



United States Department of Agriculture
FOREST SERVICE
P.O. Box 96090
Washington, D.C. 20090-6090

To: Chris Topik
B308 Rayburn House Office Building

Leif Fonnesebeck
131 Dirksen Senate Office Building

Mike Stephens
1016 Longworth House Office Building

Peter Kiefhaber
160 Dirksen Senate Office Building

Pat Modoff
2467 Rayburn House Office Building

From: Hank Kashdan, Director of Program and Budget Analysis

Date: February 17, 2005

Subject: Part I – Implementation of Multiparty Monitoring and Evaluation: Stewardship End Results Contracting Demonstration Program
Part II – Forest Service Implementation during FY 2003 of Stewardship Contracting Authority Provided by Section 323 of Public Law 108-7

Enclosed are two reports documenting the Forest Service's use of stewardship contracting as provided by Congress. One of the reports, prepared by the Pinchot Institute for Conservation under contract to the Forest Service, presents project level information pertaining to the agency's use of the stewardship contracting pilot authorities as required by Section 347 of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (P.L. 105-277) and subsequent amendments. The other report, prepared by the Forest Service, provides programmatic level information pertaining to the agency's use of the 10-year stewardship contracting authority as required by Section 323 of the Consolidated Appropriations Resolution of FY 2003 (P.L. 108-7).

For FY 2003, the stewardship pilots are discussed in the report prepared by the Pinchot Institute and the new stewardship contracting projects initiated under Section 323 are discussed in the agency prepared report. The dual reporting will continue for FY 2004 but beginning with the report for FY 2005, only one programmatic report will be delivered to Congress. The decision to keep some of the original pilots under project-level monitoring for a transitional period of time was based upon the public listening sessions held after enactment of Section 323 where there was continued strong support for project-level monitoring. The agency did not want to "break faith" with the many external stakeholders who had invested themselves in the project-level monitoring process; and the agency felt there were still some valuable lessons that could be learned from continued project-level monitoring. The agency recognizes that Section 323 now represents the state of the law in regards to stewardship contracting, but for the preceding reasons has elected to continue limited pilot monitoring until completion of the Pinchot Institute's contract.

The enclosed Pinchot Institute report represents the product of an independent, third-party monitoring and evaluation process. Like previous reports, it provides project specific information on such topics as the resource management objectives being pursued in the stewardship pilots, the status of NEPA compliance and awarding of contracts, the levels of cooperative involvement, and the accomplishments realized to date. Additionally, as has been the case in the past, emerging issues and concerns are identified and discussed – and an attempt is made to summarize important lessons learned to date. Throughout FY 2003 the Forest Service and Bureau of Land Management (BLM) have worked together to ensure that their approaches to implementation of Section 323 are consistent. The Forest Services believes that some of the issues and concerns raised in the Pinchot Institute report will be resolved as a result of the actions it has taken to implement Section 323.

Much of the enclosed Forest Service report documents the steps the agency has taken to formulate and ultimately provide direction to its field units for the implementation of Section 323. Information is also provided regarding those projects approved and contracts awarded under the new authority in FY 2003.

Many groups and individuals participated in the monitoring and evaluation process that led to development of the Pinchot Institute report. Their hard work and commitment to the pilot process are appreciated. As we move beyond “pilot testing” of stewardship contracting, the agency and BLM are working together to develop a framework for programmatic monitoring and evaluation that also allows for “multiparty” input under Section 323. Our plans are to jointly issue a Request For Proposal and engage the services of a contractor to implement multiparty monitoring on the role of local communities in development of agreements or contract plans in FY 2005. Additional copies of the enclosed reports may be downloaded from our website at <http://www.fs.fed.us/forestmanagement/projects/stewardship/reports/index.shtml>

Sincerely,

/s/ Donna Carmical, for

HANK KASHDAN
Director of Program and Budget Analysis

Enclosures:

FY 2003 Report on Stewardship Contracting Pilots
FY 2003 Report on Use of Section 323

cc: John Pasquantino, OMB
David Tenny, NRE
Pat Sarver, OBPA
Lori Monfort, OGC