

onstrations established under this section (1) may be operated by the Secretary; or (2) may be carried out through contracts or agreements with owners of private forest lands or other persons, or in conjunction with projects, contracts, or agreements entered into under any other authority which the Secretary may possess: *Provided*, That nothing contained in this subchapter shall abrogate or modify provisions of existing contracts or agreements, including contracts or agreements for the sale of national forest timber, except to the extent such changes are mutually agreed to by the parties to such contracts or agreements.

(b) Scope; residue removal credits

Pilot projects and demonstrations carried out under this section may include, but are not limited to (1) establishment and operation of utilization demonstration areas; (2) establishment and operation of fuel wood concentration and distribution centers; and (3) construction of access roads needed to facilitate wood residue utilization: *Provided*, That residue removal credits may be utilized by the Secretary only as provided in section 1683 of this title.

(Pub. L. 96-554, §3, Dec. 19, 1980, 94 Stat. 3257.)

§ 1683. Pilot projects; requirements; residue removal credits as compensation; implementation guidelines

The Secretary may carry out pilot wood residue utilization projects under which purchasers of National Forest System timber under contracts awarded prior to October 1, 1986, may, except as otherwise provided in this section, be required to remove wood residues not purchased by them to points of prospective use in return for compensation in the form of "residue removal credits." Such projects may be carried out where the Secretary identifies situations in which pilot wood residue utilization projects on the National Forest system can provide important information on various methods and approaches to increasing the utilization, in residential, commercial, and industrial or power-plant applications, of wood residues and where such information cannot reasonably be obtained unless the pilot projects are done in conjunction with normal National Forest timber sale activities. The residue removal credits shall be applied against the amount payable for the timber purchased and shall represent the anticipated cost of removal of wood residues. The following guidelines shall apply to projects carried out under this section:

(1) Except in cases where wood residue removal is determined to be necessary for fire prevention, site preparation for regeneration, wildlife habitat improvement, or other land management purposes, the Secretary may not provide for removal of wood residues in instances where the anticipated cost of removal would exceed the anticipated value.

(2) The residue removal credits authorized by this section shall not exceed the amount payable by the purchaser for timber after the application of all other designated charges and credits.

(3) The Secretary may sell the wood residues removed to points of prospective use for not less than their appraised value.

(4) Pilot projects, demonstrations, and other programs established pursuant to this subchapter shall be carried out in a manner which does not result in an adverse effect on the furnishing of timber, free of charge, under any other provision of law.

(5) Wood residues shall be collected from a site so as to avoid soil depletion or erosion giving full consideration to the protection of wildlife habitat.

(6) For the purposes of section 500 of this title, (A) any residue removal credit applied under this section shall be considered as "money received" or "moneys received", respectively, and (B) the "money received" or "moneys received", respectively, from the sales of wood residues removed to points of prospective use shall be the proceeds of the sales less the sum of any residue removal credit applied with respect to such residues plus any costs incurred by the Forest Service in processing and storing such residues.

(Pub. L. 96-554, §4, Dec. 19, 1980, 94 Stat. 3257.)

§ 1684. Annual reports

The Secretary shall make annual reports to the Congress on the programs authorized by this subchapter. These reports shall be submitted with the reports required under section 1606(c) of this title.

(Pub. L. 96-554, §5, Dec. 19, 1980, 94 Stat. 3258.)

§ 1685. Regulations

The Secretary shall issue such regulations as the Secretary deems necessary to implement the provisions of this subchapter.

(Pub. L. 96-554, §6, Dec. 19, 1980, 94 Stat. 3258.)

§ 1686. Definitions

For purposes of this subchapter, the term:

(1) "Anticipated cost of removal" means the projected cost of removal of wood residues from timber sales areas to points of prospective use, as determined by the Secretary at the time of advertisement of the timber sales contract in accordance with appropriate appraisal and sale procedures.

(2) "Anticipated value" means the projected value of wood residues as fuel or other merchantable wood products, as determined by the Secretary at the time of advertisement of the timber sales contract in accordance with appropriate appraisal and sale procedures.

(3) "Points of prospective use" means the locations where the wood residues are sold or otherwise put to use, as determined by the Secretary in accordance with appropriate appraisal and sale procedures.

(4) "Person" means an individual, partnership, joint-stock company, corporation, association, trust, estate, or any other legal entity, or any agency of Federal or State government or of a political subdivision of a State.

(5) "Secretary" means the Secretary of Agriculture.

(6) "Wood residues" includes, but is not limited to, logging slash, down timber material, woody plants, and standing live or dead trees which do not meet utilization standards be-