

November 15, 2010

Office of Surety Guarantees, Suite 8600  
409 Third Street, S.W.  
Washington, DC 20416



**Subject:** RIN 3245-AG14: Comment on Small Business Administration Proposed Rule for Surety Bond Guarantee Program; Timber Sales.

The Council of Western State Foresters (CWSF) represents the combined interests of seventeen State Foresters and six Pacific Island Foresters in the western United States. We appreciate the opportunity to comment on the Proposed Rule published in the Federal Register on October 15, 2010 by the Small Business Administration (SBA) regarding access to the Surety Bond Guarantee Program for timber sale contracts wherein a payment by the principle (purchaser of timber) to the obligee (federal government or other land owner) is required.

The CWSF supports healthy markets for forest products, and access to timber sale performance bonds is a requisite piece of maintaining and strengthening such markets. Availability of performance bonds from private surety companies has been an issue in recent years due in part to declining national economic trends and a reduction in timber sales from federally owned lands. Together, these and other factors have resulted in a significant decline of the forest products sector throughout much of the western United States. Markets for wood products such as dimensional lumber, fiber, biomass and others provide economic support for sustainable forest management.

The CWSF appreciates the efforts of the SBA to find a workable solution to provide access to performance bonds for timber sale contracts. As the SBA moves forward with this rule, we ask the SBA to consider the following items in implementing the rule. First, consider and seek to eliminate or decrease any duplicative paperwork that may be cumbersome to those seeking access to the Surety Bond Guarantee Program. Secondly, consider the fee required to be paid to the SBA, calculated per thousand of the contract amount, as even a relatively small fee per thousand may be prohibitively expensive for many firms as the wood products industry recovers from the recent economic downturn. Finally, consider potential issues flowing from the requirement that only agents appointed by participating sureties may write SBA guaranteed bonds, such as access to these agents in rural areas of the west.

The CWSF appreciates the opportunity to comment on this proposed rule. The availability of performance bonds, whether for federal, state or private timber sales, is an important issue to the CWSF, and we support the efforts of the SBA to address this problem.

Sincerely,

A handwritten signature in black ink that reads "John C. Maisch".

John "Chris" Maisch  
Council of Western State Foresters Chair