House Resources Committee asked us to update the information from our September 1995 report on the distribution of fiscal years 1992 through 1994 timber sales receipts. Specifically, we were asked to provide information on the amount of the Forest Service's timber sales receipts for fiscal years 1995 through 1997, the amounts distributed into specific Forest Service funds or accounts, the outlays for preparing and administering timber sales, and the amounts of timber sales receipts transferred to the General Fund of the U.S. Treasury for that same period. We were also asked to provide information on changes in the receipts distribution process since our last report.

Methodology

To respond to these objectives, we gathered Forest Service timber sales accounting data. These data are on a "cash" basis, which recognizes receipts when collected and outlays when paid and are, thus, not a measure of the profitability of timber sales. We chose to use cash accounting data because they reflect the day-to-day operations of a forest. Cash accounting data do not reflect all costs associated with operating a particular forest and, thus, cannot be used as a measure of profitability on an individual forest basis. The "accrual accounting" method better matches annual sale-related revenues with annual sale-related costs, costs that are long-term investments that will benefit future as well as current sale-related activities are placed in one of three "pools" and are redistributed back to a particular year based on pre-established formulas.¹ The Forest Service's Forest Management Program Report presents information compiled by the Timber Sale Program Information Reporting System (TSPIRS), which is accrual accounting data. According to these reports, for fiscal years 1995 through 1997, the Forest Service timber management program had net revenues of \$62 million in fiscal year 1995, a loss of \$15 million in fiscal year 1996, and a loss of \$89 million in fiscal year 1997.²

Our information is presented on a national, regional, and forest basis. At each level, we obtained the outlays for timber sales preparation and administration associated with that level. At the forest level, for financial

¹The "sale activity pool" includes those costs directly associated with the preparation of timber sales, the "growth activity pool" includes the cost of growing timber over an entire rotation, and the "depreciation pool" includes the costs of roads and facilities that are depreciated over their useful lives.

²The total reported loss for fiscal year 1997 was \$89 million. Of this amount, \$52 million is attributable to an accounting change where the Forest Service, beginning in fiscal year 1997, will recognize the costs associated with constructing a road's underlying bed (road prisms) as an annual expense rather than being permanently capitalized into land values.

reporting purposes, the Forest Service groups its 155 national forests into 118 administrative units because many forests are too small to have their own management structure. We used these 118 units, except for the Caribbean National Forest which has no timber sales receipts, for our reporting to be consistent and comparable with the Forest Service's reports. Appendixes II and III are tables that show the details regarding the receipts and outlays at the regional and forest levels, respectively. The data in these tables are timber sales accounting data on a cash basis, which recognize receipts when collected and outlays when paid and, are thus, not a measure of the profitability of timber sales. Therefore, the data cannot be added to determine profit or loss because profitability would be measured on an accrual basis, which matches all annual sale-related revenues with all annual sale-related expenses. Appendix III also shows, for information purposes, the payments to the states that are attributable to each forest. The forests do not make payments to the states, rather, these payments are made by Forest Service headquarters from the National Forest Fund. National figures are presented in the body of the report.

As requested, we provided 3 years of regional and forest-level data (fiscal years 1995 through 1997), which would minimize the effects of year-to-year anomalies at the forest level. In any 1 year, many factors may affect the size of an individual forest's timber program. For example, if a large fire occurred within a forest, salvage sale amounts in a subsequent year might be unusually high. Such sales might skew receipt totals for that year. For the same reasons, however, care should be taken in interpreting year-to-year differences.

We did not independently verify the reliability of the financial data provided nor did we trace the data to the systems from which they came. These systems were, in some cases, subject to audit procedures by the Department of Agriculture's Office of the Inspector General in connection with the agency's financial statement audits. For fiscal years 1995, 1996, 1997, and previous years, the Office of the Inspector General reported that because of significant internal control weaknesses in various accounting subsystems, the Forest Service's accounting data were not reliable. Despite these weaknesses, we used the data because they were the only data available and are the data that the agency uses to manage its programs.

Timber Sales Receipts

To derive timber sale receipts, we used the Forest Service’s Statement ASR-08, Gross Receipts by Class and County Based on National Forest Acreage. This fiscal year statement, which is part of the cash-based records that the Forest Service uses to make the 25-percent payment to the states, shows receipts collected for each forest resource (such as timber, grazing, or recreation) on a forest and county basis. Because our work focused on the timber resource, we selected only timber receipts from this statement. From the Forest Service’s Statement TPIR-01, Source and Application of Funds Worksheet, we selected associated charges and interest and penalties since the Forest Service includes these items as timber receipts.

From the total receipts, we subtracted the receipts distributed for specific purposes, including the amounts to the purchaser road credits account, the Knutson-Vandenberg Fund, the Salvage Sale Fund, and the associated charges account. (See app. I for a discussion of these funds and accounts.) We also subtracted the payments to the states that, while not spent on the timber program itself, is a direct result of the timber program. By law, states are entitled to 25 percent of the gross receipts generated on national forests located within their boundaries. We included the amount of payments to the states but limited it to that amount calculated only on timber-related receipts.

In addition, at the national level, we included receipts distributed to three additional designated purposes—the Roads and Trails Fund, the Timber Sales Pipeline Restoration Fund, and the recovery of the Forest Service’s road-building costs (purchaser-elect roads). The remaining timber receipts represent the amount of receipts to be deposited into the General Fund of the U.S. Treasury. Because these three distributions are made at the national level only, they are not reflected in the regional and forest breakdowns shown in appendixes II and III.

Timber Sales Preparation and Administration Outlays

We obtained information on the Forest Service’s timber-related outlays from its Statement TPIR-01, Source and Application of Funds Worksheet. We included only those outlay categories directly related to timber sales. While it takes about 3 to 8 years to prepare and offer a timber sale and several years thereafter to complete a sale, we included only those preparation and administration costs reported by the forests related to each particular fiscal year. For example, we included the outlays for preparing environmental documents associated with timber contracts,

administering the actual timber sales, and handling appeals. More specifically, the outlay categories selected include the following:³

- Harvest administration.
- General administration—sales.
- Sale preparation.
- Analysis documentation.
- Appeals/litigation—sales.
- Transportation planning.
- Silvicultural examinations.
- Appeals/litigation—indirect

We excluded outlays related to long-term investment in the timber program. For example, genetic tree improvement (improving the quality of trees in the timber program) and timber stand improvement (improving the quality of reforested areas a number of years later) are not directly related to the outlays for preparing and administering timber sales. In addition, we excluded outlays incurred by the Forest Service for such purposes as brush disposal and cooperative road maintenance, which are recovered through charges to timber purchasers. We have also excluded most of the overall timber program indirect costs because the Forest Service does not allocate indirect costs by specific category. We have included indirect costs for “Appeals/litigation” because the Forest Service tracks these costs separately. Because of these exclusions, our outlay estimates for timber sales preparation and administration may be conservative.

The one exception to excluding outlays covered by a receipt source involves salvage sales outlays. Salvage sale preparation and administration outlays are paid for by the Salvage Sale Fund. For annual reporting purposes, however, the Forest Service does not report these outlays separately. To be consistent with Forest Service reports, we have not excluded salvage sale preparation and administration outlays from the outlays of timber sales preparation and administration.

Recent Changes in the Receipt Distribution Process

To determine what changes have occurred in the timber sales receipt distribution process since our last report, we interviewed Forest Service timber program personnel as well as personnel from the fiscal area. We gathered and analyzed laws and program guidance related to these

³Our previous report also included outlay categories entitled “Other Resource Support” and “Timber Planning” that, beginning in fiscal year 1995, were moved to the outlay categories “Analysis/Documentation” and “Sale Preparation,” respectively.

Appendix IV
Objectives, Scope, and Methodology

changes. Finally, we discussed the changes with Forest Service officials to determine how the changes have affected timber operations.

We conducted our work from June through October 1998 in accordance with generally accepted government auditing standards.

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