

INTRODUCTION

The Timber Sale Program Information Reporting System (TSPIRS) is an annual report of the costs, revenues, resource outputs, and local community effects of the national forests' timber management program. This timber sale activities report is a summary of Fiscal Year (FY) 1997 accomplishments of the National Forests in North Carolina. The summary is supported by technical documents on file in the Supervisor's Office in Asheville.

BACKGROUND

Based on the public concern over the benefits and cost of timber sales, Congress directed the Forest Service to develop a system that would show all timber-related benefits and costs. The General Accounting Office (GAO) and the Forest Service developed this reporting system. After GAO and independent audit review, the financial report was revised for FY 1991. We further revised the FY 1997 report to better address accomplishments in terms of general accepted accounting principles. The fiscal year began on October 1, 1996 and ended September 30, 1997.

This summary is supported by technical documents on file in the Supervisor's Office. For more information contact:

USDA Forest Service
National Forests in North Carolina
160A Zillicoa Street
P.O. Box 2750
Asheville, NC 28802

Table 1 is similar to a corporate profit-and-loss statement. It shows revenues and controllable expenses. Adoption of ecosystem management and timber sale cost efficiency concerns led to display of revenues and expenses by components (purposes) for which timber is managed. These purposes are "timber commodity," "forest stewardship," and "personal use."

Timber Commodity: Those sales that provide raw material to meet the nation's timber needs.

Forest Stewardship: Those timber sales planned as an efficient method to achieve forest stewardship objectives that require vegetative management.

Personal Use: Those sales where forest products, such as firewood, will be for personal rather than commercial use.

Also shown in this financial table is the value of sold and uncut and the volume harvested during FY 1997.

Table 1 REVENUES & EXPENSES

I. TIMBER COMMODITY PROGRAM

Revenues	\$1,464,338
Expenses	2,870,577
NET REVENUE	-1,406,239

II. FOREST STEWARDSHIP PROGRAM

Revenues	973,335
Expenses	2,250,486
NET REVENUE	-1,277,151

III. PERSONAL USE PROGRAM

Revenues	63,062
Expenses	128,508
NET REVENUE	-65,446

IV. VALUE UNDER CONTRACT

- \$3,500,000

V. VOLUME HARVESTED

- 24,459 (thousand board feet)

Table 2 displays the value of the timber sale program in terms of local employment opportunities created and income produced. This table also displays timber-related program accomplishments.

Table 2 EMPLOYMENT, INCOME & PROGRAM LEVEL ACCOUNT

I. EMPLOYMENT AND INCOME

Total employment 614
(number of jobs)

Income to Communities \$15,207,000

Federal Income
Tax Generated \$2,281,000

II. TIMBER-RELATED PROGRAM ACCOMPLISHMENTS

Volume (millions of board feet)
Offered 39.030
Sold 22.447
Harvested 24.459

Nonconvertible products sold \$88,000
Christmas trees sold (no. trees) 0

Regeneration treatment (acres) 2,523
Acres harvested 3,140
Timber stand improvement (acres) 4,519

Forest Timber Road Program
Reconstruction (miles) 36.85
Construction (miles) 6.09

Road Prism Accounting Change: Statement of Federal Financial Accounting Standards (SFFAS) Number 6 requires that road prism be annually expensed. In previous years, road prism was treated as a permanent land improvement and, thus, not expensed. It was treated as a permanent capitalized asset under accounting principles used by private industry. SFFAS Number 6 was implemented in FY 1997. Compared to previous years accounting practices, this caused expenses in FY 1997 to increase by \$726,246.

Table 3 displays an estimate of future benefits and cost associated with FY 1997's harvest. This table also displays information on how the timber program affects the economic values of other forest resources. Future benefits were developed from outputs that have associated market values, such as timber, and those assigned a value, such as dispersed recreation.

Anticipated outputs were derived from techniques developed from forest planning. Values and costs were then discounted to present net value and displayed in Table 3.

Table 3
ECONOMIC ACCOUNT

I. BENEFITS

A. Timber	\$5,748,000
B. Recreation	65,000
C. Wildlife/Fisheries	1,054,000
D. Grazing	0
E. Soils	0
F. Water	0
TOTAL BENEFITS	\$6,867,000

II. NEGATIVE EFFECTS

A. Timber	\$0
B. Recreation	0
C. Wildlife & Fisheries	1,338,000
D. Grazing	0
E. Soils	0
F. Water	0
TOTAL NEG. EFFECTS	\$1,338,000

III. PRESENT VALUE OF COSTS

A. Timber	\$3,885,000
B. Recreation	0
C. Wildlife & Fisheries	0
D. Grazing	0
E. Soils	0
F. Water	0
G. Roads	979,000
TOTAL PRESENT COSTS	\$4,864,000

IV. PRESENT NET VALUE \$665,000

QUICK FACTS FROM TSPIRS

The FY 1997 timber program in the National Forests in North Carolina includes these highlights:

- We harvested more than 24 million board feet of timber from national forest lands in 1997.
- Out of a total revenue of more than 2.5 million, \$610,604 were distributed to North Carolina for local road and school programs.
- More than 34.3 million board feet of timber remains uncut but is under contract. This timber, sold for future harvest, is valued at over \$3.5 million.
- The economic vitality of local communities was strengthened by about 614 jobs and \$15 million in local income produced from timber sales.
- The timber program generated more than \$2.2 million in Federal income taxes.
- Over \$665,000 (discounted present net value) will be created from harvest areas from future timber rotations and future effects of all resources.
- In FY 1997, we constructed 6 miles of new roads. This is a slight increase over 1996, when 4 miles of roads were constructed.
- For 8 straight years, the clearcutting acreage has

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**Data Summary of the
National Forests in
North Carolina
Report of the 1997**

**Timber
Sale
Program
Information
Reporting
System**



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National Forests in
North Carolina

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