MEMORANDUM

To: AFRC Members
From: Andy Geissler, Lawson Fite, Sara Ghafouri
Date: April 14, 2020
Re: Temporary Downpayment Reduction on FS Timber Sale Contracts and IRTCs

The April 10 declaration by Secretary Purdue of substantial overriding public interest (SOPI) extends all USFS timber sale contracts and Integrated Resource Timber Contracts (IRTCs) by two years and is an exception to the 10-year limit found in NFMA. In addition to contract extension, the SOPI entitles all extended contract holders to request Temporary Reduction of Downpayment. [36 CFR 223.49(k)]

For timber sale contracts that are awarded and not cutting or removing timber (but not formally suspended), you can request Temporary Reduction of Downpayment under paragraph C4.212 of the 2400-6 contract.¹ [Link to C Division] In IRTCs, the relevant clause is K-E.2.1.1. [Link to K Division]

1. You must request Temporary Reduction of Downpayment in writing from the relevant NFS unit contracting officer. Regulations and USFS policy indicate all eligible requests will be granted.

2. Temp Reduction lowers your downpayment (deposit) to the greater of 2% of the original deposit or $1,000. The reduction will be refunded to you by USFS.

   Example 1: Deposit on the Geissler Gulch timber sale was $35,000. Under TRD, the deposit is reduced to $1,000 (2% of $35,000 = $700). USFS refunds $34,000.

   Example 2: Deposit on the Troxel Tramway sale was $100,000. Under TRD, the deposit is reduced to $2,000 (2% of $100,000). USFS refunds $98,000.

3. Full downpayment must be restored 15 days after USFS bills (after emergency over). Operations cannot begin until downpayment restored.

Questions? Contact Andy (ageissler@amforest.org, 541-342-1892), Lawson (lfite@amforest.org, 971-801-4864) or Sara (sghafouri@amforest.org, 650-279-3569).

¹ If your contract predates August 2009, the original will not have paragraph C4.212, but COs are instructed to “Add [C4.212] to existing contracts by modification when requested by Purchaser.” For these older contracts, include the modification as part of your Temp Reduction request.