



United States  
Department of  
Agriculture

Forest  
Service

Mt. Hood National Forest

16400 Champion Way  
Sandy, OR 97055-7248  
503-668-1700  
FAX# 503-668-1641

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File Code: 6270-1

Date: NOV 19 2010

Amy Harwood  
Program Director  
Bark  
PO Box 12065  
Portland, OR 97212

Dear Amy,

This letter is in response to your Freedom of Information Act request for records of communication and contracts between the Mt. Hood National Forest and the awarded contractor for the Solo Timber Sale with regards to "replacement volume". The responsive documents are enclosed.

All fees associated with this request have been waived. Please contact Michelle Lombardo at (503) 668-1796 or [mlombardo@fs.fed.us](mailto:mlombardo@fs.fed.us) if you have any questions.

Sincerely,

GARY L. LARSEN  
Forest Supervisor

Enclosures





United States  
Department of  
Agriculture

Forest  
Service

Mt. Hood  
National Forest

16400 Champion Way  
Sandy, OR 97055-7248  
(503) 668-1700  
FAX # (503) 668-1641

CORRESPONDENCE file  
Solo copy

File Code: 2450

Date: April 15, 2008

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

7005 0390 0002 2373 1884

Robert Freres, Jr.  
Freres Lumber Co., Inc.  
P. O. Box 276  
Lyons, Oregon 97358

Solo TS #079556

Dear Rob,

I am writing to update you and the record on the status of your Solo Timber Sale. Though we have had many verbal conversations recently with your company's personnel concerning replacement volume, it has been some time as noted below, since we formally corresponded.

The Solo sale was awarded on March 4, 2003 and has been suspended since July 9, 2003 due to various court ordered or agreed to restrictions in ONRC Action, et al v. United States Forest Service, CV 03-613-KI. A final permanent injunction was issued by District Court Judge King on November 21, 2003, prohibiting logging of the existing Solo units.

On March 13, 2006, I received a claim filed on your behalf by Attorney Scott W. Horngren, dated March 8, 2006, in the amount of \$1,514,063.20.

An interim rule, entitled *Sale and Disposal of National Forest System Timber; Modification of Timber Sale Contracts in Extraordinary Conditions; Noncompetitive Sale of Timber* was published in the Federal Register on June 16, 2006 and finalized effective November 19, 2007.

The most recent formal correspondence was your letter dated December 5, 2006 expressing an interest in pursuing the replacement volume solution.

We have prepared and selected, in accordance with the rule listed above and in consultation with your employees, 12 units of second growth Douglas-fir timber that we are willing to substitute for the original Solo units. Logging systems are predominately tractor/processor with some skyline. Our cruised volume for these units is 6,632.00 CCF of Sawtimber with 7 inch and larger d.b.h., cut to 5 inch top d.i.b., and 667 CCF of Non-Saw with a 5 inch and greater d.b.h to a 4 inch top. The new advertised rate is \$14.15/CCF for Sawtimber and \$.50/CCF for Non-Saw. Base rate for Sawtimber is \$6.00/CCF and the new base index (PNWCC replacing PNWCD) is \$130.93. The Brush Disposal collection is reduced to \$3.30/CCF, and Road Maintenance is \$2.17/CCF. There is no specified road construction work, though Purchaser road maintenance is required and FS appraised at approximately \$56,000, including repair of the large slump on the 4621 road. These units are tagged as Rod Thin RV.

You will be granted 3 years Market Related Contract Term Addition in addition to 4 years and 10 months Contract Term Adjustment for the period of the suspension to present time. The new contract termination date will be January 31, 2014.

The units have been laid out, cruised, and are currently being posted with final boundary tags. Our extreme snowpack this year continues to hamper this effort, with 3 or more feet of snow still in place on the ground in the upper units. The cut trees are determined by a DxD (generally unmarked) prescription.



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I am enclosing for your review, near final draft copies of the revised sale area map, volume summary, and DxD provision. Please note that while we believe these to be accurate, they are subject to change during final review of the contract modification. If, after you review these documents and complete your field work, you do indeed desire to withdraw your claim and proceed with a contract modification, you will of course also be given time to review the final modification proposal as well.

- Such a modification would eliminate the original Solo units, volume, and the road work associated with them from the sale area and contract, withdraw the existing claim and preclude damage claims by either party involving the deleted timber, and add the new units and make associated contract changes necessary to implement the agreement. Otherwise, as much of the original contract language as possible will be retained.

If you have any questions on the modification process and proposal, please let me know. If you need further information or data on our cruise, re-appraisal, or other unit specific information you may continue to contact Jerry Polzin at the Estacada Ranger Station.

I will not prepare the final formal contract modification until you request me to do so. I look forward to hearing from you soon.

Sincerely,



TIMOTHY L. JOHNSON  
Contracting Officer

cc: Chris Anderson RO  
Jerry Polzin CRRD

Enclosed:

Draft revised sale area map  
Volume summary  
Draft CT2.35



United States  
Department of  
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Mt. Hood  
National Forest

*Solo  
corresp*  
16400 Champion Way  
Sandy, OR 97055-7248  
(503) 668-1700  
FAX # (503) 668-1641

File Code: 2450

Date: September 18, 2008

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

7005 0390 0002 2373 2768

Robert Freres, Jr.  
Freres Lumber Co., Inc.  
P. O. Box 276  
Lyons, Oregon 97358

Solo TS #079556  
Rod Thin RV TS

Dear Rob,

As recently discussed with you, enclosed is an agreement to cancel the Solo TS to be replaced by the Rod Thin RV Timber Sale and an additional approximately 4,000 CCF of similar volume, yet to be designated.

Instead of a contract modification of Solo as outlined in my April 15, 2006 letter to you, the agreement cancels the Solo contract to be replaced by the cancellation agreement with its increased negotiated volume, the addendum to it, and the award of the Rod Thin RV Timber Sale. While the new contract will stand alone, its actual terms as noted in the April letter have not changed. The Rod Thin RV Timber Sale contract will be as similar to your original Solo contract as possible given the new circumstances.

The March 13, 2006 claim on Solo will be cancelled upon your signing the cancellation agreement.

If you are in agreement, please sign and return both the enclosed cancellation agreement and addendum to me as soon as possible. We will execute the documents as well, return copies for your records and immediately award the new contract upon receipt.

Please give me a call if you have any questions. We hope to hear from you soon and award the new contract prior to the end of the month.

Sincerely,

TIMOTHY L. JOHNSON  
Contracting Officer

Enclosed:

- Agreement to Cancel Solo Timber Sale
- Addendum to Agreement to Cancel Solo Timber Sale  
(to award Rod Thin RV Timber Sale)



## AGREEMENT TO CANCEL CONTRACT AND PROVIDE REPLACEMENT TIMBER

### Solo Timber Sale Contract No. 079556 Mt. Hood National Forest

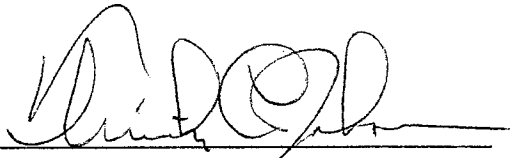
1. It is mutually agreed that the above designated timber sale contract, executed by **Robert Freres, Jr., Executive Vice President**, on behalf of **Freres Lumber Co., Inc. a corporation organized and existing under the laws of the State of Oregon**, and by **Timothy L. Johnson, Contracting Officer** for the United States of America as of the **4<sup>th</sup> day of March, 2003**, be cancelled, effective on the date this agreement is executed, for the following reasons: In the matter of ONRC Action, et al v. United States Forest Service, CV 03-613-KI ; the Court issued a final permanent injunction prohibiting logging of existing Solo Timber Sale units.
2. Pursuant to this agreement, Freres Lumber Co., Inc. agrees to release the United States from all further liability thereunder, and to work in a good faith manner with the Forest Service to search for, within the boundaries of the Mt. Hood National Forest, replacement timber (as authorized by 36 CFR 223.85) of similar volume, quantity, value, access and topography, and to accept replacement volume in two or more new timber sale contracts at appraised rates. Prior to the execution of any subsequent timber sale contract under the terms of this Agreement, Freres Lumber Co., Inc. and the Forest Service will execute an Addendum to this Agreement documenting their agreement that the subsequent contract acceptably meets these criteria, and that the subsequent sale volume will apply towards the total replacement volume goal listed below.
3. Both Parties acknowledge the difficulties in locating replacement volume and doing the required environmental documents and sale preparation to replace volume on the Solo Timber Sale while the Mt. Hood National Forest simultaneously works to prepare and offer its regular sale program. Both Parties also agree that the value of the old growth timber being replaced is significantly higher than the value of the second growth replacement timber. Acknowledging this, the Parties hereby agree that the volume of replacement timber (as measured by the total volume in AT 2 of each subsequent contract) will be approximately one and one half times the original volume or 11,000 CCF, to be provided in two or more sales within two years from the date of this

agreement. Both parties agree if the parties cannot reach agreement on satisfactory replacement timber, either party may opt to end the search. If at anytime within the two year period the Forest Service determines it cannot meet this requirement, Freres Lumber Co., Inc. agrees to adjust any subsequent settlement amount on a pro rata basis using the amount of replacement timber provided to date, and acknowledges this action does not constitute a breach of this agreement.

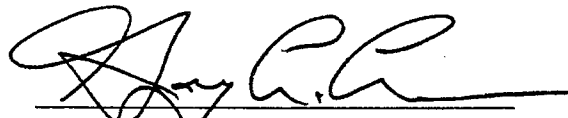
4. Pursuant to this agreement, and subject to Freres Lumber Co., Inc.'s compliance with paragraph 2, above, the United States agrees to relieve the purchaser from any further liability thereunder.

Signed the 25<sup>th</sup> day of September, 2008

UNITED STATES OF AMERICA



By TIMOTHY L. JOHNSON  
Contracting Officer



By GARY L. LARSEN  
Forest Supervisor

FRERES LUMBER CO., INC.



By ROBERT FRERES, Jr.  
Purchaser

original  
Solo

## Addendum No. 1

### AGREEMENT TO CANCEL CONTRACT AND PROVIDE REPLACEMENT TIMBER

Solo Timber Sale  
Contract No. 079556  
Mt. Hood National Forest

1. The Agreement to Cancel Contract and Provide Replacement Timber for the Solo Timber Sale, executed by all parties on September 18, 2008, provided for an Addendum to be executed each time a timber sale was to be awarded directly to Freres Lumber Co., Inc. under the terms of that Agreement:

“Prior to the execution of any subsequent timber sale contract under the terms of this Agreement, Freres Lumber Co., Inc. and the Forest Service will execute an Addendum to this Agreement documenting their agreement that the subsequent contract acceptably meets these criteria, and that the subsequent sale volume will apply towards the total replacement volume goal listed below.”

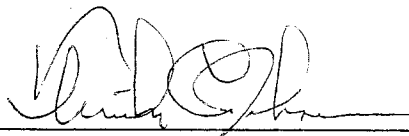
2. Addendum No. 1 documents that Rod Thin RV Timber Sale is a sale that meets the criteria in the original Agreement to serve as replacement volume, and the parties agree the volume of 7,298 CCF in AT2 of the Rod Thin RV Contract applies towards the total replacement volume of approximately 11,000 CCF.

3. The remaining replacement volume is 3,702 CCF.

Signed the 25<sup>th</sup> day of September, 2008

UNITED STATES OF AMERICA

FRERES LUMBER CO., INC.

  
By TIMOTHY L. JOHNSON  
Contracting Officer

  
By ROBERT FRERES, Jr.  
Purchaser



United States  
Department of  
Agriculture

Forest  
Service

Mt. Hood  
National Forest

16400 Champion Way  
Sandy, OR 97055-7248  
(503) 668-1700  
FAX # (503) 668-1413

File Code: 2450

Date: July 28, 2009

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

7004 2510 0002 9501 133 1

Freres Lumber Co., Inc.  
Attn: Robert Freres, Jr.  
P. O. Box 276  
Lyons, Oregon 97358

Solo TS #079556  
Raven RV #080232

Dear Rob,

In accordance with the cancellation agreement for the Solo Timber Sale, we have prepared a timber sale area and contract named Raven RV as a potential additional replacement volume sale. It is my understanding that your Company cruisers have copies of our cruise data, draft sale unit maps and related data, and have recently completed your own cruise and analysis of the volume and sale area.

The contract will closely replicate both the original Solo contract and the first replacement volume sale Rod Thin RV. The logging system is entirely ground based. Our cruised volume for the sale is 2,808.00 CCF of Sawtimber with 7 inch and larger d.b.h., cut to 5 inch top d.i.b., and 62.00 CCF of Non-Saw with a 5 inch and greater d.b.h. to a 4 inch top. These AT2 Specifications are the same as they were for Rod Thin RV. The new advertised rate is \$22.93/CCF for Sawtimber and \$.50/CCF for Non-Saw. Base rate for Sawtimber is \$6.00/CCF and the new base index (PNWCC) is \$121.74. The Brush Disposal collection rate \$1.51/CCF and Road Maintenance is \$1.27/CCF. There is no specified road construction work, though Purchaser road maintenance is required, and FS appraised at approximately \$58,700.00.

The timber on Raven RV is higher quality and larger size than on your Rod Thin RV sale. This, in addition to the 100% ground based system, resulted in the higher advertised rate for Raven RV. The larger timber also produced a lower MBF to CCF ratio and therefore resulted in the lower than planned replacement volume in CCF. I am hopeful that the higher value and larger timber on Raven RV will fully meet the intent of the cancellation agreement to your satisfaction. If that is not the case, a third sale will have to be prepared at a later date, as we have no additional similar timber to add to this offering.

The termination date for Raven RV will be May 30, 2015, one year longer than Rod Thin RV. Both contracts include the maximum 3 years Market Related Contract Term Adjustment (MRCTA) and the original Contract Term Addition earned on Solo during the court ordered delay. Neither contract is eligible for additional MRCTA.

Please let me know as soon as possible if this proposal is satisfactory to you, or if it is not, what we can do to make it so. Once I hear from you I will prepare an additional supplement to the settlement agreement to add this volume to it, and award the sale to you. If you have any questions on the new contract or the process to add this volume to the agreement, please let me know. If you need further information or data on our cruise, appraisal, or other unit specific information you may continue to contact Jerry Polzin at the Estacada Ranger Station.

I continue to greatly appreciate your willingness to work with us to resolve the shutdown of Solo with replacement volume, and look forward to hearing from you soon.

Sincerely,

TIMOTHY L. JOHNSON  
Contracting Officer



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Solo

*mm*



"An Equal Opportunity Employer"

P.O. Box 276 / Lyons, Oregon 97358  
503-859-2121  
Fax 503-859-2112

August 5, 2009

Tim Johnson  
Contracting Officer  
Mt. Hood National Forest  
16400 Champion Way  
Sandy, OR. 97055

Fax: (503) 668-1413

Re: Solo TS #79556  
Raven RV #080232

Dear Tim:

Freres Lumber Co., Inc. accepts the Raven replacement volume as proposed as partial settlement of the cancellation agreement.

The combined volumes of the Rod RV and Raven RV sales meet 10,107 CCF of the 11,000 CCF target in the cancellation agreement.

We request the 893 CCF remaining volume be provided in a third sale at a later date or additional volume added to the Rod or Raven sales.

We appreciate your efforts to resolve this matter.

Sincerely,

Robert Freres, Jr.  
Executive Vice President

RF:lt

Page 1 of 1: Original will be mailed

7,299	Rod
2,870	Raven
<u>831</u>	unknown
11,000	

## Addendum No. 2

### AGREEMENT TO CANCEL CONTRACT AND PROVIDE REPLACEMENT TIMBER

Solo Timber Sale  
Contract No. 079556  
Mt. Hood National Forest

1. The Agreement to Cancel Contract and Provide Replacement Timber for the Solo Timber Sale, executed by all parties on September 18, 2008, provided for an Addendum to be executed each time a timber sale was to be awarded directly to Freres Lumber Co., Inc. under the terms of that Agreement:

“Prior to the execution of any subsequent timber sale contract under the terms of this Agreement, Freres Lumber Co., Inc. and the Forest Service will execute an Addendum to this Agreement documenting their agreement that the subsequent contract acceptably meets these criteria, and that the subsequent sale volume will apply towards the total replacement volume goal listed below.”


2. Addendum No. 2 documents that Raven RV Timber Sale is a sale that meets the criteria in the original Agreement to serve as replacement volume, and the parties agree the volume of 2,870 CCF in AT2 of the Raven RV Contract applies towards the total replacement volume of approximately 11,000 CCF.

3. The remaining replacement volume is 831 CCF.

Signed the 31 day of August, 2009

UNITED STATES OF AMERICA

FRERES LUMBER CO., INC.

  
By TIMOTHY L. JOHNSON  
Contracting Officer

  
By ROBERT FRERES, Jr.  
Purchaser

**From:** Tim Johnson <tjohnson04@fs.fed.us>  
**Sent:** Wednesday, October 13, 2010 8:53 AM  
**To:** Amy Harwood  
**Subject:** RE: Replacement Volume for Old Timber Sales

Yes then that's your best bet.

Tim Johnson  
GP - Mt Hood Contracting Officer  
[tjohnson04@fs.fed.us](mailto:tjohnson04@fs.fed.us)  
503-668-1669 fax: 503-668-1413  
cell: 360-356-4714

Amy Harwood <[amy@bark-out.org](mailto:amy@bark-out.org)>

To 'Tim Johnson' <[tjohnson04@fs.fed.us](mailto:tjohnson04@fs.fed.us)>

cc

10/12/2010 05:14 PM

Subject RE: Replacement Volume for Old Timber Sales

Well, that's not what I was looking for. I want to know which recent timber sales have made up replacement volume and how much each is accredited with. Sounds like I should just go ahead and submit a FOIA, since I'm looking for a spreadsheet or tracking mechanism rather than personal knowledge and recollection.  
amy

**From:** Tim Johnson [<mailto:tjohnson04@fs.fed.us>]  
**Sent:** Tuesday, October 12, 2010 2:53 PM  
**To:** Amy Harwood  
**Cc:** James B Roden  
**Subject:** Re: Replacement Volume for Old Timber Sales

To the best of my knowledge/recollection Amy, Slinky never was advertised or sold, so it has no replacement volume. Borg Sale was settled monetarily with no replacement volume involved. The Solo sale is currently under a settlement agreement, however since that is a negotiated legal settlement I think you would need to do a FOIA request for the FS to decide how much information is releasable or not.

I can tell you however as it is general knowledge, that FS timber sales that are replacement volume sales generally have an ATV or RV or similar designation in the title of the contract indicating that they are replacement volume for a FS/Court terminated sale.

Hope that's what you needed.

Tim Johnson  
GP - Mt Hood Contracting Officer  
[tjohnson04@fs.fed.us](mailto:tjohnson04@fs.fed.us)  
503-668-1669 fax: 503-668-1413  
cell: 360-356-4714

Amy Harwood <[amy@bark-out.org](mailto:amy@bark-out.org)>

10/05/2010 05:01 PM

To "'tjohnson04@fs.fed.us'" <[tjohnson04@fs.fed.us](mailto:tjohnson04@fs.fed.us)>

cc

Subject Replacement Volume for Old Timber Sales

Hi Tim,

Jim Roden suggested I get in touch with you about the replacement volume for Solo, Borg and Slinky Timber Sales. Could you please give me a breakdown of where and how much volume shows up in other projects.

Thanks,

amy

amy harwood | program director

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mailing | po box 12065, portland, or 97212

physical | 205 se grand, suite 207, portland, or 97214

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