



The Role of Communities in Stewardship Contracting: A Programmatic Review of Forest Service Projects

Report to the USDA Forest Service –
FY2009

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1.0 EXECUTIVE SUMMARY

This report conveys results from the FY 2009 programmatic monitoring and evaluation effort designed to fulfill the Congressional mandate to monitor the role local communities have in the development and implementation of stewardship agreements or contracts. The report briefly outlines the survey and interview methodology used by the Pinchot Institute and its regional partners, presents the results of the study, and offers several suggestions for improvement. The report also includes five regional summary reports from the areas that were monitored. These regional summaries contain a wealth of information including direct quotes from first-hand participants in stewardship contracts that express the frustrations and joys that characterize their experience with stewardship contracting.

Stewardship contracting is maturing and it has strong support from both communities of place (i.e. forest-based communities) and communities of interest (i.e. regional and national environmental groups and natural resource-based industries). Stakeholders like that stewardship contracting offers increased opportunities to frame a set of collaboratively defined desired future conditions for both the land and their communities. Stakeholders are increasingly welcoming to the idea of regional stewardship agreements and cite that these offer increased efficiencies, increased learning opportunities, more opportunities to engage both communities of interest and communities of place and a way to positively influence forest management and planning.

This maturation of stewardship contracting is occurring despite resistance to both its underlying philosophy of collaborative stewardship and its procedural application. A number of barriers discussed in this report continue to hamper the full engagement of communities in stewardship contracts. Many stewardship contracts exhibit increasingly passive and formulaic forms of collaboration and community engagement. These projects are often one dimensional, largely focused on the removal of hazardous fuel loads while only involving a few stakeholders in the process, possibly just a contractor and the agency. These types of projects are designed around utilizing the goods-for-services provisions of stewardship contracting, and not necessarily the full suite of authorities. This model is not necessarily about exploring the full utility of stewardship contracting or the opportunity to use collaborative processes to engage a broader set of actors in management of federal public lands. Even if the desired ecological outcomes are achieved by using this model, only part of the “end-results” intended by the authorizing legislation are met, as socio-economic objectives may not be adequately addressed.

According to the survey results from 2009, almost 60% of agency personnel view, and subsequently use stewardship contracting primarily as a goods-for-services funding mechanism. The focus on innovation and experimentation that marked the use of the other extended authorities during the pilot phase has languished, despite the documented utility and importance that these other authorities play in achieving desired end-results. Not all stakeholders view stewardship contracting as primarily being a goods-for-services transaction. Only 31% of non-agency respondents viewed it this way, as they tend to view stewardship contracting as something greater than trading goods-for-services. These individuals frequently cite that opportunities for enhanced collaboration and for achieving economic and management efficiencies are prerequisites for their participation in projects on federal public land. It is true that trading goods-for-services is an important part of achieving these efficiencies, but non-agency stakeholders often recognize that the other aspects of stewardship contracting may increase the potential for both the desired ecological

and socio-economic end results to be met. They may not always fully grasp the details of all the extended authorities, largely because they have not been trained in their use; however they sense that the application of these tools may lead to greater benefits for local communities.

While the barriers discussed in this report are meant to specifically highlight limitations to the broader adoption of stewardship contracting, many of these barriers are not unique to stewardship contracts and constitute broad challenges to the management of public lands in general. For example, the Forest Restoration Title of the Omnibus Public Land Management Act of 2009 (P.L. 111-11) attempts to remove the cancellation ceiling barrier for federal contracts administered under the Collaborative Forest Landscape Restoration (CFLR) Program that is authorized by this legislation. This legislation also offers an encouraging incentive based approaches to community engagement and collaboration.

The issues that this legislation attempts to address are the same issues that this annual programmatic monitoring and evaluation has identified over the past several years. The difference is that the CFLR program, attempts to bring additional resources for collaboration and remove certain barriers to stewardship contracting (e.g. the cancellation ceiling), it is however targeted at a limited number of acres, while the same barriers continue inhibit stewardship contracts across the nation. Unless the barriers described in this report can be overcome, and the agencies' use of their stewardship contracting authorities and the tool itself improved, a more collaborative form of public land management and the benefits this brings will likely remain constrained to special programs and a limited number of exemplary projects.

Through examining the data collected in these annual monitoring and evaluation cycles, we have concluded that there are a number of steps that can be taken to overcome these barriers to ensure the broader application of stewardship contracting. These recommendations include, but are not limited to the following:

- Provide the necessary training to both agency and non-agency collaborators alike to ensure that all stakeholders engaged in stewardship contracts are familiar with the philosophy behind and application of stewardship contracting and the purpose and use of all its special authorities.
- Ensure that as stewardship contracts are developed, agency personnel evaluate opportunities to use each of the extended authorities, not just the exchange of goods-for-services.
- Adopt employee performance measures that encourage the development and utilization of collaborative skills and a willingness to try new things. To facilitate this change, agency human resource policy should recognize the time required to build collaborative community relationships and include this as part of the core responsibilities of agency personnel.
- Improve the extent and frequency with which the “lessons learned” in stewardship contracting are shared among agency personnel, communities, contractors, and other stakeholders. Evaluate the effectiveness of these communication efforts and adapt future efforts based on results.
- Restore the operational flexibility that was provided in the enabling legislation for stewardship contracting, by streamlining agency administrative actions and revisiting internal policies that inhibit the use of stewardship contracting. Care should be taken

- in doing this as some of these internal barriers may be region and/or forest specific.
- Increase the awareness of personnel about the nuances of conflict of interest policy in NEPA processes and make clear where and how contractors can be engaged and encouraged to provide substantive input.
 - Provide non-agency collaborators with the ability to more easily pool and leverage agency funds with external funds. The restriction on bringing additional funds into an Integrated Resource Timber Contract (IRTC) to carry out needed service items should be revisited.
 - Consult with collaborators on the use of retained receipts and enable the use of receipts (or other funding mechanisms) for the multi-party monitoring of project implementation.

INTRODUCTION

The USDA Forest Service (USFS) and the Department of the Interior's Bureau of Land Management (BLM) collectively manage approximately 450 million acres of federal public land. Along with the technical and administrative requirements of managing these lands comes a responsibility to engage the public in the management of these common-property resources. This engagement occurs structurally at many levels through formal governance and representation by the U.S. Congress, through citizen participation in the development and revisions of Land and Resource Management Plans under the National Forest Management Act (NFMA) and the Federal Land Policy and Management Act (FLPMA), and through the formal public involvement and review processes of the National Environmental Policy Act (NEPA). In addition to engaging the public through these formal administrative and regulatory structures, open and inclusive collaborative processes are necessary at the local level to effectively involve stakeholders in the management of these common-property resources.

Public policy has altered the management of the National Forest System (NFS) over the past two and a half decades as the public interest in these forest resources changed. Concerns over the impacts of timber harvesting on endangered species and old growth forest ecosystems contributed to a significant decrease in the use of these lands to support natural resource-based economies through timber extraction. Leading up to this period of change, attitudes and policies about wildfire were largely aimed at excluding fire from these landscapes, many of which evolved to depend on frequent low intensity fires for their growth and renewal. An unintended consequence of this era of change in public policy and attitude has been a decreased acceptance of, and capacity for, active forest management.

A complex mix of threats now confronts these public lands and the multiple benefits they provide the public. These threats include large stand replacing wildfires, invasive species, increased rates of disease and insect related mortality and other direct and indirect threats linked to climate change. The consequence of not addressing these threats may be the diminishment or complete loss of various ecosystem services (e.g. clean air, clean water, biodiversity, carbon sequestration) and cultural, spiritual and socio-economic values. While there is no broad public consensus on how to address these threats through policy, it is widely recognized that adaptive and flexible management structures are needed for the collaborative planning, implementation, and monitoring of land management activities. Contracting for the performance of these activities is a main way that federal land managers achieve their objectives. Stewardship end-results contracting was designed to, and has

proven, to be an adaptive and flexible land management tool for addressing these complex challenges.

In 1998, Congress authorized a pilot program in which the USFS was allowed to develop a limited number of stewardship end-result contracts and agreements designed to achieve agency land management goals while benefiting rural and forest-dependent communities. This authorization resulted from the needs of the agency to more effectively involve communities in the stewardship of nearby public lands. Around this time, it was also recognized that the timber sale program was an inadequate tool to deal with the complexity of forest ecosystem restoration. A more flexible, best-value approach to contracting land management projects was needed that could provide both enhanced stewardship of the resource and increased opportunities for local resource-based economies.

The stewardship contracting legislation bundled a package of contracting tools that were to be tested in the pilots. These tools included:

- *Best value contracting.* Required that other criteria (prior performance, experience, skills and connection to community-based stewardship enterprises) be considered in addition to cost when selecting contractors.
- *Multiyear contracting.* Allowed for stewardship contracts and agreements to run for up to 10 years.
- *Designation by prescription.* Allowed agencies to contractually describe the desired on-the-ground end results of a particular project, while giving the contractor operational flexibility in determining how best to achieve that result.
- *Designation by description.* Allowed agencies to specify which trees should be removed or retained without having to physically mark them.
- *Less than full and open competition.* Allowed the agencies to award sole-source contracts in appropriate circumstances, such as contracting with Native American tribes for work in areas with particular tribal significance.
- *Trading goods for services.* Allowed the agency to exchange goods (e.g. the value of timber or other forest products removed) for the performance of service work (e.g. stream restoration) in the same project area.
- *Retention of receipts.* Allowed the agency to keep revenues from projects in which the product value exceeded the service work to be performed and use these receipts to pay for service work in other stewardship projects.
- *Widening the range of eligible contractors.* Allowed non-traditional bidders (non-profit organizations, local governmental bodies, etc.) to compete for and be awarded stewardship contracts.

The early positive response to the pilot effort resulted in the passing of the Interior Appropriation Act of 2003 Sec. 323 of P.L. 108-7 (16 U.S.C. 2104 Note, as revised February 28, 2003 to reflect Sec. 323 of H.J. Res. 2 as enrolled) the Consolidated Appropriations Resolution, 2003, amending P.L. 105-277, Sec. 347.) in which Congress ended the pilot program, gave stewardship contracting authority to the BLM as well as the USFS, extended the authorization for its use through September 30, 2013), and removed the limitation on the number of projects nationwide. In addition, the requirement for multiparty project-level monitoring and evaluation was replaced with programmatic monitoring of local and community benefits, and language was added that recognized the removal of commercial timber as a legitimate element of land management under stewardship contracting.

Amidst the focus on the conditions of public forests, the socio-economic conditions of forest-based communities adjacent to these public lands are not to be ignored. These communities have much to gain or lose from the management of these lands. Their health and productivity is directly linked to the health and productivity of the forest resource, and they are thus vital stakeholders in the stewardship of these resources. Congress recognized this important linkage in the authorizing language of stewardship contracting, and requires both the USFS and BLM to report annually to Congress on their activities and accomplishments in stewardship contracting, including how stewardship contracts and agreements engage local communities, state, tribal and local governments, and other interested parties in the development and implementation of agency land management objectives.

Since 2005, the Pinchot Institute for Conservation has facilitated an objective programmatic-level review for the USFS and BLM that assesses the role that local communities and other stakeholders play in stewardship contracting. These reports capture the success and frustrations that both agency and non-agency participants experience through collaboratively defining, designing and implementing stewardship projects. This annual programmatic review has identified some major aspects in which stewardship contracts result in benefits to the forest resource (e.g. fuel reduction and habitat restoration), agency (e.g. improved public trust), and local community (e.g. economic development or adaptation).

This report conveys the results from the FY 2009 multi-party monitoring effort designed to fulfill the Congressional mandate to monitor the role local communities play in the development of stewardship agreements or contracts.

2.0 METHODS

The Pinchot Institute worked closely with four regional partner organizations to gather input from stakeholders involved with stewardship projects. This process included surveys conducted via telephone interviews, facilitated regional multiparty monitoring team meetings, and the synthesizing of collected data. The four partner organizations included:

- ***Flathead Economic Policy Center*** (Carol Daly) Northern Rockies and Northeast/Lake States
- ***Michigan State University*** (Maureen McDonough) Data Synthesis
- ***Watershed Research and Training Center*** (Michelle Medley-Daniel, Lynn Jungwirth, Nick Goulette) Pacific Northwest
- ***West 65, Inc.*** (Carla Harper) Southeast and Southwest

2.1 Telephone Survey

A primary data collection method was a telephone survey that was conducted to determine the role that local communities play in the development of stewardship contracts. The sample set consisted of individuals involved with stewardship contracts such as USFS personnel, community members, and contractors. To facilitate this national-level monitoring effort, the Forest Service Washington Office provided lists of authorized stewardship contracts on National Forest System (NFS) lands. In 2009, the agencies report a combined 418 active stewardship contracts (BLM = 69 and USFS = 349). From this list, 25% of stewardship contracting projects in each of five regions were selected using a stratified

random sampling protocol developed by Michigan State University (MSU). The five defined regions of the United States included:

Northeast/Lake States:	CT, DE, IA, IL, IN, MA, ME, MD, MI, MN, MO, NJ, NH, NY, OH, PA, RI, VT, WI, WV
Northern Rockies:	ID, MT, ND, SD, WY
Pacific Northwest:	AK, CA, HI, OR, WA
Southeast:	AL, FL, GA, KS, KY, LA, MS, NC, SC, TN, VA
Southwest:	AZ, CO, KS, NE, NM, NV, OK, TX, UT

A questionnaire was developed collaboratively in 2005 by the Pinchot Institute and its partners, the USFS and BLM, reviewed and approved by the Office of Management and Budget, and used to collect all data relevant to the programmatic monitoring effort (See Appendix C). As interviews were completed, resulting data was compiled into uniform reports and sent to MSU. MSU coded all questions and responses for use with a software program for quantitative and qualitative analysis. MSU compiled the results from these analyses and shared them with the Pinchot Institute for regional and national level review.

2.2 Response Rate

The stratified random sampling protocol identified a total of 88 USFS projects across the five defined regions that were monitored through this effort in 2009. For each project, the agency project manager and two external participants were to be interviewed. Agency project managers for each selected project were asked to provide a list of community members and contractors involved in the project. From the project manager's list, the Pinchot Institute's regional contractors randomly selected two external participants to interview. This resulted in a total of 264 potential interviewees (88 projects x 3 interviewees per project). A total of 226 individuals (89 agency personnel, 64 community members, 35 contractors, and 38 others) participated in the survey resulting in a 94.7% response rate.

2.3 Regional Vetting Analysis

In granting long-term authority to the USFS and the BLM to enter into stewardship contracts or agreements, Congress directed both agencies to establish a multi-party process of monitoring and evaluation stewardship projects and participants may include, besides the USFS and BLM, any cooperating county, state, federal or tribal governments, along with any other interested individuals. To meet this mandate, the Pinchot Institute and its partners organized, convened and facilitated five separate regional multiparty monitoring team meetings which included representatives from the USFS, BLM, the forest products industry, academia and research institutions, state, county and tribal governments, land trusts, environmental and conservation organizations and many others.

The dates and locations of the regional team meetings included:

- **Southwest Regional Team meeting:** October 7, 2009, Ely, Nevada
- **Northern Rockies Regional Team meeting:** October 28, 2009, Seeley Lake, Montana
- **Southeast Regional Team meeting:** October 29, 2009, Laurel, Mississippi
- **Northeast/Lake States Regional Team meeting:** November 6, 2009, Nelsonville, Ohio
- **Pacific Northwest Regional Team meeting:** November 6, 2009, Redding, California

The regional teams were responsible for synthesizing regional data provided by MSU,

analyzing the effects of regional conditions on the success and outcome of stewardship projects, studying and exchanging any lessons learned in the region, and highlighting the benefits of and obstacles to engaging communities in stewardship contracts in their region. The majority of these regional team members have participated in the annual programmatic review since 2005 and some were even participants during the pilot phase of stewardship contracting. Their collective knowledge and experiences is reflected in the Regional Team Reports in appendix A.

3.0 RESULTS AND DISCUSSION

Survey participants provided insight into the level of community involvement in the development and implementation of stewardship contracts or agreements.

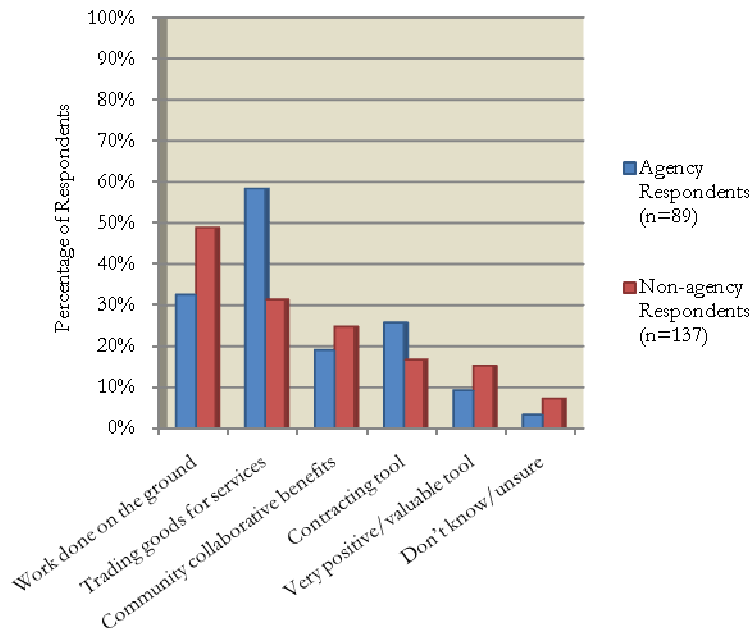
3.1 Survey Results

3.1.1 Perceptions of Stewardship Contracting

Respondents were asked to explain stewardship contracting in their own terms. Of the 226 total agency and non-agency respondents (see Table 1 appendix B), the predominant views on what stewardship contracting is, included getting “work done on the ground” (42.3%), the “trading goods-for-services” (42%), a mechanism to provide “community collaborative benefits” (22.6%) and a “contracting tool” (20.4%). Examining the breakdown of how agency and non-agency respondents view stewardship contracting yields some interesting findings. A higher percentage of non-agency respondents than agency respondents view stewardship contracting as a way to get work done on the ground while providing community and collaborative benefits. A significantly higher percentage of agency respondents than non-agency respondents view stewardship contracting as a contracting tool that allows for the exchange of goods-for-services (see Figure 1). While trading goods-for-services was the second most frequent response for non-agency respondents (31.3%), nearly 60% of agency respondents cited it.

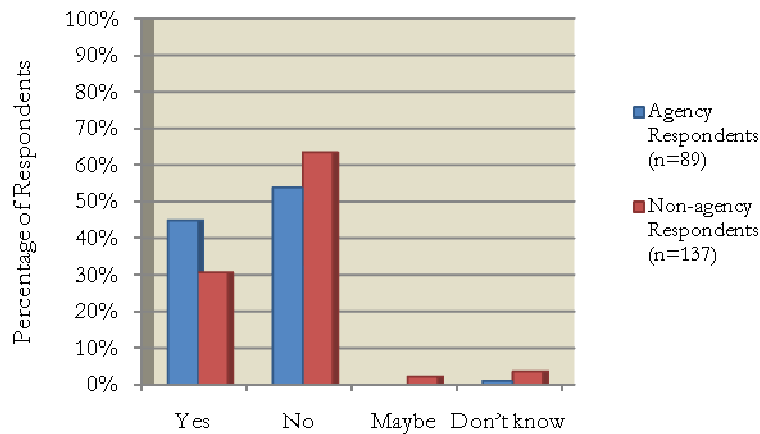
The exchange of goods-for-services has been the most frequently used authority since the pilot phase. In fact the Pinchot Institute’s monitoring of the USFS pilot experience with stewardship contracting (1999-2004) consistently revealed that goods-for-services was the most commonly used authority during this time period. The 2009 data indicate that this is still the major focus of agency personnel.

Figure 1. Respondents' definitions of stewardship contracting



Most respondents (59.7% “no” to 36.3% “yes”) report that their view of stewardship contracting has not changed as the result of their participation in stewardship projects (see Table 2 in appendix B). However, as indicated in Figure 2, a higher percentage of respondents whose view changed were agency personnel as opposed to non-agency respondents. Of those respondents reporting that their views had changed, roughly a quarter of both agency and non-agency respondents reported that their understanding of stewardship contracting improved.

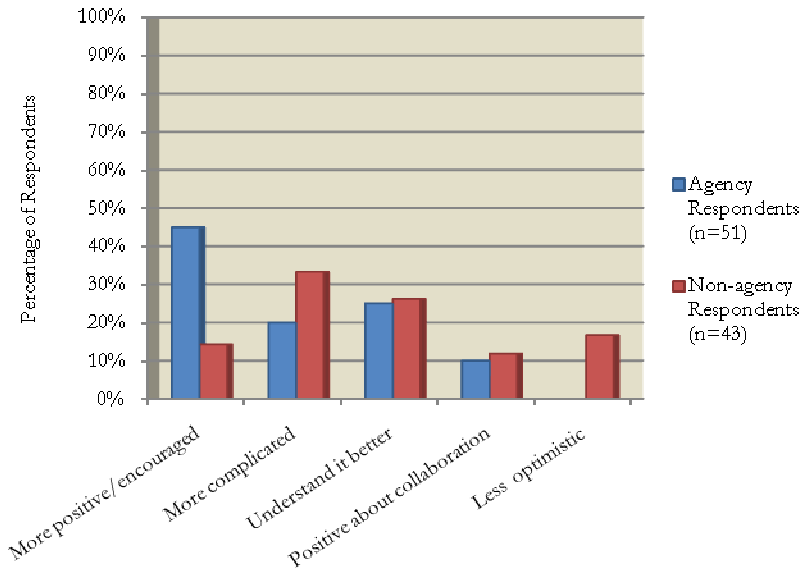
Figure 2. Changed views of stewardship contracting



More non-agency respondents (33.3%) than agency respondents (20%) reported that they now view stewardship contracting as more complicated and more work, and substantially more agency respondents (45%) than non-agency respondents (14.3%) reported that their view of stewardship contracting was more positive than it was previously (see Figure 3). Noteworthy is that other responses suggested that stewardship contracting is a program and not just a contracting tool, that it was required by the agency in the case of some projects, and that there is wide frustration about the state of timber markets and their negative effect

on stewardship contracting. Some respondents see stewardship contracting as less bureaucratic and less prescriptive than other mechanisms.

Figure 3. How respondent's views changed

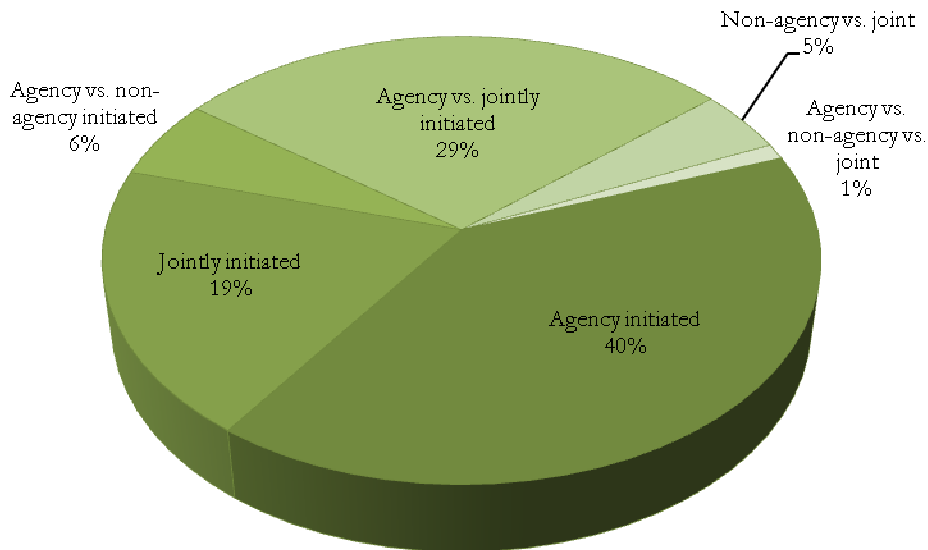


3.1.2 Local Community Involvement in Stewardship Contracting

Project Initiation

In 36 (40.9%) of the projects, both agency and non-agency respondents agreed that their projects were agency-initiated. In 17 projects (19.3%), respondents agreed that their projects were jointly initiated. In the remaining 35 projects (39.7%) there were differing perceptions regarding the projects' initiation. (see Figure 4 and Table 4 in appendix B).

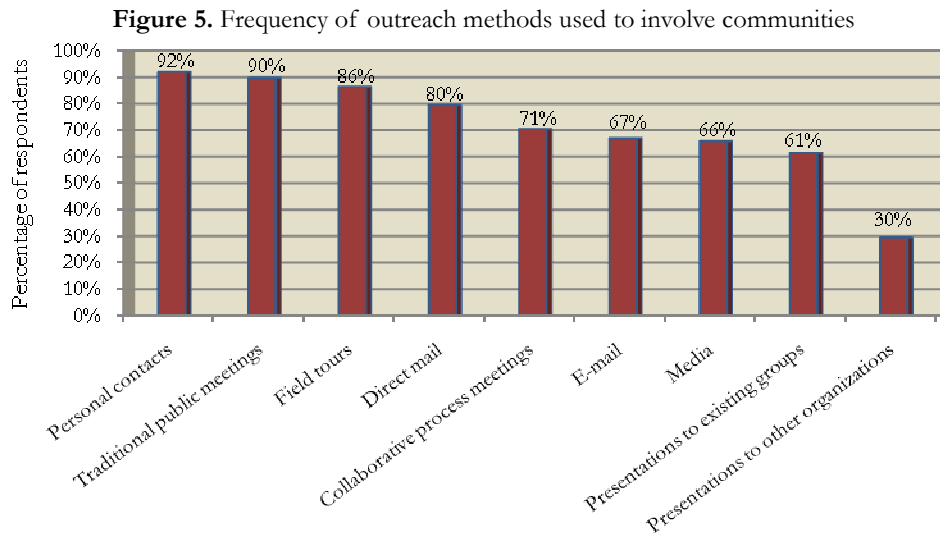
Figure 4. Entity which initiated the stewardship contracting project



Outreach Efforts

There are a number of methods used by agency and non-agency respondents to involve communities in stewardship contracting projects (see Figure 5 and Table 5 in appendix B). Public meetings and personal contacts were the most frequently reported methods of engagement. As mentioned in the Northern Rockies Regional Team Report in appendix A., personal contacts can take many forms with varying degrees of effectiveness. This Regional Team Report cites a case where a dedicated agency representative went door-to-door to visit with all households in a community in which a stewardship project was being developed. The report also cites a trend within this region where one-on-one personal contacts involve just the agency personnel and a limited number of landowners in the community with property adjacent to the project site. The former is clearly indicative of a willingness within the agency to collaborate and share information, whereas the latter is less open and inclusive and is characteristic of many stewardship projects within the region.

That being said, the relatively high number of field tours (86.4%) and collaborative process meetings (70.5%) is a positive trend, but one that has stayed relatively consistent over the last four years of programmatic monitoring. This may be in part attributable to field tours and/or meetings that occur through NEPA reviews. Other methods of engagement (e.g. email, media and direct mailings) are more passive ways to engage communities in projects. They may help raise awareness that a project is going on, but they may be less effective in engaging diverse interests in collaborative decision making. It is worth noting that there was one response classified as “Other” and this was outreach performed by “USFS representatives from Regional/Washington review groups.”



Stakeholder Involvement

Survey respondents were asked to indicate which entities participated in their stewardship contracting projects and at what scale of governance (i.e. national, regional, state and local). Figures 6a indicates that most involvement in stewardship projects occurs at the local scale with all entities cited as being involved at the national level less than 10% of the time. Respondents cited more involvement by other federal agencies, wildlife and fisheries groups and environmental interests at the regional level, however this involvement occurred 30% of the time or less. State agencies were involved in just under half of projects at the state level and fisheries and wildlife interests and environmental groups were involved at the state level

just short of 40% of the time. All in all, more regional and national level entities were involved in stewardship contracting projects this year than in 2008 which is a positive trend.

Figure 6a. Scale and frequency of involvement in USFS stewardship projects by various entities

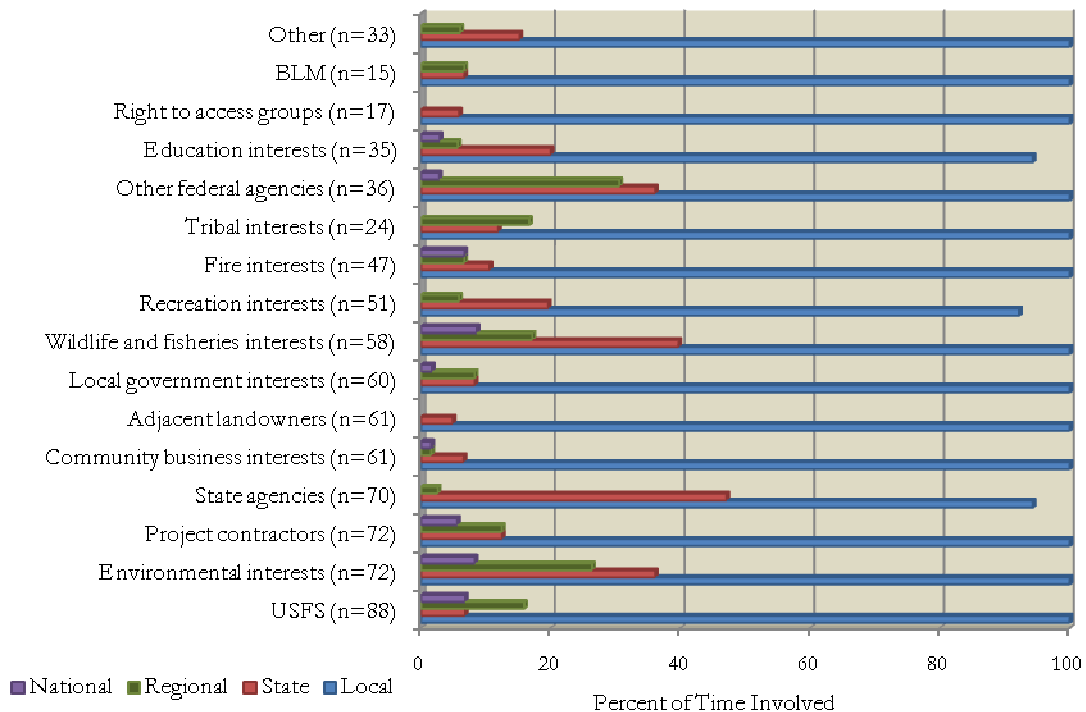


Figure 6b indicates a fairly broad distribution of interests that are frequently involved in stewardship projects. Environmental interests, project contractors and state agencies were reported as participants in over 80% of projects and community business interests, adjacent landowners, local government interests, wildlife and fisheries interests, recreation interests and fire interests were all reported to be involved over 50% of the time. However this varies by region, for example, participation by environmental groups is almost a prerequisite in the Pacific Northwest, with 27 of 29 or 93.1% of projects reporting that these interests were involved. This is a very positive trend. Another positive development and indicator of collaboration was the fact that the “other” category contained a significant amount of responses and these responses were very diverse. These included such groups as lake associations, inmates from correctional facilities, military professionals, power companies, journalists, and the Boy Scouts of America (see figure 6c).

Figure 6b. Frequency of involvement in USFS stewardship projects by various entities

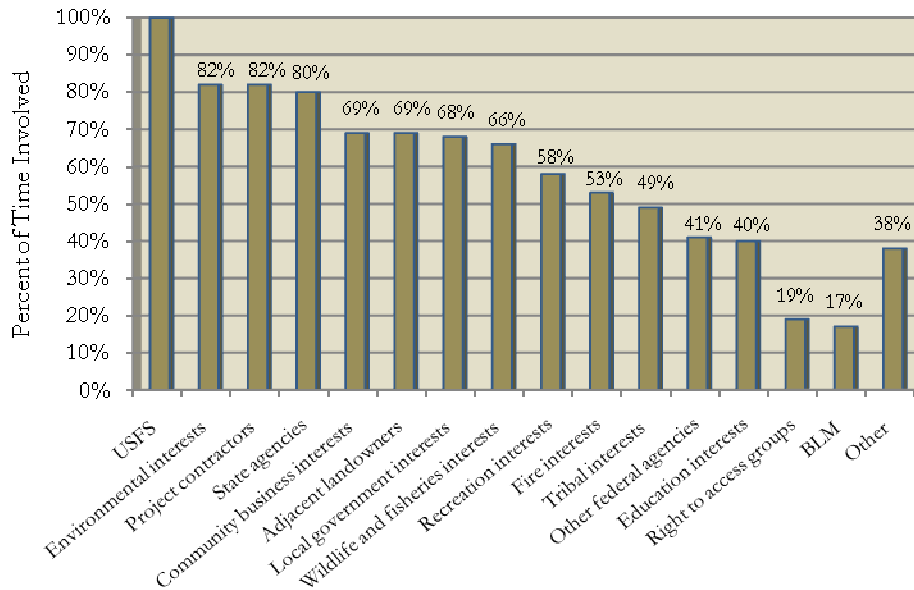
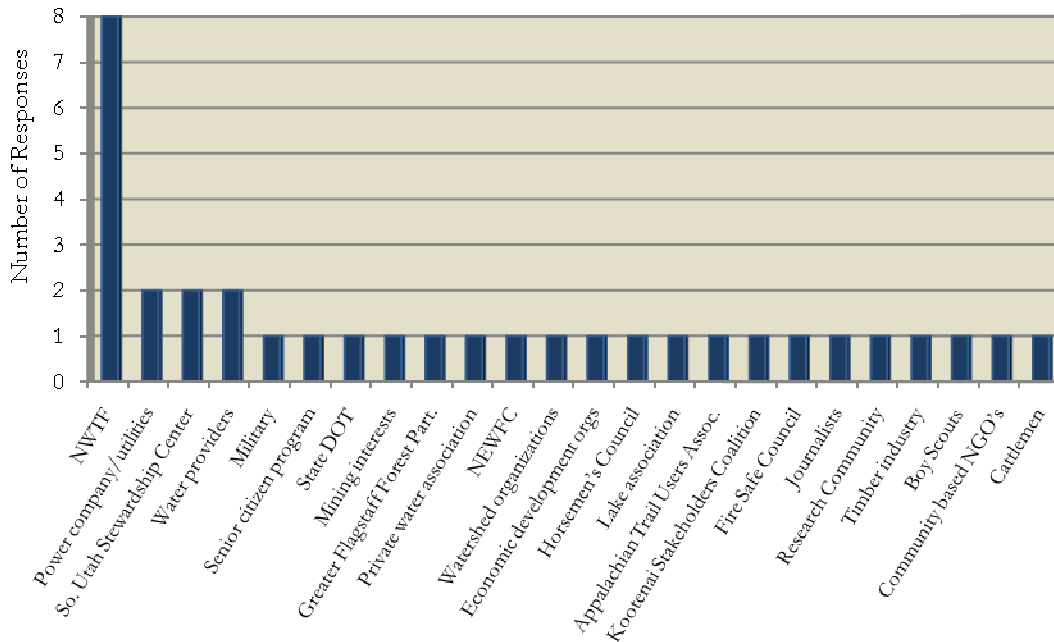


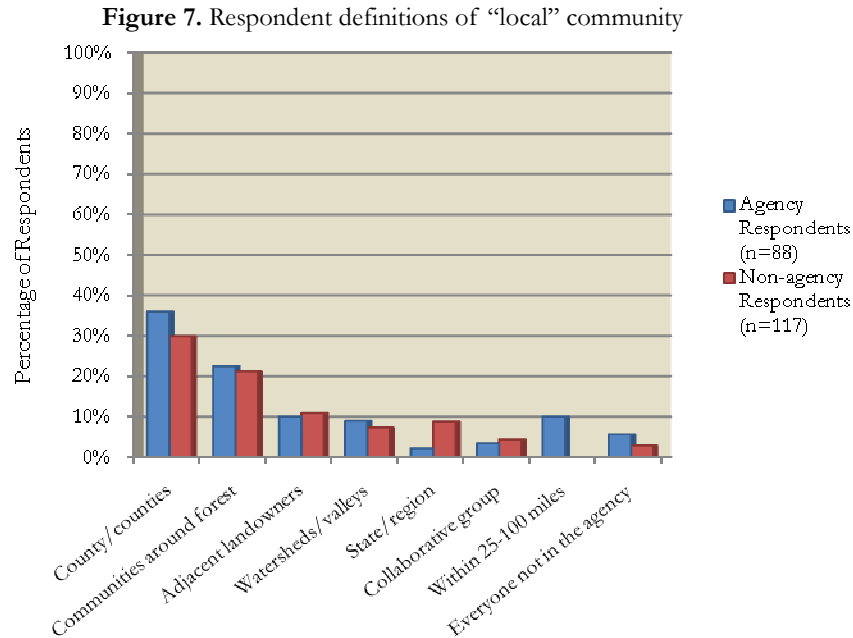
Figure 6c. Other entities involved that were cited by respondents



Role of Local Communities

Survey participants were asked to provide their thoughts on the role that local community played in a stewardship contracting project. As part of this question, respondents were asked to explain their definition of “local community.” Respondent’s definitions of “local community” varied, although the two most frequent responses for what defines a “local community” was “county/counties” (32%) and “local communities around forests” (22%) (see Figure 7 and Table 7 in appendix B). The fact that many people think of local communities as counties may be indicative that in many areas around national forests, county government is the predominant form of governance providing the institutional framework

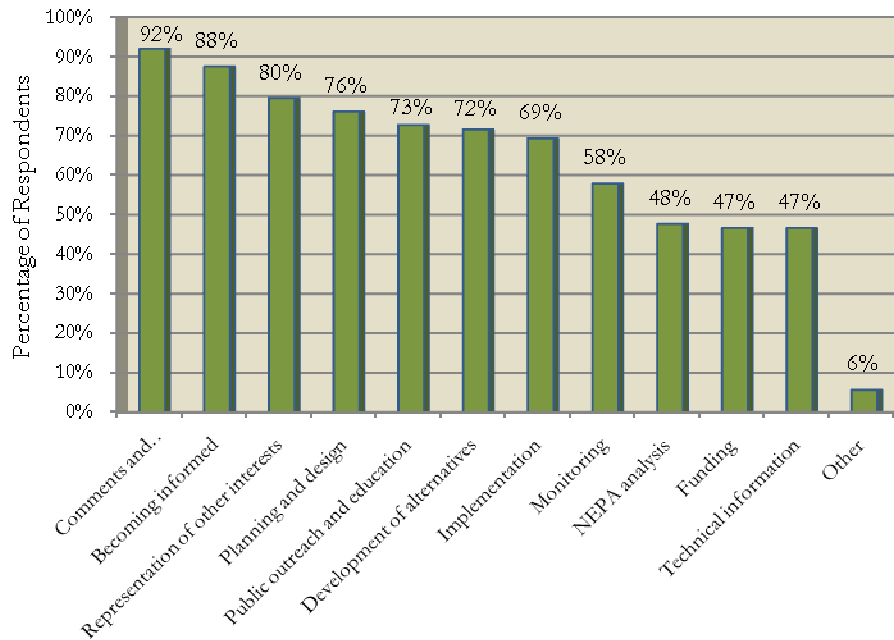
for community life (e.g. county schools). It may also indicate that respondents are used to associating county government with projects on federal lands, especially NFS lands, with the 25% of timber sale revenues that go to counties through the sale of federal timber. What is also interesting about these data is that there is a fairly broad distribution of responses and when considering that survey participants were allowed to provide more than one response, this distribution may suggest that people think broadly about what defines their community.



Communities also play a broad range of roles in stewardship contracting projects with over eight different roles being reported by over 50% of respondents (see Figure 8). It is encouraging that over 76% of respondents cite their role in projects as being to work on the design of projects, but just 69% report their role as being to participate in the implementation of these projects. This may be in part because it is usually difficult to reach contractors with this survey. Less encouraging is that only 58% of respondents report their role as participating in monitoring programs. Regional team members frequently suggest that this is a problem.

Many non-agency respondents report that they are engaging in the “development of alternatives,” which suggests that they may be engaged in the project design and/or the more formal NEPA process (47.7%). The 2009 data and data from recent years suggest that across the country community members are playing a largely passive role in stewardship projects (e.g. representing other interests (80% of the time), becoming informed (88% of the time) and providing comments and recommendations (92% of the time)).

Figure 8. Frequency of the different roles local communities play in stewardship projects

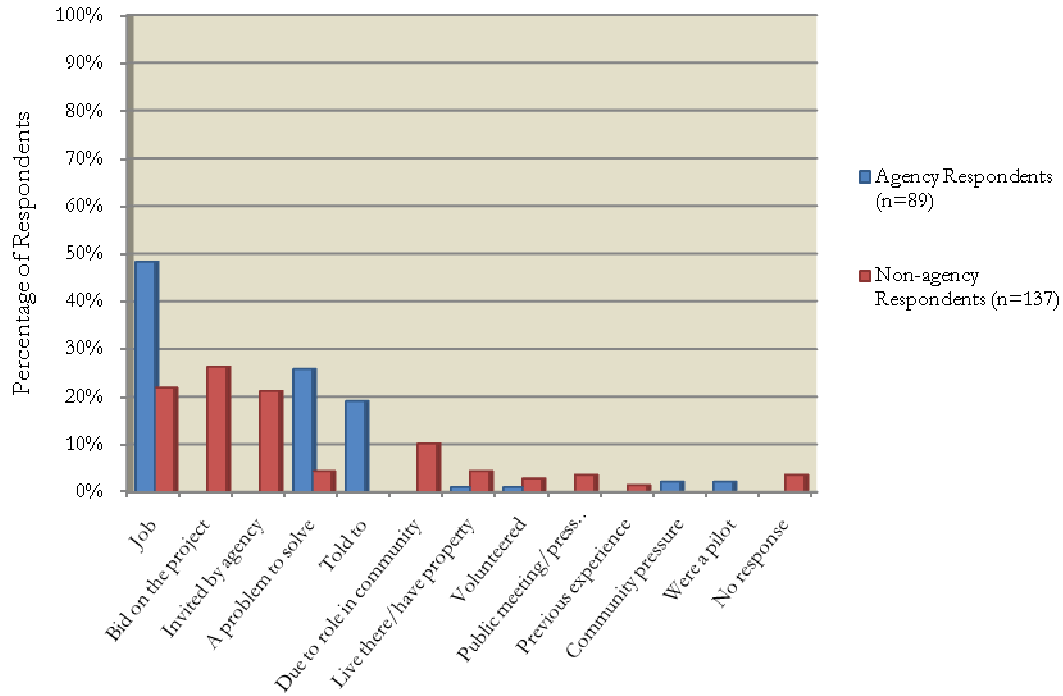


3.1.3. Personal Involvement in Stewardship Contracting

Circumstances Surrounding Participation

Survey participants explained the circumstances leading to their participation in a stewardship contracting project (see Figure Table 9 and Table 9 in appendix B). Close to 50% of agency and 22% of non-agency respondents reported that their involvement in stewardship projects was because it was part of their job. Nearly 20% of agency respondents suggest that their involvement was because they were instructed to be involved. The three most frequently cited reasons non-agency respondents were involved in stewardship projects were because they bid on the contract (26.3%), it was part of their job (21.9%), or because they were invited by the agency (21.2%). When considering these data along with data collected in interviews, this may be an indication of the increasing number of stewardship contracts that are only really composed of the agency and one contractor. In some instances, this is because a regional group like the National Wild Turkey Federation or the Southern Utah Stewardship Center holds the contract and divvies up select tasks to several other subcontractors which seem to be a positive development. These data may also be indicative of another trend in which the agency is solely working with a contractor primarily to implement hazardous fuel treatments in the wildland urban interface (WUI). Similarly in Figure 10 we see how the second most frequently responded reason for non-agency involvement is through a contracting business.

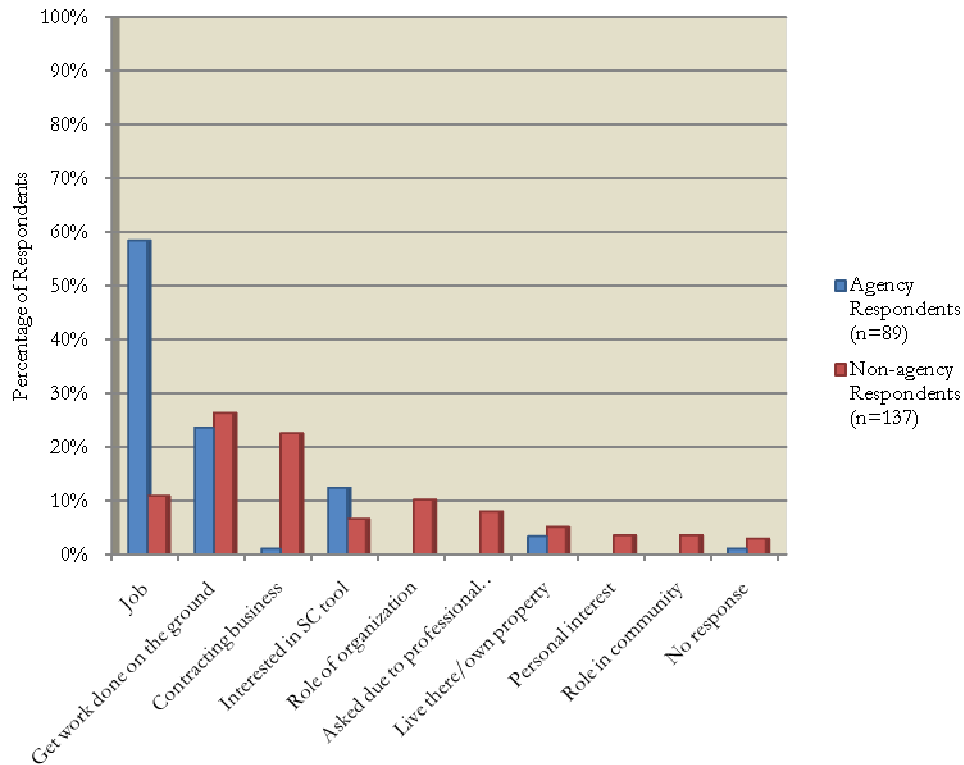
Figure 9. How respondents personally first become involved in stewardship projects



Reasons for Engagement

Circumstances may have led some survey respondents to take part in stewardship contracting projects, but participants also had personal reasons to participate (see Figure 10 and Table 10 in appendix B). A majority of agency respondents (58.4%) report that becoming involved in stewardship contracting projects was part of their job, whereas non-agency respondents only report this in just over 10% of responses. For non-agency respondents their involvement is more out of a desire to find ways to get things done on the ground or because it is a good contracting opportunity. Fewer than 10% of non-agency respondents report that they were asked to become involved due to their professional qualifications.

Figure 10. Reasons respondents got involved in stewardship contracting projects

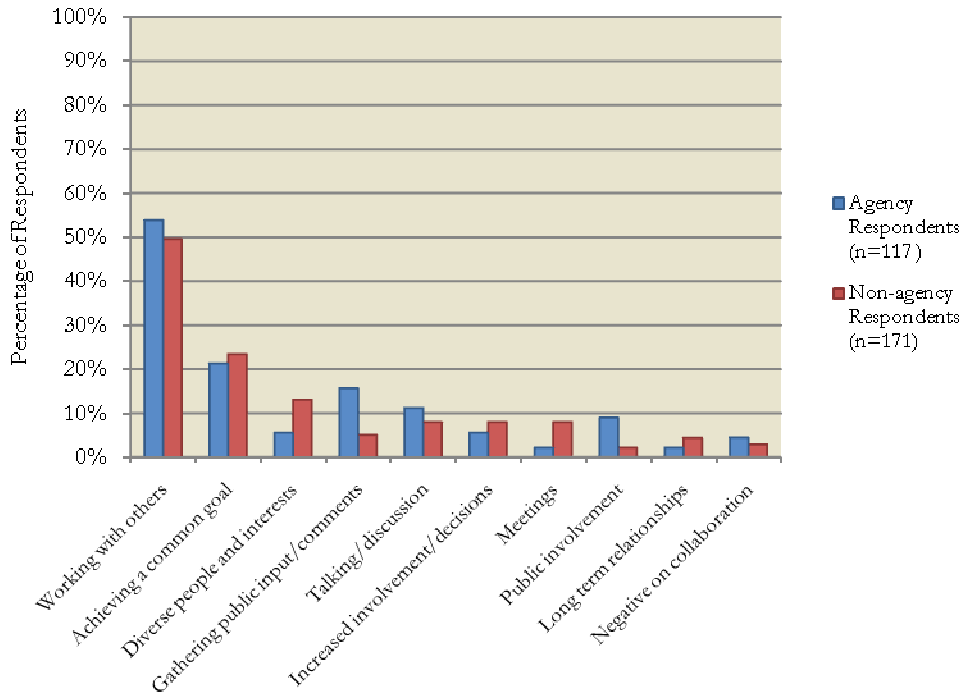


3.1.4 The Collaborative Process in Stewardship Contracting

Nature of Community Involvement

Respondents were asked to rate the degree to which community involvement in their stewardship contracting project was collaborative (see Figure 11 and table 11). As part of this question, participants were to provide interviewers with their own definition of “collaboration.” The most frequent response for agency and non-agency respondents alike was that collaboration is working with others. This is a fairly vague and all encompassing definition of collaboration. It suggests that any project that involves working with others is a collaborative project. Whereas, deliberate collaborative processes meant to define the ideal future conditions of a landscape take large commitments of time and energy by all parties to develop a shared vision and goal. Only 3.5% of total responses define collaboration as a long-term relationship, which suggests that this level of long-term commitment may not be taking place or it may just indicate that people have very simplistic views of what collaboration is (i.e. working with others). Over 15% of agency respondents define collaboration as gathering public input/comments. This is a formulaic and one-sided process of communication that is not collaboration. That being said, over 20% of agency and non-agency respondents report that their definition of collaboration is achieving a common goal, which indicates real collaboration may be taking place in these instances. Unfortunately this is being reported in less than a quarter of all projects.

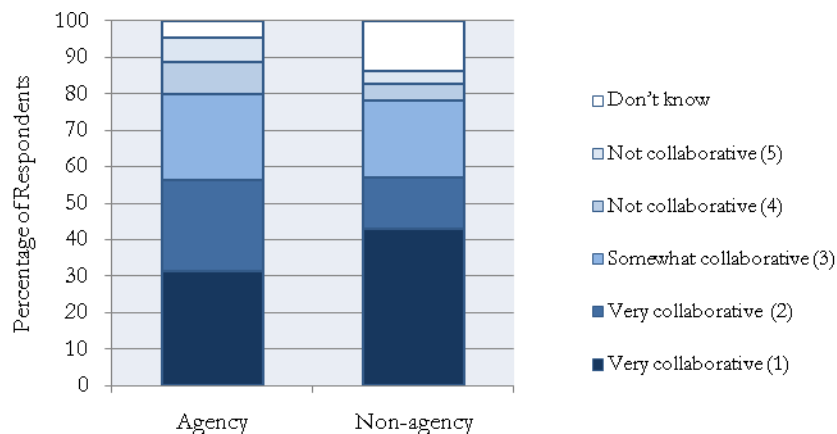
Figure 11. Respondent's definition of collaboration



Degree to Which Projects are Collaborative

Survey participants were asked to rate whether community involvement was collaborative on a five-point scale (1=Very collaborative to 5=Not at all collaborative) (see Figure 12 and Table 12 in appendix B). These data show that close to 60% of both agency and non-agency respondents feel that their projects are very collaborative. Conversely over 20% of agency and non-agency respondents suggest that their projects are either only somewhat collaborative, not collaborative, or they just do not know whether or not they are collaborative, which suggests that they are not collaborative. It is worthwhile to note that non-agency respondents are more likely not to know whether their projects were collaborative which may be a reflection of the increasing number of projects with only the contractor as a non-agency participant. In Figure 12, the darker the color blue, the greater the perceived degree of collaboration is.

Figure 12. Degree to which stewardship projects are collaborative



Both agency and non-agency respondents typically felt that the projects in which they are involved are not missing further collaborators (see Figure 13 and Table 13 in appendix B). Similar to the findings in Figure 12, close to 20% of non-agency respondents do not know if others are missing from the collaborative process. This could indicate a number of things, one of which is that these respondents are also the same respondents who do not know the degree to which their projects are collaborative. This may be projects that only consist of a contract between the agency and a contractor and do not have a collaborative process or even any other partnerships in place.

Figure 13. Were individuals missing from the collaborative process?

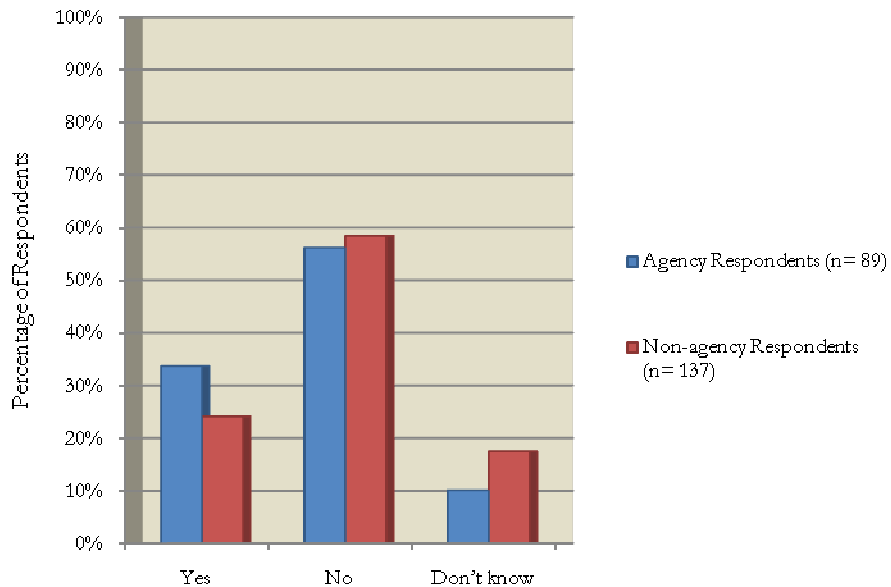
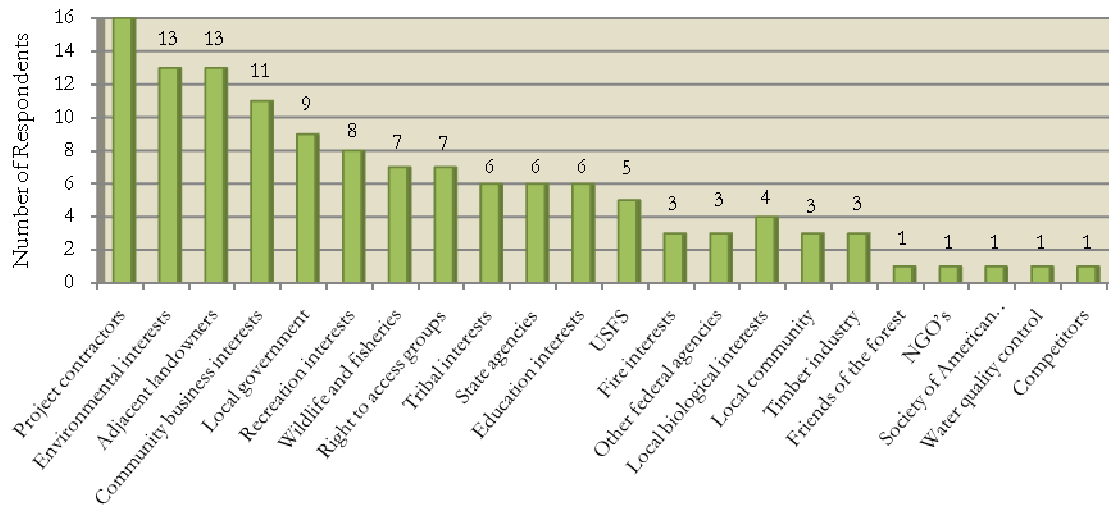


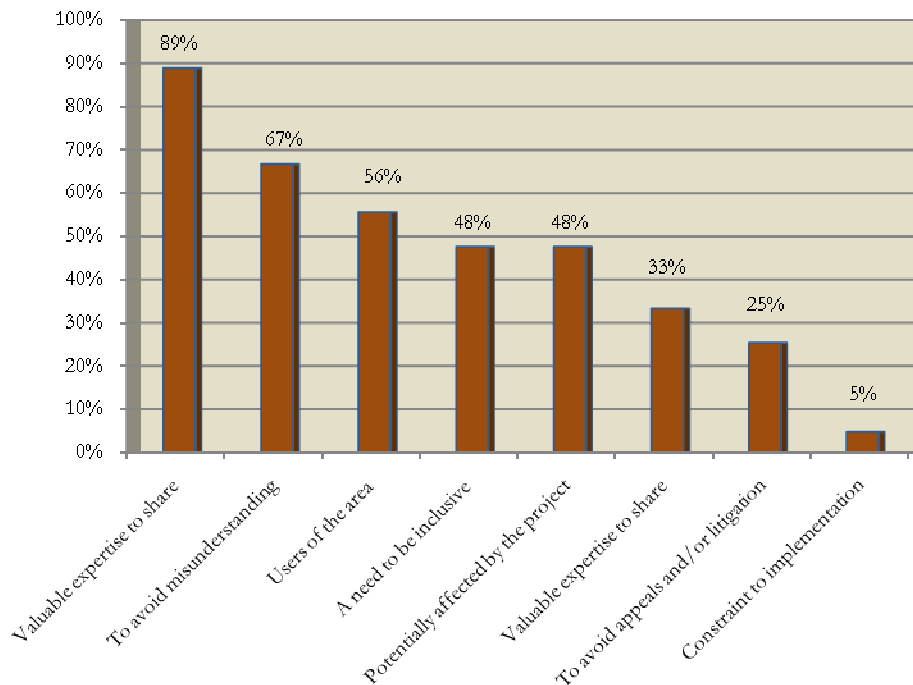
Figure 13 shows the most frequent individuals that respondents believed should have been involved in the collaborative process. These entities most frequently included project contractors (16 responses), environmental interests (13 responses), adjacent landowners (13 responses) and community business interests (11 responses) among 19 other entities that were cited. Project contractors were the entities that were most frequently cited as missing. This correlates with the Pacific Northwest Regional Team’s finding that project contractors, despite being bearers of important local knowledge, are often not involved in the design of projects and this often voids their ability to prepare a successful bid and/or fully understand the context within which the project is scheduled.

Figure 13. Who else should have been involved in the collaborative process?



The most frequently suggested reason that others should be involved was because they had valuable expertise to share. This again reflects the comments made in the regional team meetings about the importance of involving project contractors throughout the process. The frequency of the other responses such as the need to avoid misunderstanding does suggest that people recognize the need for collaboration, it may just be that they do not know what it looks like or how to do it.

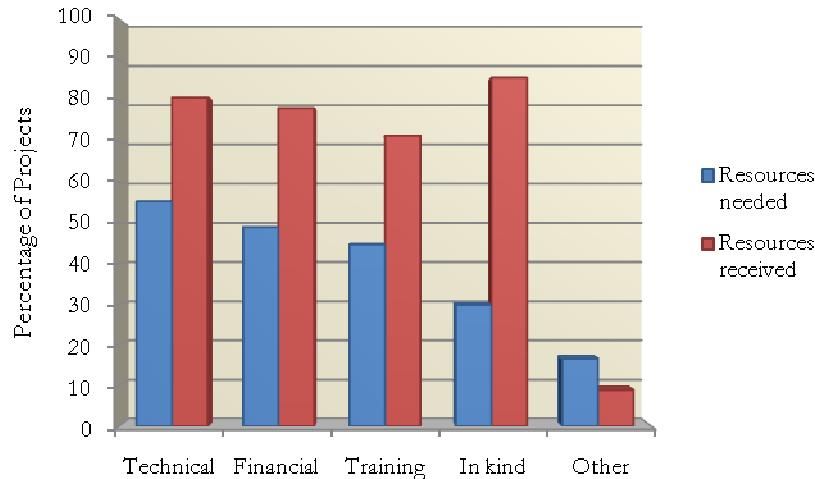
Figure 14. Reason others should have been involved in stewardship contracting projects



Resources Needed to Participate

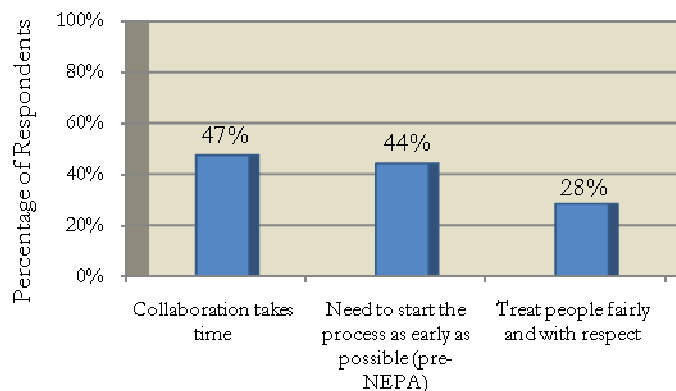
When survey participants were asked whether or not they needed some form of assistance in their stewardship projects the response was that more often (53.4%) than not (46.6%) they did. Fortunately for projects needing resources for community members to be engaged, respondents report that their technical, financial, training and in kind resource needs were met (see Figure 15). A number of other resource needs however were not met (see Table 15 in appendix B). Please note that a variety of types of resources needed by community members and suggestions by respondents of which entities may be able to deliver these resources are listed in table 16 in appendix B.

Figure 15. Resources needed by community members to facilitate their participation in projects



Those surveyed were also asked to describe the lessons that they learned about community involvement through their participation in stewardship contracts. A few respondents suggested that: it is good to work with existing organizations that have capacity; collaboration has value and should be used more even though it is difficult work, personal interaction is an important aspect of collaboration, each project needs to be handled individually, and working together leads to better decisions and it also builds lasting relationships. Fundamentally, responses were grouped into three categories, collaboration takes time (almost 50% of respondents), collaboration needs to be started early before the NEPA process begins (over 40% of respondents) and just under 30% of respondents felt that it was worth mentioning that it is important to treat people fairly and with respect.

Figure 16. Lessons learned about community involvement

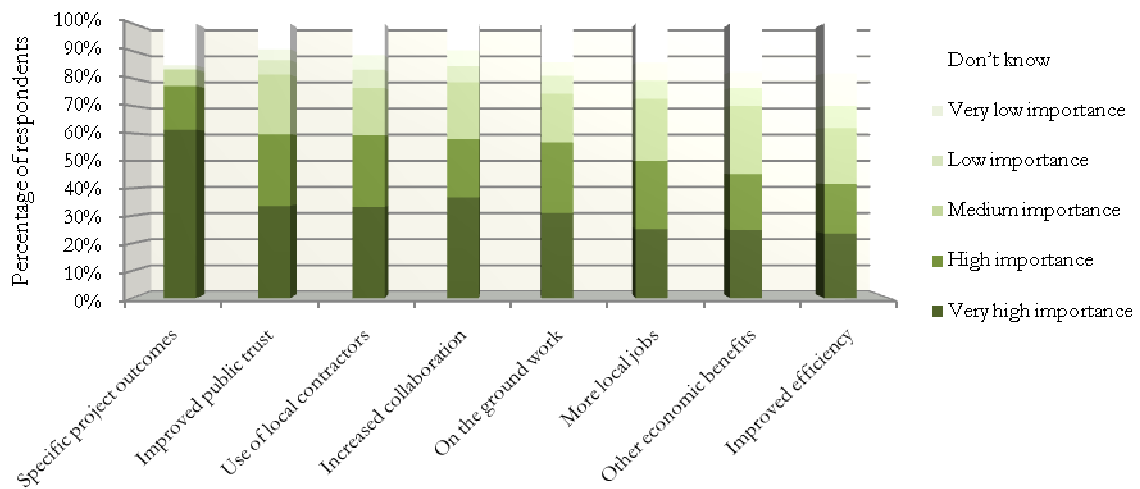


3.1.5 Local Benefits of Stewardship Contracting Projects

Survey participants were asked to rate, on a five point scale, the importance of various benefits that accrued to communities as a result of stewardship contracts (see Figure 17 and Table 18 in appendix B).

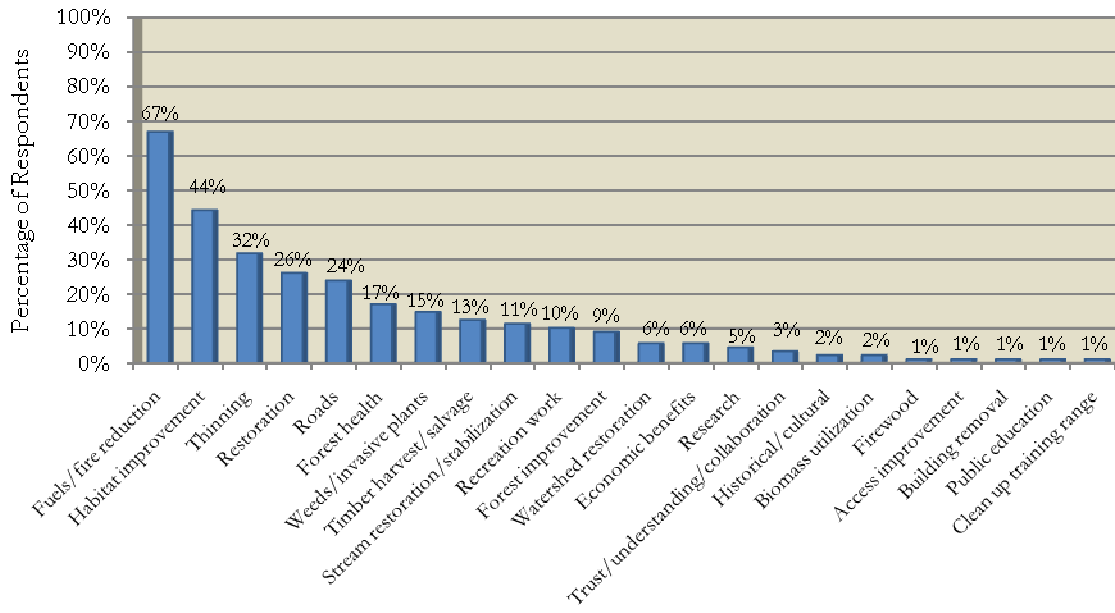
Nearly 60% of respondents suggested that specific project outcomes, improved public trust, use of local contractors, increased collaboration and on the ground work were all significant local benefits. Respondents were less confident that providing more local jobs and other economic benefits, or improving the efficiency of public lands contracting provided substantial local benefit.

Figure 17. Importance of various benefits that result from stewardship contracting projects.



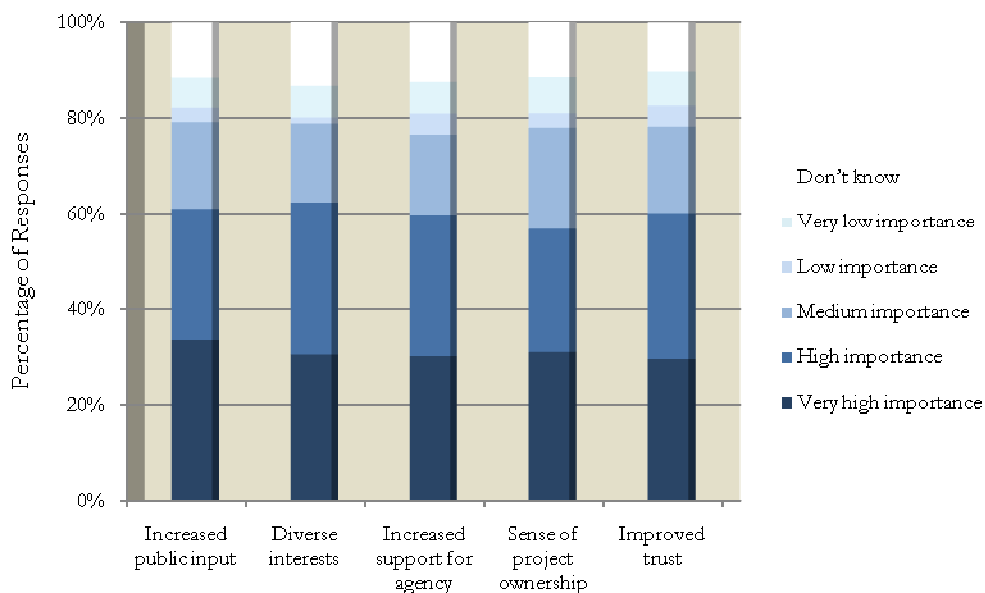
The most important local benefit to respondents and one that is often discussed in interviews and in the regional team meetings are the specific project benefits that result from stewardship contracting projects. People like this contracting authority because it gets work done and achieves measurable outcomes (see Figure 18 and Table 19 in appendix B). Figure 18 demonstrates the diversity of work that is being accomplished through stewardship contracts, and also that 67% of projects were focused on fuels/fire risk reduction. These data also suggest that stewardship contracting is, in some instances, being used as a tool to accomplish diverse bundled tasks.

Figure 18. Specific project outcomes cited by respondents.



When asked to comment on the importance of community involvement in stewardship contracting, respondents indicated a number of benefits (See Figure 19 and Table 20 in appendix B). In well over 50% of responses, survey participants suggested that increased public input, inclusion of diverse interests, increased support for the agency, fostering a sense of project ownership and overall improved trust were all of high or very high importance. Of these, fostering a sense of project ownership was viewed as the least important outcome.

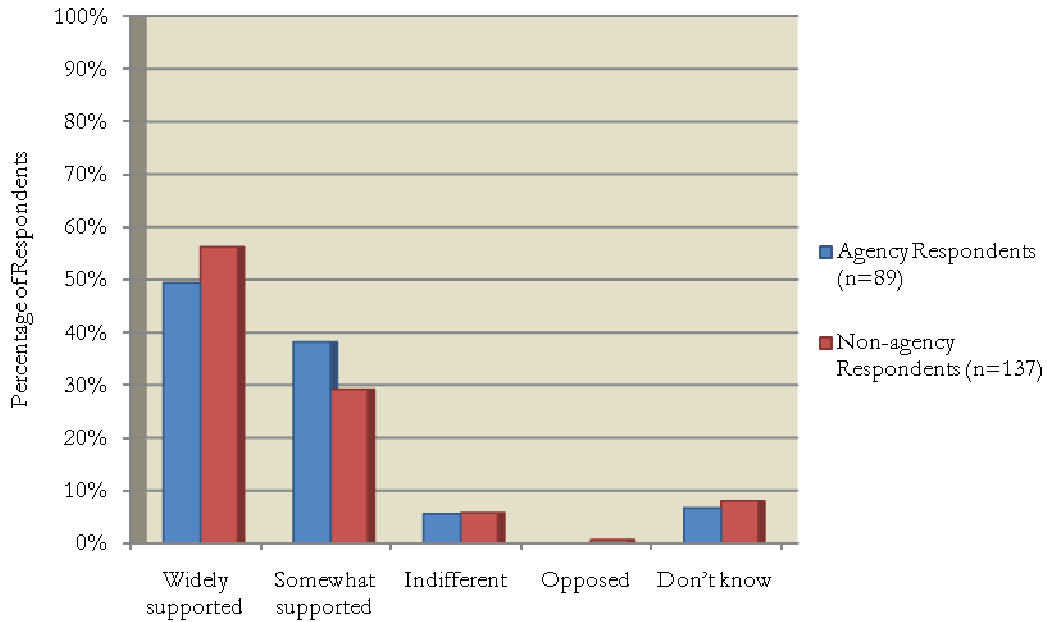
Figure 19. Benefits of community involvement in stewardship contracting projects



3.1.6 Support for Stewardship Contracting

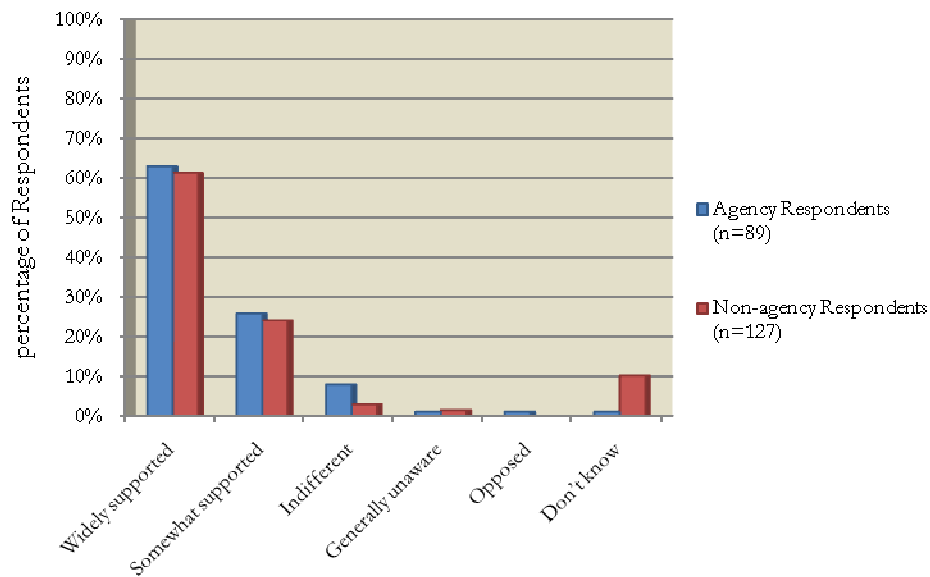
Survey participants were asked how well supported stewardship contracting projects were in their communities. As Figure 20 and Table 21 in appendix B indicate, support for stewardship contracting within local communities for the most part either widely supported or somewhat supported.

Figure 20. Support for stewardship contracting projects in local communities



Survey participants were also asked what the level of support for these same projects was within the agency (see Figure 21 and Table 22 in appendix B). Again survey results indicate that respondents felt there is either wide support or at least some level of support for stewardship projects within the agency.

Figure 21. Support for stewardship contracting projects in the agency



3.1.7 Interest in Continued Use of Stewardship Contracting

Survey participants both within and external to the agency would almost without exception participate in another stewardship contracting project. There was a small percentage of respondents who are unsure as to whether or not they would participate again, and there is an even smaller percentage who say they would not (see Figure 22 and Table 23 in appendix B.)

Figure 22. Respondent interest in participating in another stewardship project

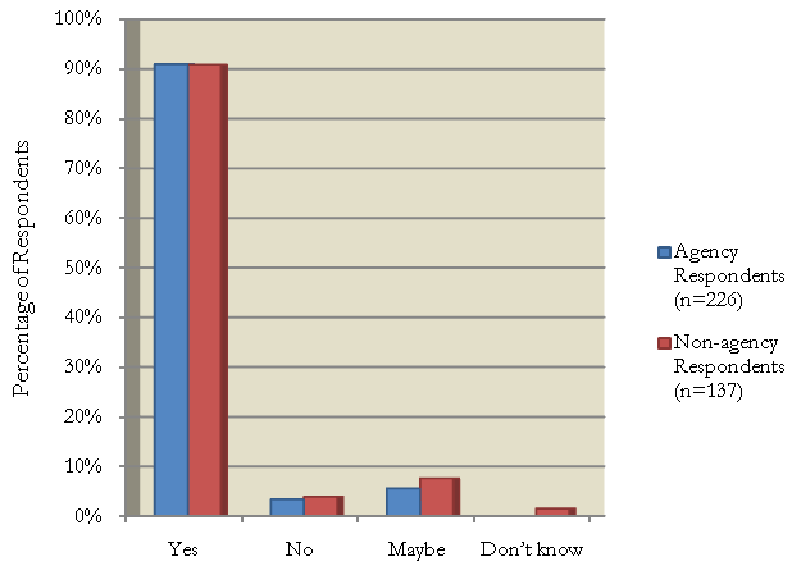
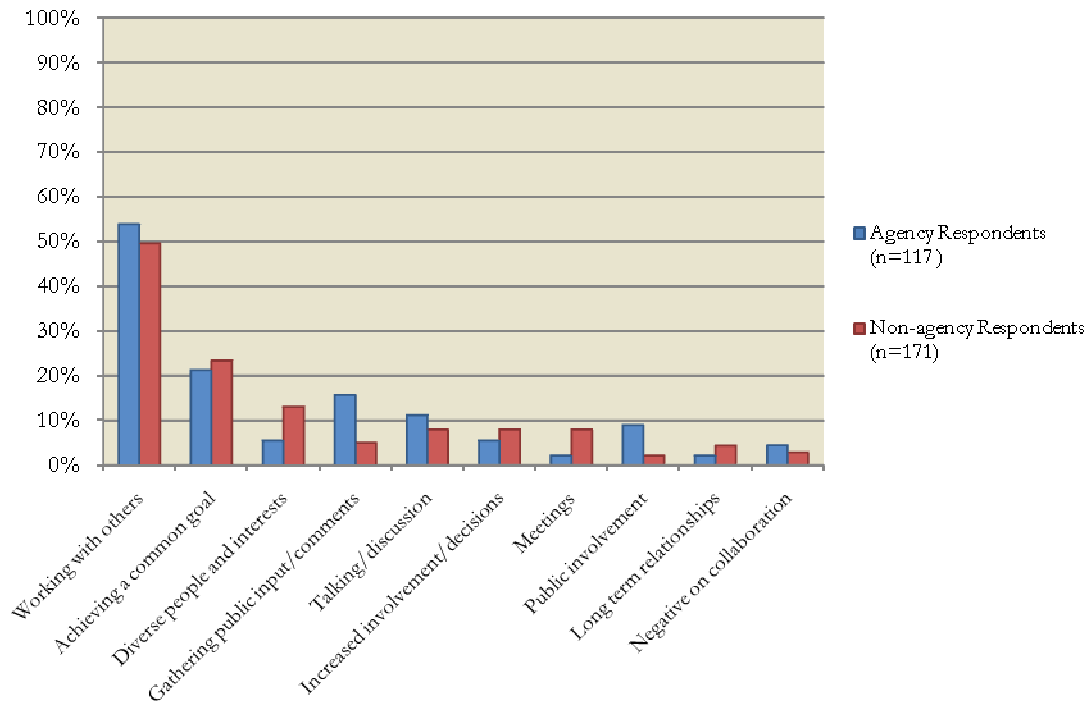


Figure 23. Reasons respondents would participate in another stewardship contracting project



Survey participants were asked to provide the reasons they would (or would not) like to be involved in another stewardship contracting project (See Figure 23 and Table 24 in appendix B). Non-agency respondents are more apt to say that they would participate again because it is good for business and because it gets work done on the ground. Agency respondents also like stewardship contracting because it gets work done on the ground, but they are even more likely to participate again because it is a job requirement. For the small number of respondents (23) who said that they would not participate again, their reasons were varied, but included: that the costs are not worth the benefits (3), every potential project is different and needs to be evaluated differently (3), there is too much pressure to do stewardship contracting even for situations where it is not appropriate (2), there is too much paperwork, there was too much trust lost in the process, it builds trust but the process is too long, it yielded mixed results the first time around, and the contract language is onerous or restrictive and needs to be changed.

3.2 Regional Vetting Analysis

Just as forest types and their associated management challenges, as well as the cultural and historical backdrop of communities' relationships with forests varies from region to region; the use of stewardship contracting and agreements also varies across the diverse landscapes of the country. In order to better understand how communities' experience with stewardship contracting has evolved, it is valuable first to grasp how stewardship contracting is being used to accommodate these regional differences. Across much of the West stewardship contracting is being used to address the significant wildfire risk and associated forest health concerns, whereas in the Northeast/Lake States, where public access and recreation are more of a primary concern, the application of stewardship contracting is different. Across much of the West, community interaction with forest management and stewardship contracting tends to be through the context of communities of place, or communities which are geographically located directly adjacent to or reliant on public forestland. In the East, on the other hand, community interaction with stewardship contracting and the management of NFS land more generally tends to occur through communities of interest, such as regional and national conservation groups.

The main objective of the regional team meetings is to foster a constructive dialogue about the role communities have in stewardship contracting within their particular region, in order to gain a deeper understanding of how communities are engaged in stewardship projects within each region. In each of the regional team meetings, team members used the regional data supplied by MSU as well as their own experiences to discuss the following three core questions:

- 1. What are the predominant problems in engaging communities in USFS stewardship contracts? BLM stewardship contracts? What are suggestions for improving the current situation for both agencies?**
- 2. What successes have emerged within this region for engaging communities in USFS stewardship contracting? BLM stewardship contracting? What fostered these successes for both agencies?**
- 3. What are the major perceived benefits of USFS stewardship contracts to communities within this region?**

The Regional Team Reports that comprise Appendix A. addresses these questions from a regional standpoint. These summaries reveal: regional issues and priorities, regional success stories of stewardship and community engagement, barriers to more effective use of stewardship contracting and agreements within these individual regions, and recommendations for how the agency may spur broader adoption of stewardship contracting and collaborative processes within each of the distinct regions. These Regional Team Reports are an extremely valuable resource for agency and Congressional decision makers grappling with how best to maximize the ecological and community benefits that stewardship contracting can deliver.

3.2.1 Predominant problems with engaging communities in stewardship contracting

When drafting the authorizing language for stewardship contracting, Congress envisioned a flexible tool that would benefit both the forest resource and forest-based communities. In some places stewardship contracting has taken hold and has become the preferred land management tool for the agency. This agency willingness to make use of their stewardship authorities is often accompanied by a higher willingness to collaborate with non-agency stakeholders to identify common land management priorities. However, similar to results from recent years, the 2009 regional team reports and associated interview and survey data suggest that this willingness to use stewardship contracting exists only in pockets across the country. As in years past, there appears to remain significant resistance in some levels of the agency and with some external stakeholders. This is likely a main reason why both the mechanics of the tool and the underlying philosophy of collaborative stewardship seems to remain “new” to some agency personnel. The five regional teams identified the most significant barriers associated with engaging local communities in USFS stewardship contracts and/or agreements and have determined that a variety of institutional, administrative and cultural barriers have prevented broader diffusion of stewardship contracting.

There are areas where there is a deep commitment to collaborative land management, but many stewardship contracts exhibit increasingly passive and formulaic forms of collaboration and community engagement. For example, in the Northeast/Lake States a third of the projects monitored this year exhibited failures in communication and/or collaboration between the agency and community members or between the agency and contractors. In half of these projects, the project managers were unable to identify any non-agency individuals involved in the projects other than contractors and subcontractors, which suggests a two party transactional approach as opposed to a multiparty decision based approach. The latter is more favorable as it more frequently characterizes projects with high levels of collaboration that often yield better results.

Across the country community members are playing a largely passive role in stewardship projects (see Figure 8). In many areas, the majority of community engagement occurs through personal contacts and public meetings (e.g. one-on-one conversations between one or two agency representatives and key stakeholders and/or homeowners in the WUI) as opposed to more deliberate collaborative processes designed to facilitate agreement on management priorities across the landscape.

The experience with stewardship contracting in the Southwestern region is evidence that there may be a correlation between the size of contracts (in terms of length of time, land area covered and the number/diversity of tasks) and the extent to which communities are engaged through deliberate collaborative processes. This is likely due in part to the fact that many of the larger projects in this region have developed out of long-term collaborative efforts around forest resiliency and restoration of fire adapted ecosystems. Meaningful collaborative processes have developed where opportunity exists for some degree of consensus about the desired future conditions of the landscape; however it is important to note that this agreement is often tenuous and largely constrained by socially constructed parameters (e.g. diameter caps). Across much of the Western US there remains little agreement on the scale/type of infrastructure needed to facilitate the desired land management activities and this has some bearing on whether or not large-scale stewardship contracts remain a practical option. Interviews often reveal that people believe collaboration is the best way to move towards some agreement on these issues.

The Southwest is not alone in viewing collaboration as a positive way to go, as pockets of collaborative activity occur throughout the country and as much as 70% of survey respondents report that communities were involved in collaborative process meetings (see Figure 5). Interestingly, the regional team meetings and interviews reveal that many stewardship projects are not the result of deliberate collaborative processes, and what people call collaboration varies significantly (see Figure 11). These projects exhibit very few elements of collaboration and community outreach tends to be more passive (e.g. providing comments on proposed actions or becoming informed about the project through a mailing or a phone call). A consequence of this is that decisions about potential land management actions that may or may not lead to community benefits (e.g. local contractors used or small diameter material flowing to local businesses) remain predominantly with the agency and those that would appeal agency actions. A factor that may contribute to this is that only 4.5% of stewardship projects were initiated by non-agency collaborators, with the majority of projects being initiated by the agency (see Figure 4). As previously mentioned, these data may be a result of respondent's view how/when projects are initiated (see discussion about project initiation in section 3.1). Whereas longer-term collaborative processes have a higher chance of resulting in joint initiation of stewardship contracts, as collaborators realize that stewardship contracting is intended to be an approach that is conducive to realizing the jointly defined desired future conditions of both the land and local communities.

Some respondents view landscape scale efforts, across thousands of acres, as the best way to achieve both economies of scale and the engagement of the diversity of stakeholders necessary to gain the social license for active forest management on federal public lands. However, projects of this scale often encounter a matrix of diverse and locally-based planning efforts (e.g. community wildfire protection plans) that vary greatly in degrees of community engagement, collaboration and expectations. Often times there is no clear prioritization or connection between the actions planned by these various efforts, which can result in frustration and negative views of collaboration by both community stakeholders and agency personnel. Still, the survey results suggest that over 50-80% of the time both agency and non-agency respondents felt that the projects they participated in were “very collaborative” to “somewhat collaborative” in nature (see Figure 12) even though opinions of what constitutes collaboration vary widely.

Through the interview process respondents repeatedly reveal frustrations over, and express concerns about, an agency focus on process and contract administration. Interviewees suggest that trust and real opportunities can be lost if the agency is not in a position to act when and where necessary. This is often followed by respondents questioning whether this condition is the result of overburdened agency personnel, overly bureaucratic government processes, an inability to collaborate or lack of interest in collaboration on the part of agency personnel, a personal resistance to using stewardship contracting by agency personnel, or some combination thereof. Respondents also note that the threat of appeals to proposed land management actions under NEPA continues to restrict the ability of the agency to apply adaptive management principles to landscape management.

Respondents report that communities are involved in monitoring and providing technical information for projects 58% and 47% of the time respectively (see Figure 8), which suggests that information necessary for adaptive management is in some instances being collected by or utilized by community collaborators to inform future management decisions. However these data suggest that this is not the result of a coordinated effort by the agency to ensure that monitoring is carried out for all projects. Different parts of the agency may in fact be monitoring project operations and even ecological indicators if funding is available, but may just not be involving non-agency collaborators in monitoring efforts, data collection and data analysis. Moreover, the socioeconomic impacts of projects are likely not being monitored unless there is a clear mandate to do so, as was the case with some of the pilot projects or projects under the early years of the Northwest Forest Plan.

If data collection and analysis does occur it is usually done through the NEPA process. Interview respondents often use phrases like “paralysis by analysis” to describe the agency focus on generating defensible NEPA analyses. Non-agency respondents often express frustration that this emphasis leaves their concerns off the table and many express frustrations that NEPA does not involve a more deliberate form of collaboration. While NEPA does represent a significant part of the legal and administrative framework through which the agencies are accustomed to engaging the public in collaborative decision making, stakeholders often recommend that they should be engaged before, during and after the NEPA process, through deliberate collaborative processes. They also recommend that data collected about land management and ecosystem conditions inform these processes and not just NEPA documentation. This certainly includes monitoring, data analysis and decision making about future actions based on this data analysis.

In addition to project level multi-party monitoring, interviews reveal frustration with many non-agency respondents that the agency does not more readily take full advantage of the suite of authorities afforded to them through the enabling legislation. Some of the early and highly collaborative stewardship projects exhibited a willingness to experiment and learn. These projects are widely recognized by agency and non-agency stakeholders alike as successful models of collaborative land management, yet they remain difficult to replicate.

Suggestions for Improvement:

- It is a challenge for stewardship contracts to only use goods-for-services, retained receipts and appropriated funds. Any policy revision should consider ways to easily integrate funding from entities external to the federal government that may support multi-party monitoring, collaborative process facilitation and other stewardship

- activities. Moreover retained receipts should be allowed to be used for multi-party monitoring.
- Train line officers to recognize when real opportunities exist to further agency objectives through active participation in burgeoning collaborative processes. Help them commit experienced, knowledgeable and willing agency personnel (e.g. contracting officers, facilitators) to quickly and adeptly design and execute the contracting process.
 - Improve the extent and frequency with which “lessons learned” through stewardship contracting are shared among agency personnel, communities, contractors, and other stakeholders. Use existing agency regional bulletins and newsletters, as well as alternative media (e.g. social marketing techniques) to transfer this information to agency and non-agency personnel. Follow up to see if the message is leading to behavior change and adjust communications tactics if it is not.

The capacity of human and forest infrastructure in many locations is broadly insufficient to facilitate stewardship contracts on the scale desired by both agency and non-agency stakeholders. Within the agency there is a spectrum of views on where and when collaboration is necessary and who it involves, with some viewing collaboration as optional and others seeing collaboration with non-agency stakeholders as an essential part of public lands management and thus core to the mission of the agency. Similarly, many community members and other non-agency stakeholders remain unsure about the available space for their participation in decision making regarding land management activities, despite the fact that these decisions will directly impact their quality of life.

A significant number of agency respondents but not non-agency respondents (10%) indicate that they first engaged in stewardship contracting because it is part of their job. Collaborative processes take significant commitments of time and energy, which leads to “professionalized collaboration,” in which communities of interest may have a louder voice than communities of place. Somewhat conversely, regional team members report that lack of formal collaborative structures often makes it more difficult for agency staff to engage communities, so stakeholders who bring professional expertise in collaboration may also bring the structure needed for the agencies to more effectively engage communities. The bottom line is that agency and non-agency respondents remain unclear about whose responsibility it is to collaborate and/or facilitate collaborative processes, and even what these activities rightly entail.

Forms of professionalized collaboration may or may not diminish the ability of locally-based knowledge and labor to contribute to the design and execution of a project depending on the extent to which these entities are reached and ultimately motivated to participate. Respondents note that it is often difficult to engage contractors in collaborative processes because of the time commitment and because of perceived conflicts of interest. The knowledge and practical experience of local contractors is important to bring into the planning and design process, and helps them understand more fully the package of tasks that they are likely to bid on, including the larger ecological context within which these tasks will be carried out. Regional team members and interviewees report that there is an overwhelming need to build local capacity for implementing integrated long-term and multi-task stewardship projects, and that there is often a need to engage other stakeholders with expertise to help do this (see Figure 14). In some instances respondents knew they needed

help, but may or may not know who these experts may be, or the specific skills they should be looking for.

A consequence of this lack of capacity that agency respondents often mention is a lack of willing/able contractors to bid on contracts, making the best-value authorities of stewardship contracting a challenge to use. Some managers report that they wish to approach best-value contracting in a comprehensive manner and evaluate bids on a comprehensive set of performance-based criteria, while others' main objective is to hire locally, even if local capacity is inadequate. Respondents also note several additional issues that may limit a contractor's or community-based enterprise's ability to compete effectively for a stewardship contract. These factors include detailed evaluation criteria that are not adequately explained to them, delayed award announcements that take large increments of time to understand and respond to, and narrow timeframes within which to conduct certain activities (such as prescribed burning or the operation of heavy equipment) once a contract is let. All of this can make stewardship contracting appear unattractive to some potential contractors.

Contractors often report that policy barriers and poorly crafted projects present a seemingly disconnected combination of service work and tree removal that is unappealing to bid on. Poor markets for low-quality material may lead contractors to bid the service work high in order to increase the overall economic feasibility of a project. Other contractors may prefer to delay harvests and associated service activities to allow for the value of the material to rebound. This can frustrate both agency managers and other stakeholders who expect that stewardship contracting will result in the service work being done more efficiently and expeditiously. Some contractors complain that some of the most potentially profitable tasks are simply not put out to bid and are retained in-house and implemented by the agency. Complex and lengthy contract documentation is an obstacle for many contractors too. Some respondents do note however that a higher degree of professionalism should be expected from contractors seeking to do work on federal public land.

Two related policy issues remain significant barriers to the broader adoption of stewardship contracting and the expansion of the local businesses needed to support locally-based restoration economies. There remains opposition to retained receipts from both within and outside of the agency, due to restrictions caused by current policies. County governments may be opposed to the use of stewardship contracting, because unlike conventional timber sales, they do not provide 25% of the receipts to the counties in which commercial timber is harvested to support county schools and infrastructure. Agency line officers often prefer timber sales which increase deposits in the Knutsen-Vandenburg (KV) trust fund, because those funds can be used to pay staff salaries, whereas receipts from stewardship contracts cannot.

A related challenge is that local enterprises that may want to invest in equipment to handle and process low quality material (e.g. portable micro mills for processing small diameter timber, chippers and/or pelletization equipment, community wood boiler heating systems, etc.) may not be willing or able to invest in that equipment unless guaranteed a sufficient supply of product over a long enough period to enable them to fully amortize their acquisition costs. The federal cancellation ceiling under the Federal Acquisition Regulations remains a barrier that requires the agency to put aside sufficient funds in the event a contract goes under causing investors the need to be compensated for their loss. Some assurance is

necessary to lessen the risk to small businesses looking to undertake stewardship projects. Until this issue is resolved many significant opportunities to implement broadly supported forest restoration strategies will remain grounded.

Suggestions for Improvement:

- Enlist the participation of community organizations and other non-agency partners that are trusted by the local community to help run collaborative processes.
- If a contractor has assurance that a landscape scale project is in place, facilitating a multi-year supply agreement with local businesses interested in utilizing the byproducts of restoration actions is more feasible. Strategically align stewardship contracts with capacity building grants and technical assistance to support stakeholders developing collaborative processes and contractors needing assistance in project/contract management. The Collaborative Forest Landscape Restoration Program of the 2009 Omnibus Public Lands Management Act (P.L. 111-11 § 4003) presents a unique opportunity to do this.
- Provide the necessary training to ensure agency personnel, contractors, and other community stakeholders are familiar with the philosophy of stewardship contracting and the purpose and use of all its special authorities. Training should be available to all members of collaborative groups and agency and non-agency participants should go through this training together.
- Agencies should consider hiring individuals with communications/ facilitation skills.
- Improve capacity building and agency outreach by helping potential contractors understand the complexity of contracts, the bidding process, and how to effectively manage a contract once it is received. If contract documents cannot be streamlined for legal reasons, the agency and its external partners should help potential contractors understand the logistics of bidding. These are the administrative sides of capacity building efforts that the agency and non-agency NGO partners are ideally suited to assist with.
- The National Wild Turkey Federation (NWTf) has developed a stewardship contracting training package that is intended to inform and motivate managers and community collaborators alike. This or similar tools should be utilized by the agency, the NWTf, and other qualified organizations/individuals in making available and conducting relevant training sessions.
- Since conflict of interest policies are seen as a significant barrier to contractor participation in project design/collaborative deliberation, agency representatives should be more knowledgeable about the conflict of interest policy and when and how it applies in collaborative efforts relative to stewardship contracting. Proactive work needs to be undertaken to engage, inform, and involve contractors. In some instances, stewardship agreements with regional organizations or more informal partnerships with external partners can effectively facilitate communication with and engagement of contractors.
- The BLM has successfully increased its outreach to small contractors and the USFS should work with the BLM to test some of their approaches.
- The USFS should consider ways to improve the administrative requirements of stewardship projects and consider moving the authority for approving stewardship contracts from the regional to forest level.

- It remains unclear as to whether or not certain barriers will require an administrative or a legislative solution. Revisit the 25% fund, as well as, the cancellation ceiling policy and work with the Congress, the Counties and other stakeholders to craft mutually agreeable solutions.
- Develop appropriate, reasonable, and easily replicable methodologies for quantifying the economic benefits that accrue from stewardship contracting. The information gathered could be used in informing, communities, local and national policy makers, and other concerned interests as they seek a reasonable and feasible way to resolve the “25% problem.”

Stewardship contracting has largely evolved into a funding mechanism, (i.e. the exchange of goods-for-services) with the use of the other non-mandatory authorities taking a back seat. In many of the early and higher profile projects there was both a high degree of collaboration and a high willingness to experiment with many of the extended authorities (e.g. Designation by description or prescription, use of retained receipts, long-term contracts, etc.). In many parts of the country, particularly in the dry forest types of the West, the use of stewardship contracting has moved towards primarily being a vegetation management tool that addresses insect and disease caused tree mortality and fuels reduction in the wildland-urban interface (WUI).

According to the survey results 60% of agency personnel view, and subsequently use stewardship contracting primarily as a goods-for-services transaction. The focus on innovation and experimentation that marked the use of the other extended authorities during the pilot phase has languished, despite the documented utility and importance that these other authorities play in achieving desired end-results.

It is important to note that while not all stakeholders view stewardship contracting as primarily being a goods-for-services transaction, 31% of non-agency respondents do equate stewardship contracting with trading goods-for-services. Still, many non-agency stakeholders tend to view stewardship contracting as being something greater than goods-for-services and cite opportunities for enhanced collaboration and achieving economic and management efficiencies through which local benefits may be derived.

Nearly 50% of non-agency respondents view stewardship contracting as a tool to get more work done on federal lands in a way that benefits local communities. Trading goods-for-services is an important part of this, but these stakeholders view the other authorities as being important too, especially when considering an apparent renewed federal commitment to landscape scale restoration and management.

Poor markets for low quality material and small diameter timber also make trading goods-for-services difficult for contractors. Over the past year, an influx of federal funds through the American Recovery and Reinvestment Act (ARRA) (P.L. 111-5) has in some instances enabled restructuring of stewardship contracts to allow federal dollars to compensate for deflated market conditions in order to accomplish the service-oriented tasks which would be unable to be accomplished through the goods-for-services exchange. Those interviewed sometimes expressed frustration that this push to create jobs resulted in certain service-oriented tasks that were carefully prioritized through collaborative processes being removed from these projects.

Agency personnel can make or break stewardship contracts. In interviews agency personnel frequently perceive that stewardship contracting is overly complex with limited returns for their time investment. Managers struggle with knowing when “enough collaboration” has occurred to warrant them social license to conduct forest management activities. In reality, this is largely a failure to have an agreed upon decision making process for the collaborative group, rather than a problem of “enough” collaboration. This also goes back to the issue of collaboration as a long-term, continuing activity that people are not familiar with (see Figure 11).

This limits the use of stewardship contracting’s potentially more efficient, but potentially more controversial authorities (e.g. designation by prescription or description). Forest supervisors play an important role in determining whether or not stewardship contracting is used. Some of these leaders consider stewardship contracting to be overly complex and time intensive.

Contracting officers from the procurement and timber worlds also may impede stewardship contracts if they view them as too complicated to piece together. Some agency personnel even report being concerned about trying to use some of the stewardship authorities and question their authority even though the authorizing language is explicit as to their legitimacy. Since stewardship contracts are a blend of service and timber contracts they can become quite complex. There is a sense from the regional teams that contracting officers sometimes question the legality of proposed actions or approaches (e.g. designation by description) effectively blocking stewardship contracts from proceeding and separating tasks out in favor of less integrated approaches. This can often undermine the potential for efficiencies, community benefits and land stewardship. Rotating agency personnel to new positions and/or new districts/forests is disruptive to collaborative processes and erodes trust between community collaborators and the agency.

Suggestions for Improvement:

- Ensure that as stewardship contracts are developed, agency personnel evaluate opportunities to use each of the extended authorities, not just the exchange of goods-for-services.
- Trading goods-for-services is an important aspect of stewardship contracting, but does not work well when the material is of little value. The agency should carefully evaluate projects that “go no bid” and determine the root cause of this. In some instances it is probably simply due to market conditions or a lack of local capacity. In others instances stakeholders suggest it may be the tasks embedded in the projects that make these projects undesirable.
- Contracting officers in both the timber and procurement sides of the agency who are familiar with and embrace the stewardship authorities should be tasked to work directly with others who are less familiar and not prone to risk taking. This sort of mentoring should be more forthright and structured than simply being available to answer questions about how to write stewardship contract language. Some suggest that a national list of contracting officers willing and able to trouble shoot problems should be circulated throughout the NFS. These willing contracting officers could work directly with regional stewardship coordinators in a more direct manner than is currently happening across the country.
- If a region, forest or district is primed to move ahead with a stewardship contract, then experienced contracting officers should be used. Others with less

experience should be involved in the process of formulating these contracts and work directly with field managers to help them gain a deeper understanding and appreciation for what the agency is attempting to achieve with these contracts.

- Agency human resource policy should recognize the time required to build collaborative community relationships and include this as part of the core responsibilities of agency personnel.
- Employee performance measures that encourage the development and utilization of collaborative skills and a willingness to take the time to try new things should be adopted.
- Effective participation in collaborative efforts should be recognized in agency performance reviews, nominations for awards, and other appropriate means.
- If ARRA recovery funding is used in no bid/restructured stewardship contracts, care should be taken to ensure that collaborators understand why this is being done and how tasks removed from the project may be implemented.

3.2.2 Successful outcomes resulting from engaging communities in stewardship contracting

There is broad support for stewardship contracting within both communities of place and communities of interest. In many areas collaborators are starting to see their efforts pay off in the on-the-ground results of stewardship projects. These people would like to take these successes to the next level and develop projects that will have an even greater impact. Despite the large investment of time, over 90% of survey respondents would like to participate in another stewardship project (see Figure 22) mostly because of the many specific ecological and socio-economic outcomes that respondents see resulting from stewardship contracts (see Figure 17 and Figure 18). Regional team members and those interviewed often discuss how by focusing their efforts on smaller projects with manageable tasks, they were able to build the needed capacity and the willingness to take on larger projects with greater impact.

Respondents and regional team members foresee stewardship agreements playing an increasingly significant role, which is widely recognized as a very positive development. Many communities directly adjacent to Federal public lands are subject to external social and economic factors governing public lands management. Recent years have seen the emergence of partner organizations capable of engaging communities in stewardship projects across both a regional and local basis. Groups that fulfill this role are diverse and include groups like The Nature Conservancy, the Ruffed Grouse Society, the Southern Utah Stewardship Center, the Rocky Mountain Elk Foundation (RMEF), the National Wild Turkey Federation (NWTf), and locally-based stewardship collaboratives that are supported by university extension and participatory research programs.

These organizations provide the capacity to coordinate and implement projects and take risks that neither local communities nor the agency are in the position to take. Some regional groups have large memberships and can therefore expand the involvement of both communities of interest and of place and increase the understanding of complex land management issues among both communities of place and communities of interest. These coordinating entities also frequently possess the ability to leverage grants and other resources in ways that the agency simply cannot. Other entities are more locally-based, being established for the explicit purpose of building community capacity for collaborative

decision making and project implementation. These groups often have the explicit goal of becoming more involved in federal public land management in order to retain the benefits that may be derived from land stewardship within their communities.

The agency is to be commended for its recognition and support of the role these groups play through establishing policies that encourage stewardship agreements. The USFS now has a number of regional umbrella agreements in regions 1, 4, 6 and 8 that include annual operating plans through which stewardship projects fulfill specific regional goals such as watershed restoration, road decommissioning, or habitat improvements. It is widely perceived that these agreements may serve to leverage additional dollars and result in other benefits.

Suggestions for Improvement:

- Continue to support these groups through establishing stewardship agreements and funneling future land management projects through these groups when appropriate.
- Align financial resources for capacity building with the programs already offered by these local and regional partners.
- Provide partners the ability to more easily pool and leverage agency funds with external funds.
- Ensure that the regional stewardship plans developed through these agreements are integrated into Land and Resource management plan revisions.

Stewardship contracting has in some instances maintained economic activity during the economic recession. In the Southwest small contractors report that stewardship contracts to thin overstocked stands are the only options they have to keep working in the woods. Across much of this region and the central Rocky Mountains, most of the traditional forest products infrastructure is gone and the focus is now on finding business opportunities to utilize small diameter material. In two regions that retain largely intact forest infrastructure, the Northern Rockies and much of the Pacific coast, small businesses are attempting to reorient themselves toward being able to perform service and timber-oriented tasks by removing, transporting and processing low value material. In some instances mills along the Pacific coast have encountered challenging rules from the Small Business Administration affecting where small diameter material and biomass may be taken. Also in areas that retain some level of traditional forest industry, the industry often prefers short-term contracts because long-term contracts tend to lock up wood supply for a given area, which may disadvantage certain facilities and/or not allow contractors to respond to fluctuations in market prices.

Market trends in biomass utilization continue to both encourage and exasperate communities pursuing this opportunity. To some, biomass utilization for wood products and energy is a clear path towards being able to achieve economic development and forest restoration goals. Regions that have lost a significant amount of the primary wood products industry also tend to be areas where markets for biomass utilization are needed to facilitate restoration of fire-adapted ecosystems. Regional teams explain that harvesting logistics and the transportation/utilization economics of biomass continue to be a barrier. It is often suggested that areas with little existing forest industry are ideal locations for long-term stewardship contracts to facilitate the reintroduction of appropriately-scaled facilities designed to utilize small diameter trees and low quality wood from restoration projects. The White Mountain Stewardship Project of the Apache-Sitgreaves National Forest is frequently

cited as a success largely because it sought to assure that 5,000–15,000 acres would be treated annually over a 10-year period and that the resulting supply would directly support new businesses that specialize in biomass utilization. Depending on the size of the landscape covered, encouraging investment in appropriately scaled utilization facilities may require securing a supply of material for greater than ten years.

Despite this and other positive examples, the trend is for agency personnel to prefer short-term contracts for administrative reasons, despite the fact that short-term contracts do not provide the assurance required for financing new enterprises capable of utilizing biomass. Long-term contracts are bound in a tension between the need for short-term flexibility to respond to changing markets, and the need for long-term assurance for investors. Locations that have successfully engaged communities in stewardship contracts usually exhibit support from the forest supervisor on down through the district ranger and contracting officers.

The interview process and the regional team meetings present an opportunity to catalogue some of the most innovative and encouraging stewardship contracts across the country. Each success story is different, but there are some overlapping reasons why these projects are successful:

- Flexibility in contract design (by all collaborators but especially agency contracting officers), administration (by agency personnel, contractors and their subcontractors) and implementation (by the contractors and their subcontractors).
- Contractors are well-qualified and use competent and experienced subcontractors. If there is a lack of capacity to do this, an intermediary organization (e.g. Southern Utah Stewardship Center) or stewardship collaboratives (e.g. the Clackamas Stewardship Partnership) or umbrella agreements with competent and respected organizations may facilitate capacity building in ways the agency simply cannot.
- The agency (e.g. the district ranger) actively facilitates project-level multiparty monitoring with local and/or regional conservation groups and academia.

3.2.3 Perceived benefits of stewardship contracting to communities

Many people perceive that stewardship projects and collaborative groups offer opportunities for experimentation, learning and information sharing, and that this may result in greater socio-economic and ecological resiliency for both communities and forest ecosystems. It is also generally perceived that collaborative groups may be better suited, but in some instances less equipped, to carry out monitoring. The extended authorities of stewardship contracting and the philosophy of collaborative forest stewardship are meant to facilitate this experimentation and learning. The general perception for many is that collaboration can facilitate the use of authorities (e.g. designation by description and prescription and long-term contracts) that may otherwise be too controversial to attempt. It is believed that this model can result in a greater number of socio-economic benefits (e.g. jobs created or retained, use of local contractors, small business incubation) being retained by public forest communities.

Much of the survey and interview data concerning the different types of perceived benefits that accrue to communities through stewardship contracts correlates with perspectives expressed by the regional team members. Broadly speaking, regional team members suggest that stewardship contracting is a positive tool because it can facilitate greater responsibility

being placed with local communities for the stewardship of the public lands through which they derive benefits.

Interview respondents and regional team members generally prefer increased collaboration relative to other less collaborative and potentially divisive approaches. It is often suggested that stewardship contracting results in fewer projects being appealed and/or litigated, although this evaluation did not attempt to gather evidence of that.

In general, people view stewardship contracting as an opportunity to collaborate, although there are varying ideas of what constitutes collaboration, and what collaboration is meant to achieve. Close to 90% of agency and non-agency survey respondents felt that stewardship contracting is either widely supported or somewhat supported within the local community.

It is important to again mention that respondents tend to view local communities as being the counties in which the forests are located and the communities directly adjacent to the forest. Regional team meetings and interviews reveal that many people actively engaged in stewardship projects view the use of retained receipts as an important benefit because it “keeps funds local” and results in more work being done on the ground. However, many counties perceive that stewardship contracting and the retained receipts policy is a threat to their funding base for schools and county transportation infrastructure.

The number one benefit of stewardship contracting that respondents point to is the achievement of “specific project outcomes.” This is important to consider in that people often focus on the end-result outcomes, and may or may not take explicit notice or appreciation of the challenges and opportunities involved with using stewardship contracts and agreements to reach these specific project outcomes. That is to say, while people often focus on specific project outcomes, the tools for achieving these outcomes, collaboration and the use of local contractors, are also often perceived of as being very important (see Figure 17).

These survey results correlate with the data from the interviews and regional team meetings, where regional team members routinely cite the importance of retaining local jobs and/or using local contractors. It is generally believed that the bundled tasks, if crafted carefully and in a collaborative manner, can result in more consistent employment and economic opportunities for local communities, although data to support this assertion would need to be collected and analyzed from individual projects.

Approximately 60% of responses indicated that “increased public input, inclusion of diverse interests, increased support for the agency, establishing a sense of project ownership, and improving trust” were benefits of high or very high importance (Figure 19). These are all aspects of collaborative processes. The prevalence of “high” or “very high” responses suggests that respondents do value the opportunity to collaborate that often coincides with stewardship contracts. It is worth noting that none of these responses occurred significantly more frequently than the others. It may be that they are all perceived of as being of relatively equal benefit. Also important to note is that only approximately 10% of responses indicated that these benefits were of low or very low importance. A positive trend evidenced by this year’s data is that field tours are being used more frequently to facilitate the onsite discussion between agency staff, contractors, community members and other stakeholders. This is an

active form of gaining public input and a perennial recommendation from the regional teams.

4.0 CONCLUSION

Stewardship contracting is maturing, and its cast of supporters has grown significantly with strong support from both communities of place and communities of interest. People like that it offers increased opportunities to frame a set of collaboratively-defined desired future conditions. Stakeholders increasingly welcome the use of stewardship agreements as a way to involve more stakeholders, increase learning opportunities and positively influence forest management planning.

Still, the barriers discussed in this report continue to hamper the full engagement of communities in stewardship contracts. Many stewardship contracting projects are using increasingly passive and formulaic forms of collaboration and community engagement. These projects are often very one-dimensional, being largely about removal of hazardous fuel loads, and many of these projects only involve a limited number of stakeholders, possibly just a contractor and the agency. This model is designed around utilizing the goods-for-services provisions and not exploring the full utility of stewardship contracting or the opportunity to engage a broader set of actors through deliberate collaborative processes. Even if ecological outcomes are achieved by using this model, it should not be considered collaborative land management.

As with previous annual programmatic monitoring and evaluation reports, the regional teams contend that each of the barriers identified within this report represents a potential opportunity for evolving the agencies' use of stewardship contracting. Identification of barriers to community engagement in federal land management is but the first step to realizing a more collaborative form of land management. Motivation to overcome these barriers is yet another, but actualizing change requires a steadfast commitment from all levels of the agency and from the communities they serve.

5.0 APPENDICES

Appendix A: Regional Team Reports

Northern Rockies Regional Multi-Party Monitoring Team USDA/Forest Service Stewardship End-Result Contracting Fiscal Year 2009 Report

This report is based on information from a number of sources:

- telephone interviews (conducted by the Pinchot Institute for Conservation through its regional subcontractor) with agency personnel, contractors, community members, and other stakeholders involved in stewardship contracting projects in Idaho, Montana, South Dakota, and Wyoming,
- regional team members' personal observations of and experiences with stewardship contracting;
- the October 2009 team meeting that included site visits to one completed and one on-going stewardship contracting project; and
- a review of past regional team reports and recommendations.

Situation Report

Nearly three-quarters of the project managers interviewed define stewardship contracting solely or primarily as a funding mechanism – “goods-for-services” – or as one manager put it, “*trading trees for extensive fuels reduction work.*” From that perspective, stewardship contracting is far less useful when timber values are down. As one interviewee said, “*When we didn't have a bad economy, stewardship contracting was touted as a tool. But things have changed.*”

Some managers know that the tool has broader utility, even if they're not taking advantage of it now, but they still hope to do so in the future. “*The way we're using it is mostly as goods-for-services, not really tapping into the performance-based side, but we're going to start delving into that in 2010.*”

Finally, a small number of agency respondents (less than 17%) define it primarily as a collaborative means of achieving a desired ecological condition. “*It's an excellent tool we can use to include stakeholders in our process, and it allows us to get the project that best fits the ground.*”

About 56% of non-Forest Service respondents (contractors, community members, state agencies, etc.) also see stewardship contracting as a funding mechanism, but usually include in their explanation some expectation of forest or local benefit. A community member offered this definition:

It's an innovative program to try to get the creativity of the private sector involved in the design and implementation of restoration projects on public land. You can keep the

revenues from projects removed to use to pay for other needed work. The goal is to leave the land in better condition/health than when you found it.

Almost as many non-agency respondents (50%) focus on the specific work that gets done on the ground and the community's involvement in it. Said one:

[It's] a new tool that was needed to help both the agencies and contractors be incentivized to think of what the land needs more than meeting targets. I like the best value aspect – that you can pick the best person for the job. I like the integration of multiple tasks into one project, and that stewardship gives you a ripe opportunity for collaboration – although that's not always made full use of.

During stewardship contracting's demonstration phase, the Forest Service successfully undertook a number of multi-faceted restoration projects in two of the states (Montana and Idaho) in the Northern Rockies monitoring region. Such efforts have since become increasingly rare, with current projects across the region primarily addressing insect- and/or disease-caused tree mortality and hazardous fuels conditions in wildland-urban interface (WUI) areas.

Because WUI wildfire mitigation projects are generally relatively small, located close to communities, and aimed at preventing the loss of human life and property, they tend to be less controversial than larger and/or more comprehensive projects. Instead of collaborative meetings aimed at reconciling the conflicting needs and concerns of a variety of stakeholders and interest groups, the “collaboration lite” approach used now in many WUI projects has been able to rely largely on one-on-one meetings with landowners and residents to discuss access issues and individual concerns about post-treatment visual appearance, wildlife effects, and changes in recreational use. However, that is about to change.

The Forest Service's new ‘all lands,’ landscape-scale approach to the restoration of forest and grassland ecosystems, with its focus on adaptation to climate change and the provision of “sustainable flows of abundant, clean water” inevitably will require collaboration at a much higher order of magnitude. In addition, the more complex, end-result oriented projects that will be needed to accomplish comprehensive restoration will demand the efficient and effective use of all of the special authorities available through the use of stewardship contracts and agreements, not just goods-for-services.

Based on our monitoring observations over the last nine years, our team believes that making the transition is possible, but only if some significant changes are made in the administration of stewardship contracting at all levels. Few, if any, of the suggestions we offer in this year's report are new. We have been making some of them yearly since FY2001. Many have also appeared in monitoring reports from other regions and in internally-prepared Forest Service reports such as last year's Stewardship Contracting Inquiry Team Report. Now more than ever before, positive action is urgently needed.

Recommendations

- 1. Restore the operational flexibility that was provided in the enabling legislation for stewardship contracting but subsequently restricted or removed**

through agency administrative action. Flexibility and adaptability are key to the survival of stewardship contracting, and will be absolutely essential in pursuing landscape restoration across multiple ownerships. One field staffer observed:

Stewardship projects are supposed to focus on end results of desired future conditions. However, the Forest Service is not using stewardship contracting to achieve the maximum benefit from this type of contracting. The Forest Service creates these projects where we direct the work to be done in the same manner in which the Forest Service would do the work. We do not appear to be interested in exploring other ways to achieve the same objectives in different ways, more efficient and economic ways.

2. Provide the necessary training to ensure agency personnel, contractors, and other stakeholders are familiar with the philosophy of stewardship contracting and the purpose and use of all its special authorities. Most agency training programs now focus primarily on contract negotiation and administration, but many employees still need a stronger grounding in the basic concepts. A project manager commented:

This is the first one I was in charge of. I've learned that a lot of people don't have a full understanding of what stewardship is, which has made it difficult to get some of these projects off the ground. People in the agency not understanding the diversity in the tool and not knowing all the things we can do with it. If the people above you who have to sign off on these contracts don't fully understand stewardship, it makes it difficult.

3. Improve the extent and frequency with which “lessons learned” in stewardship contracting are shared among agency personnel, communities, contractors, and other stakeholders. Wheel reinvention is frustrating and wastes valuable time for Forest Service employees and/or communities just embarking on stewardship projects. The agency can facilitate the increased use of stewardship contracting and foster more project successes by sharing widely and in a timely fashion the relevant experiences and lessons learned that continue to emerge around the country. For instance, such sharing should be a standard component of visits or presentations made by forest or regional office staff and leadership personnel to district offices, community groups, contractor associations, etc. Ensuring that needed information gets to the field level is critical.

II. Responses to Specific Forest Service Questions

A. *What are the predominant problems in engaging communities in Forest Service stewardship contracting projects? What are the team's suggestions for improving the current situation?*

Some forms of proactive community involvement in projects in the Northern Rockies region continue to gain in usage, with the most significant change reported in the percentage of communities participating in the “development of alternatives” for a project. In FY 2007, only 35.7% of communities were involved in that early-stage planning activity. In 2008, the number had risen to 50%, and in 2009 to 73.7% of the projects studied. “Personal contacts,” however, topped the list of outreach techniques, being used by 94.7% of agency respondents, while the use of collaborative group meetings continues to decline, dropping from 57.1% of projects in 2007, to 56.3% in 2008, to only 47.3% in 2009.

One issue is the widely varying perceptions that different people have about what collaboration is and how useful it might be to them. Some program managers see little value in it:

To me the collaborative process doesn't buy the agency a whole lot other than it educates the local community on what it is we have to do to get through the NEPA process. It opens their eyes on all the hoops we have to jump through....Other than that, it doesn't eliminate objections or buy us any time/efficiency. The objectors do come in and try and collaborate, but if they don't get exactly what they want, they object. They want 100 percent agreement, and that's an impossibility with a diverse group.

Others see collaboration as more of an educational process, with stakeholders in a relatively passive role.

We educated [people] like the county commissioners as to what we were going to do and also through the paper. Then it's people working with the agency to support the plan and sometimes giving suggestions as to how they would like to see it done. It's kind of like working together. It's not really a partnership, but there's give and take.

Some view it as optional. "Collaboration is wonderful, but not mandatory in many cases." Still others find it daunting:

It's difficult to herd cats. When you don't have an organized group, you can't grab them and put them in a room. It's extremely difficult to get them involved. It would be nice to know how to do that...I like having collaboration defined very loosely. We shouldn't have the same strict, regimented sideboards on all projects. Some are very simple and some are amazingly complex.

And some see it as a normal way to do business.

In general, I think the agency can improve the public collaboration on any project that we do under NEPA. It shouldn't make any difference if it's stewardship contracting or not. We should be communicating and working with our publics anyway.

Similarly, the views and expectations of collaboration among non-agency participants vary widely. One community member saw it as an informal, one-on-one interaction. "They met with the property owners."

A contractor envisioned a more formal, but inclusive and interactive, process:

A collaborative is a group representing all interests, and it's got scheduled meetings, direct dialogue amongst the groups outside of the standard NEPA process where they're just getting letters from people.

A community member described an open process with a defined procedure for making decisions:

We held meetings that anyone who wanted to could come to. Everyone was able to have input into the process. Decisions were based on consensus at the end of the day. One party didn't concur, but we allowed them to provide their views in a white paper.

In addition to divergent views of what collaboration is, there are other factors affecting community participation. Time is a major concern, a contractor explained.

[Collaboration's] very time consuming, which takes away some of the interest in it. A lot of the people who started in working on it dropped out because of the slow pace.

Time demands plus an agency failure to clearly delineate project sideboards frustrated participants in another project, its manager recalled:

It's difficult and time-consuming to go through a public collaborative process. I think the benefits can be worthwhile. However, planning can exhaust the public, and this is what happened in ours. Those involved told me that they could not be this involved in every project on the district. We could have been more efficient had we done a better job of explaining the sideboards that existing laws, rules and regulations provided, as well as Forest Plan requirements.

Threats of appeals or litigation by some participants frustrated one manager, who reported that after 18 months, “*Special interests are still holding the process hostage.*” A manager in a different community has far less patience:

Listen and listen even more – but always be willing to pull the plug on collaboration if people are sabotaging the project, and work with those who will... If they're not going in a common direction, I'm not afraid to say, “Well, we're going to go ahead anyway, and if you don't want to work with us, okay”...It's not like I'm going to drop the project because a few people don't like it.

An agency official who expected collaborators to want to participate in his project throughout its duration, was frustrated when they didn't feel a similar need.

We had a lot of involvement during the planning, but collaboration to me would be involvement all the way through funding and monitoring. We have the involvement in planning, and then it's, “Here. Good luck with it.” And the rest of it is up to us to try to make happen. It's like, “We helped you then, but it's your deal now.”

On the flip side, a community member whose collaborative group is in it for the long haul, is concerned about the effect of key agency personnel leaving the process:

It's all about the Forest Service personnel and making inroads with those personnel about why collaboration is important and having them buy into collaboration, and I think this project helped us create some champions, but they're now facing retirement.

Recommendations

There are no easy solutions for any of the identified problems, but increased skill development in initiating, facilitating, and participating in collaborative processes can make it easier for all concerned to understand and address those problems.

4. Appropriate training and technical assistance in developing and sustaining productive community engagement processes should be readily available to both agency and non-agency participants.

5. Community members and other stakeholders also should be invited to participate in other stewardship-related training programs along with agency personnel.

Effectively engaging multiple stakeholders requires not only skill, but also dedication, perseverance, and a major commitment of time. Forest Service personnel need to be supported in that effort and rewarded for success.

6. Agency participants need to be able to take the time to build collaborative community relationships as part of their job, not as another add-on to it.

7. Employee performance measures that encourage the development and utilization of collaborative skills should be adopted.

8. Effective participation in collaborative efforts should be recognized in agency performance appraisals, nominations for awards, and other appropriate means. (Non-agency collaborators should be acknowledged and honored as well.)

B. What successes have emerged within the region for engaging communities in stewardship contracting? What fostered those successes?

The **Clearwater Stewardship Project on the Lolo National Forest** was approved in 1999 as one of the first stewardship demonstration projects in the country. Among its multiple objectives were improving grizzly bear habitat and increasing bear security, protecting and enhancing stream and lake water quality, maintaining bull trout habitat, improving scenic vistas and providing interpretative signage, and improving general forest health conditions.

A contract was awarded in 2001 to Pyramid Mountain Lumber Company, a small, locally-owned mill. Over the next two years, Pyramid and its subcontractors, among other activities, achieved the following:

- removed or replaced 45 inadequate or defective culverts;
- designed and built seven new bridges or arch culverts;
- selectively thinned forest stands on 640 acres, yielding 4.8 mmbf in timber;
- conducted understory burning on 160 acres to reduce hazardous fuels levels;
- reconstructed 15 miles of road, including relocating one section away from a stream;
- obliterated 50 miles of road;
- treated noxious weeds on over 80 acres;

- installed 18 new vault toilets in lakeside campgrounds to replace old toilets which were leaking and creating a pollution hazard; and
- created nine turnouts on a scenic forest loop road.

Many factors contributed to project success. A relatively high level of trust already existed between the community and the agency as a result of long-term (but informal) collaboration. The district and the project contractor both maintained open and accessible relationships with the public throughout the contract period and beyond, conducting numerous field tours for interested individuals and groups, and encouraging questions and suggestions. The well-qualified contractor identified and used competent and experienced subcontractors for various activities outside the contractor's range of expertise. The agency and the contractor worked closely together in resolving project issues or questions as they arose. The contractor employed sound internal quality control measures and, in addition to working with the diverse multiparty monitoring team assembled by the district ranger, also arranged for additional third-party monitoring by a local conservation organization.

The **Holland and Pierce Fuels Reduction and Forest Health stewardship projects on the Flathead National Forest** began as a single Healthy Forest Restoration Act project, that was later separated into two contracts to make it feasible for smaller, local contractors to bid. Holland-Pierce is of great local interest because it is the first "green tree" sale the Forest Service has been able to conduct in the Swan Valley in 14 years. Two local non-profits – Northwest Connections (NWC) and the Swan Ecosystem Center (SEC) – believed it was important that the projects be closely studied so that the many concerned stakeholders could follow its progress and make informed decisions about whether the Forest Service had done what it said it was going to do.

NWC "conducts long term ecological monitoring efforts which 1) provide important levels of information on wildlife and habitat linkages within and across the Swan Valley, 2) employ local people, 3) provide field-based learning opportunities for students and visitors, and 4) promote an ethic of land stewardship and the conservation of natural resources for future generations." SEC provides a focal point for activities through which people with diverse perspectives learn about the Swan watershed and become involved in land management on public and private land. "SEC helps people work together to sustain the valley's natural resources and rural and wild characteristics."

With help from a Home Depot grant made through the National Forest Foundation, NWC and SEC worked with the Forest Service and a multiparty steering committee to design and begin a monitoring process that will examine the ecological, social, and economic impacts of Holland-Pierce over an extended period. Among the factors being studied are forest health and fuels reduction, invasive plants, wildlife habitat, and community and economic benefits, with key indicators identified for each factor. Pre-treatment monitoring has been done, with transects laid out and permanent plots inventoried and GPS-recorded. Wildlife, fire, and silviculture experts from the Forest Service and the Montana Department of Natural Resources and Conservation have provided training and technical assistance to volunteer monitoring teams.

That such cooperation exists in the Swan Valley after years of polarization and tension among loggers, environmentalists, the Forest Service, newcomers, old timers, and others is a tribute to the collaborative effort begun in the early 1990's by the informal group whose

work led to the formation of the SEC. The goal was not only to reduce local tensions but, more importantly, to turn the community's energies toward finding positive solutions for its problems. In that it has made enormous progress.

Forest Service personnel also have made an extraordinary effort. The district's assistant fire management officer went door-to-door in the community, listening, answering questions, and listening some more. Finally, community members have proven to be dedicated volunteers, tracking carnivores after winter snowfalls, conducting site inventories, and promptly recording by GPS and reporting newly discovered noxious weed sites to the Forest Service for action.

C. What are the major perceived benefits of Forest Service stewardship contracts to communities within the region?

Specific project outcomes – needed restoration work getting done on the ground – topped the list of benefits, with 81.5% of respondents rating it as “very high” and 18.5% as “high.” Perhaps reflecting national concern over the continuing recession and high unemployment levels, stewardship contracting's impact on jobs and the economy also drew strong ratings. “Greater opportunity to use local contractors” was ranked “very high” or “high” by 72.7% of respondents, followed by “more on the ground work accomplished by local contractors” (66.7%), “more local jobs” (66.6%), and “other economic benefits” (58.6%).

Interviewees and team members have identified a number of ways that stewardship contracting can be improved to more efficiently and effectively facilitate on-the-ground work and provide greater opportunities for local contractors, subcontractors, and their crews.

Comments and Recommendations

9. The use of agreements should be encouraged wherever appropriate. The administrative and operational flexibility built into the agreement process is highly valued. In addition, the partners engaging with the Forest Service in these endeavors (so far primarily wildlife and conservation groups) bring to the process not only financial and technical resources, but also existing community connections (their local members), well-honed outreach skills, and experience in working with a variety of interests to accomplish shared on-the-ground objectives.

10. Minimize the internal and external “overhead burden.” Agency personnel, contractors, and project partners alike continue to raise concerns about excessive paperwork, complicated and time-consuming procedures, and inefficient use of resources. Among the complaints received from contractors:

The heartburn I have with a technical proposal is that I can do it in five pages or in 60 pages. [One contracting officer] told me, “Don't give me 30 pages, because I won't read it.” Conversely, [another contracting officer] told me, “The more information you can give me, the better.”

Contract formats are really confusing.

There's a lot of detail in it. Everything has to be tracked and sorted and done and undone and re-done. The details of tracking have gotten more intense.

Agency personnel had some suggested changes:

We need some way to capture excess stewardship credits. Right now you can keep excess receipts, but it doesn't work in the reverse.

I would like to see the ability to add outside monies to stewardship contracts that are on-going. The tribe has BPA funding, and if we have a stewardship contract and they want to contribute additional money to get one additional thing done, right now it's very difficult to do anything like that.

11. The cancellation ceiling issue must be resolved in order to facilitate the use of long-term Integrated Resource Service Contracts (IRSCs).

12. The restriction on bringing additional funds into an Integrated Resource Timber Contract (IRTC) to carry out needed service items should be revisited.

There may be instances – particularly when timber prices are low – that additional resources may have to be brought to bear so that the planned service work can occur. Deferring or dropping service items is likely to be of significant concern to the communities/stakeholders who helped plan and prioritize those activities.

13. “Cherry picking” items from a contractor’s project proposal to perform them internally with agency resources should be discouraged. Contractors argue that the cost comparisons agency personnel use to justify taking an activity in-house are not appropriately calculated to include factors such as true agency overhead costs. Further, removal of some activities from a bid package may decrease its overall financial viability and increase the contractor’s economic risk.

14. Not only timber contracting officers, but also procurement officers and agency specialists involved in designing and/or evaluating stewardship contracts need to be familiar with current logging techniques and equipment in order to be able to effectively evaluate best value bids.

15. Using retained receipts to fund a new project should not exempt it from having a community involvement processes. Most communities want to have a voice in the selection and prioritization of project areas and activities, and in the determination of how any retained receipts from projects in their areas will be spent. At a minimum, members of the collaborative group(s) involved in the projects that generate the retained receipts should be involved in deciding how those funds are spent. One disappointed collaborative group participant said:

I thought that retained receipts really meant that the receipts would be available for our district to reallocate, and I learned that isn't always the case. The retained receipts from our project went to the Supervisor's Office – to be used anywhere on the forest.

16. After a contract is let, the contracting officer on either an IRTC or an IRSC should have the flexibility to negotiate with the contractor the dropping or adding of

service items, as necessary, in order to deal with identified needs that result from changes in on-the-ground conditions, new scientific information, or other factors.

This is particularly critical in the case of multiyear contracts, where adaptive management is essential to success.

17. Don't let collaboration end when a contract is signed. With a project focus on desired end-results and the effective use of best-value selection in negotiating a contract, project contractors should be regarded as allies, not adversaries, in the effort to accomplish mutually agreed upon on-the-ground objectives.

Thank you

The Northern Rockies Regional Multiparty Monitoring Team appreciates the opportunity to be able to provide our assessment of stewardship contracting as it impacts local communities, and to contribute our recommendations for actions to further improve the use of that management tool.

If you have questions or need further information about any of the points in this report, or if we can help advance the implementation of the Inquiry Team's recommendations, please do not hesitate to call upon us.

**Southwest Stewardship Contracting Report
Multiparty Monitoring Team
Fiscal Year 2008 Report**

Prepared by Carla Harper, Pinchot Institute Representative

Executive Summary

After formal experimentation over the last decade, Stewardship Contracting is now being viewed by Washington, DC based decision makers as the future of vegetation management, with the 2013 reauthorization date reportedly being moved to 2010. The US Forest Service leadership has directed staff to begin refining stewardship contracting instruments once again with an aim toward one "vegetation management" contract. The Stewardship Contracting authorities, designed to foster community wealth and forest health in rural places, have not taken hold in the way Congress and their co-creators imagined. Less than five percent of existing work is under a stewardship contract, leading some in power to question why it is not being used more across the system.

Partners like the National Wild Turkey Federation and Rocky Mountain Elk Foundation, and a host of community based collaboratives, wonder where they fit into the reauthorization process, and hope for an invitation to help prepare the stewardship contracting story for

Congress, OMB, and the special interest communities. As with implementation of Stewardship Contracting, engaging partners will continue to be important.

Internal barriers continue to involve a perception that Stewardship Contracting is too complex with limited pay-off. Sparse support and direction from the Washington Office, extra reporting, conflicting laws and policy, retained receipt policy, and the federal cancellation ceiling policy contribute to internal hesitancy. From the business perspective, stewardship too often presents complicated combinations of service work and tree removal, making the bid process risky. In addition, the downward spiraling market in all related sectors is a challenge. From a community standpoint, stewardship's absence from the twenty-five percent fund to counties has already become an issue.

In the Southwest, stewardship contracting is advancing due to agreements between both agencies and conservation partners – National Wild Turkey Federation and Rocky Mountain Elk Foundation. With the award of a ten-year contract on Colorado's Front Range and the on-going White Mountain Project in Arizona, the region now contains the two largest contracts in the system.

2009 Regional Team Meeting Purpose and Content

An evaluation of “the role of local communities in the development of stewardship contracts and agreements” is conducted annually to assist the U.S. Forest Service (USFS) and Bureau of Land Management (BLM) assess their progress, and report back to Congress. This report synthesizes the findings for 2009, based on survey of a twenty-five percent random sample of all projects (27 projects (14 = USFS, 13 = BLM) representing CO, KS, NE, UT, NV, AZ, NM), and input from the Rocky Mountain/Southwestern Regional Stewardship Contracting Team gathering.

This year's meeting occurred in Ely, NV, hosted by the Bureau of Land Management Ely District Office. The group visited Juniper Pellet, a local pellet making operation designed to utilize the abundance of Utah Juniper in the area. Owner Jim Hollingsworth participated in the entire meeting and led a discussion on-site at his facility, which is currently not in operation while awaiting a buyer.

The Ely Elementary School hosted the group for a tour of their biomass boiler facility, funded in part by the Fuels for Schools program, led by school district finance officer and project manager Paul Johnson. The school received \$340,000 in grants and used a performance contract to fund the remaining almost \$600,000 needed to install the system made by well known manufacturer Messersmith. The school replaced three outdated boilers with the new chip burning system, which passes all EPA scrutiny. Early on, they struggled with the logistics of efficient fuel delivery, but this has been ironed out. The Ely community supported the use of wood burning technology for the school located in a heavily populated neighborhood. They also use their boiler project to teach energy efficiency and the benefits of forest restoration in the class room.

Finally, local BLM staff led the group to an area called Ward Mountain. The on-going project involves fuels reduction and thinning in woodlands abutting the community. The prescription involved reducing the number of pinion and juniper trees from 300 to 400 an acre to around 40 to 50 trees an acre. The project, originally appealed on grounds of treating too many acres without enough monitoring, involves a monitoring agreement with

The Nature Conservancy and a native grass sowing component. The appeal creates a conundrum for local managers because their leadership from the White House through Congress and agency emphasize large acres treated, including prescribed burning. They get funded based on the number of acres they can treat. Diameter limits have also been suggested by appellants, which if applied would further hamper the ability of the agency to treat the vast number of acres in need of restoration. The contractor is now able to break even due to operation of a wood chip boiler system at a Carson City prison and a couple pellet mills opening up in the state.

This year's discussion was enriched by the participation of four contractors working in the Ely, NV area along with many other insightful participants listed at the end of this report.

A Brief Overview: 1986 - 2010

Both USFS and BLM have increased their use of Stewardship Contracting (SC) since 2003. In the last two years, the USFS lags behind the BLM in terms of emphasis on new project development. Although, Region 2 awarded a ten-year contract on Colorado's Front Range to thin overstocked stands and beetle kill representing thousands of acres in 2009, the large White Mountain project in Arizona (R3) continues. A majority of the projects within the Southwestern sample did not represent new efforts, but small, somewhat experimental projects planned in the last five to ten years, yet still incomplete. The BLM has ramped up communication and outreach on many fronts in order to carry out treatments using SC. These projects are relatively small in acreage and duration.

The most notable advancement, for both agencies, with SC is the increasing use of umbrella-type agreements made with conservation groups, National Wild Turkey Federation and Rocky Mountain Elk Foundation primarily, in order to leverage resources, partnering, and land management accomplishment.

Section 347 of the FY1999 Omnibus Consolidated and Emergency Supplemental Appropriations Act (*P.L. 105-277*) authorized the USFS to implement up to 28 SC pilots. From 2003 – 2005, the two agencies awarded a total of 535 SC with the number increasing each year from 38 in fiscal 03 to 172 in 05. In 2009, the agencies report a combined 418 active SC projects (BLM = 69 and USFS = 349).

The concept of SC began around 1986, with several projects named in the early 1990s, on the Kaibab and Dixie National Forests as an experiment with single entity, ten-year timber contracts. The vision then and now remains comprehensive ecosystem treatments, administrative efficiencies, and opportunities for positive economic impacts within communities. Collaboration and work with partners is a heavily emphasized key to SC success. SC is most useful when a component of trees with value are "traded" as off-set for the costs involved with other tasks such as biomass removal, road work, noxious weed treatments, and so on.

Stewardship contracting legislation bundled a package of new and old tools:

- Best value contracting made mandatory the consideration of factors such as the contractors' prior performance, experience, and skills. Cost is still a factor in the decision, but need not be the primary one.
- Multiyear contracting allowed service contracts embedded within a SC to run for up to 10 years. **New authority*

- Designation by description or prescription allowed agencies to contractually describe the desired on-the-ground end result of a particular project, while giving the contractor operational flexibility in determining how best to achieve that result. **New authority*
- Award through less than full and open competition allows agencies to award sole-source contracts, give preference to “local” contractors or HUB-zone contractors, etc.
- Trading goods for services permits an exchange or trade of goods, i.e. “the value of timber or other forest products removed” for services. This is especially helpful in conditions where most of the needed tree removal is of very small, low value material. **New authority*
- Retention of receipts permits the agencies to collect revenue from project contracts and hold it locally to contract for other needed land management activities such as road decommission, weed control, etc. within borders of an entire unit, and even neighboring units.

The program continued to expand in size following passage of subsequent Interior Appropriation Acts (*P.L. 106-291* and *P.L. 107-63*). By FY 2003, the following occurred:

- Authorities were extended to 2013
- Number of project limits were removed
- Removal of commercially viable trees as an objective of forest health prescriptions was formally included
- Authorities were extended to the BLM

SC has been closely monitored for abuses over the last ten years, informally by professional environmental organizations and formally through the work of The Pinchot Institute, internal agency tracking, and via two GAO audits. No evidence exists in any area that the tools have been abused or used as a means to “get the cut out,” as some feared. This term, once used to describe USFS management objectives driven by Congressional mandates for targeted production, has become a catch phrase used by some to indicate any management that includes a merchantable product.

In illustration of a common mind-set, an environmentalist, who describes his relationship with the USFS as good now, still expresses concern that “stewardship contracting could be used to help the timber beasts.” In his estimation, SC is not much more than a change in semantics; ultimately, the USFS “has never really gotten away from wanting to produce timber.”

The BLM, with the exception of some lands in Oregon and California, does not manage forested land for value, because none ever existed. The USFS national strategic vision seeks to manage its lands for a set of societal values that do not include commodity production to any significant degree. Yet, both agencies get much of their funding from Congress in association with targets or outputs. This schism between public perception, agency direction, and Congressional budgeting is particularly harmful to the advancement of SC.

The BLM and USFS are being asked now by the administration and Congress to provide input on the reauthorization of SC. Some predict that a reauthorization and possibly a reconfiguration will occur in 2010, not 2013. Both agencies are analyzing existing barriers to

SC that might need to be addressed through a reauthorization process. The USFS Chief has requested an internal review of the existing contracts in use with a goal to develop a single blended contract rooted in the procurement side of the agency, thus guided by the Federal Acquisitions Regulations (FAR). Many believe these regulations provide the flexibility needed to truly conduct long-term stewardship work.

A debate is developing over whether to focus on SC as just one tool in the management bag along with traditional timber sale contracts, or move toward exclusive use of the Integrated Resource Contracts, available as either timber or service focused. Another option rests with further developing agreements with partners. All agree that the final instrument should be well less than one foot thick and more like state contracts, which are short and to the point requiring payments and cutting with designated time lines, regardless of market changes. Many provisions that currently make for cumbersome contracts are added to protect both the government and business, yet they are often unnecessary.

Some managers and external observers report that SC has already become the “tool of choice.” This idea is met with mixed feelings. Those that believe simultaneously promoting business and restoring forest health legitimate, like the long-term, landscape emphasis of SC and see it as a way to escape the negative connotations timber sales have with environmentalists. Others see no reason to artificially limit the available tools.

Barriers, Benefits, and Opportunities

The Congressional intent behind authorizing the SC tools was a desire to benefit communities. Unfortunately, there is not a lot of evidence pointing to large scale community benefit within any key parameter: social, environmental or economic. Each barrier to SC has the potential to become an opportunity. The utility of this annual evaluation and analysis exists in so far as it helps decision makers. Some barriers have been addressed and overcome, such as inappropriate bonding requirements. Many more have gone unaddressed, because they are complex and deeply intertwined with law, policy, culture, and mind-set.

SC is a useful tool for places where government, business and community work together around a common goal such as reduced fire risk. In places where reason and capitalism are combined, the twin goals of SC are realized: community and land health. Reason involves thoughtful, grounded science applied to achieving better land conditions and carried out by the innovation and swiftness, only possible with profit driven business. The White Mountain project continues to bear this out. Ingredients to success always include leadership, sincere partners, professional contractors with integrity, and a willingness to combine wood of some value with service work.

Semantics and Shifting Sands

Many of those who want to achieve the land health and community wealth promoted by one administrator after another have begun to question the semantics of forest management. Distrust remains deep in some circles, including internally, evidenced by derogatory use of terms like “timber beast,” “get the cut out,” and even “timber sale.” “Clear cut” is still understood by a majority of the public to be a malicious method for foresters to harm the environment.

While the “timber beast” has gone all but extinct, and “get the cut out” ended before many of today’s forestry professionals were even born, the timber sale remains. It continues to be the vehicle for removing wood, deemed valuable by the agency, because Congress continues to fund the agency primarily based on outputs and targets. Field people are told to enhance and protect ecosystem values, ensure “climate change resilience”, yet do so with the very methods a vocal segment of the public distrusts. Add to this, new initiatives and pet policy introduced with every new administration and the end result is dissatisfied watch-dog groups and the public as well as continued declines in land health and community wealth.

In forestry, semantics mean more to outcomes than almost any other factor. “Get rid of anything that looks and smells like a timber sale,” says a veteran industry forester and a manager on the original SC back in the late 80s. Many business people would agree, including another long-term mill owner and logger. “The USFS has not helped public perception, because they still use the old timber sale verbiage, and stumpage based mentality. They live in the past; the timber shop people don’t seem to know values have changed.”

“When you use a 13T, it places a target on your back,” one manager commented (The 13T is the Integrated Resource Timber Contract). The advice is to replace the timber sale program and the old contracts with a stewardship program, therefore removing the perception and reality of commodity as driver. This argument is tempered by the fact that thousands of timber sales are awarded each year, providing wood to value-added and structural mills.

The point is not to stop removing wood whether it has a commercial value or not, but to stop trying to pour new wine into old skins. Returning money to the treasury and supplying commodity to the national economy is no longer an objective for public land management. Congress, the last three administrations, the Departments, agency leadership, powerful environmental groups, and the public in general support this statement. Yet, Congress has not changed the measures of success and reward. Industry representatives at the Washington level have not conceded to a new set of tools. The agencies have not previously been given direction to develop new tools for new objectives. SC talks the talk, but fails to walk the walk in that the new authorities are overshadowed by a host of conflicting laws and policy. The “new” contracts developed to support SC are a cobbling together of timber and service contract provisions.

The packaging and requirements of timber sales do not fit the size, quantity and quality of trees being removed to reduce fuel loading, improve habitat, and “restore” ecosystems. There is little value, therefore minimum rates, rock replacement, deposits and other factors serve to complicate management rather than facilitate it. The threshold should be simply, did you get fair market value. Currently, artificial base rates force businesses to jack up service costs and thus skew the real costs. As one contractor said, “I just ignore what they call timber, and basically tell them what it will cost to have me do the service work. What they call timber is just a liability for me.”

If the end goal is clean, abundant water, there is no difference between a watershed stewardship proposal and a timber removal proposal. In both cases, the land manager should define the desired outcomes, and ask contractors to respond in a detailed technical proposal. The process for bidding this way is admittedly harder for contractors, but better for all concerned in the long run, and will result in best value all around.

Internal Barriers and Solutions

Mid-level managers determine whether SC occurs or not. Some still consider the learning curve too steep, the time associated with learning how to use the tools too high, and the payoffs too low. In some quarters, there is a sense that too much is being expected of managers at all levels.

Identifying macro level problems come easy compared to working through real solutions. No one would suggest dismantling the matrix of laws and regulations that drive how the federal government does business. Therefore, matching up the Federal Acquisition Regulations (procurement of property with aim to spend money from the treasury) with the timber sale regulations (disposal of property with aim of returning money to the treasury) is tough. The two arenas don't meld well, the contracting officers from each speak different languages and disposal of government property is somewhat unique to the USFS and BLM. SC is designed to meld the two worlds of procurement and disposal, with only minimal exemption from either set of laws and regulations.

When determining what sort of contract to use e.g. one that leans toward the disposal of property angle or one that leans toward the procurement of goods and/or services, managers must think carefully about a long list of items. This has led to complicated contracts, especially when timber is being sold. This complexity which translates to personal risk for a land manager, often stymies a desire to better understand and utilize SC.

Much of the internal success depends on the willingness of contracting officers from the two different worlds to work together to sort out questions and issues. Some will do this, and some will not. There are parts of both the BLM and USFS system where SC has been abandoned because of contracting officer refusal to work with the managers. This could be fixed by leadership, a national list of contracting officers willing and able to trouble shoot problems, including attitude softening amongst their colleagues, or both.

Thanks to what appears to be a group effort between the USFS, industry group representatives, and "partners," one of the barriers discussed at the meeting has been resolved. The provision for full and open competition based on best value had run into Small Business Administration rules, especially in the award of the recent long-term Colorado contract.

Small business rules are different for service contracts and timber contracts. When a commodity such as timber is being sold, a small business is evaluated by employment. When a service is being procured, the evaluation is based on receipts. These rules disqualified some businesses as bidders, because their annual receipts exceeded procurement rules for small businesses, though by employment standards, they met the small business guidelines. A letter from USFS Acquisitions Management has been released stating that small business set asides are not applicable with SC.

Another technical barrier that has not been solved involves cancellation ceiling requirements, triggered when bidders indicate a need to invest in new infrastructure in order to carry out a contract. The cancellation regulations require the government to hold, in a sort of escrow, the funds needed to essentially pay back private investors, should the government default on the contract. It is something of a reversed bond, which sucks the budget of a Region dry quickly.

The USFS has sought a Congressional waiver as well as permission to move greater sums of money across budget line items to alleviate the obstacle. In recent cases for Region 2 and the BLM in general, the contracts are awarded without expectation that a new processing facility will be a required investment to fulfill the contract.

Receipts derived from SC are not subject to the 25 percent county payment formulas of the past derived from all non-mineral activity on public lands. This practice was extended first through the “Secure Rural School and Community Self-Determination Act of 2000.” In 2008 language in the TARP superseded Secure Rural Schools with a set of complicated formulas. The law could eventually revert to the former 25 percent rule, therefore causing counties to look closer at all public land receipts and demand their cut. PILT is appropriated annually, and is separate from the 25 percent/2008 law funds.

The use of retained receipts has always been an important and often confusing topic for managers and partners. A perception prevails for many, that Knutsen-Vandenburg Funds (KV) is a more satisfactory way to achieve service work. This is relevant to the role of local communities in terms of perception of monitoring as well as agency credibility.

Some feel the restrictions placed on the retained receipts, as a matter of policy by both agencies, in effect holds the funds hostage, therefore excluding good opportunities. The primary differences between KV and retained receipts include the following: KV is subject to cost pools and the 34 percent overhead charges, and must be used within the original project area, but it can be used to pay personnel. Retained receipts may not be used for personnel, but can be used anywhere on a forest or even adjacent forest, and are not subject to usual charges.

Business Barriers and Successes

The issues faced by business and the solutions have not changed over the last ten years. The only difference now may be that industry veterans are saying things like, “this is the worst it’s been in 30 years.” In addition, the pool of bidders interested in or able to compete for the projects has decreased.

Recognize the real-time value of the wood and the service work; reflect this understanding in the offer accurately and realistically.

“The problem is they still have a mind set that the timber is worth more than what it is.”

- mill owner Utah

“It scares me to death when I do bid because they put a commodity value on something that’s not really even there. I mean the cruise is rarely correct and then they want high dollar for wood that really has no market, and it costs me tons to get it out of the woods.”

- New Mexico thinning contractor

“We are there to help small operators; because I know firsthand that every aspect of working on public land contracts is tough from conducting the road work to dealing with inaccurate cruise data to the search for wood markets.”

- Stewardship partner

There will always be a direct correlation between bid, distance to markets, and wood value. Most SC opportunities continue to present greater risks than pay-offs for potential bidders. The few products coming from most projects are marginal, thus distance to market is a crucial factor. What it costs to remove and convert to a product varies almost county by county. For many years now, the bulk of trees in need of removal contain virtually no commercial value. The costs incurred by a business working to remove the wood, rehabilitate or decommission roads, treat noxious weeds, etc. are greater than what can currently be gained from small diameter or biomass markets.

Complaints that cruise data is often grossly inaccurate, and minimum bid rates do not reflect the actual market value have become perennial for both agencies. Foresters are often flummoxed over how to set base rates for wood they know has no market. The USFS is bound by set rates. The BLM in some places has charged 1 cent per CCF for woodland products. The per-acre subsidy for many projects is upwards of \$700 and there are cases, not uncommon, where \$1,500 an acre has been paid. Bidders are left with the choice of incurring the cost of a cruise in order to dispute figures; bidding service work high in order to off-set inflated costs for the wood, or simply not bid. These factors heavily contribute to inflated service work bids and a trend of contractors choosing to forego bids on federal projects and instead focus on private land work via state forestry organizations.

Consistency in offer regardless of size is imperative.

Which comes first, the contract or the business? If an agency requires work that will demand ten million dollars in equipment, how can a small, local company capitalize that type of operation without a longer term contract? Every business interviewed, that actually wants to expand and develop a product is plagued by the sporadic and low quality nature of federal project offer. It's hard for them to build a reliable crew to do the service work needed, when they have no idea if a contract will be available next year, and there are not places to take the product. Even mills with a history fear investing in new technology to expand their ability to conduct service work, because they see no track record of consistency with the agencies, and the economy continues to decline. One of the BLM contractors on the tour in Ely said, "Put me under contract to steward 20,000 acres of Pinon-juniper, and I'll build infrastructure."

The bottom line is that in the current market, only long-term contracts will enable businesses to capitalize the equipment needed to stay competitive. Grants are a short-term solution, if the work and markets are not steady. Whether the government or the business makes the payments on the equipment, it still must stay busy to achieve lasting results. Grants have been prevalent in the four corners region, especially New Mexico due to the Collaborative Forest Restoration Program. A utilization and Marketing staff specialist through the University of Nevada and the Forest Products Lab says, "BLM should take a page from USFS in recognizing the need for the land manager to take a strong stand on developing the infrastructure needed to get the job done. The Woody Biomass Utilization Grant Program has several publications touting "Success Stories"--(all online)."

While grants have helped purchase equipment, monitor the results of land treatments, and staffed liaison type positions, increasingly watchers express concern that grants are not really improving the problems as stated. Ironically, business owners express the most vocal

apprehension regarding grants. One contractor, self described as not a “wood pimp” but just a rehabilitation guy, in the business for twenty-plus years said this:

“They have put tons of money in grants for stupid stuff. It’s not sustainable. As a business person, I have to put a business plan together that passes muster with a bank. They want to see that I am investing my own resources and my books. Numbers do not lie. The same people keep coming back to get more grants, but they could not do a business plan a bank would accept. The whole system is wrong; you don’t do a guy any favors if you just give him money like that. If giving out grants, it should be based on milestones. Don’t just put these people on the government payroll.”

The complexity of a contract and evaluation criteria will determine the bidder pool.

Most businesses are not equipped to either conduct or sub-contract out a great deal of work. If a business has this capacity, it most likely works across multiple states and in some cases nationally. The debate over bid and selection criteria has become increasingly complicated. Managers complain that there are too few contractors with the capital or expertise to manage a SC, thus making it hard for them to meet the “support local economies” provision. Some want to look broadly at equipment, ability to hire locally, and past performance while others want to hire locally, even if the capacity is inadequate. Some managers feel they are compromising the intent if they select an out-of-state contractor. The contractor will argue that they put money in the economy while working the job, ranging from gas and groceries to temporary work for locals in the woods.

Additional factors that can hinder bids include: confusing evaluation criteria, excessively long award announcement timeframes, and ridiculously narrow operating seasons.

Contractors and foresters are no longer adversaries, but partners.

Back when timber management was a goal, there was a reason for both business and agency to hold their cards close. Foresters were responsible for keeping competition fair and monetary return to the treasury high. That may exist in small pockets still today, but the majority of vegetation management, and service work required is of little to no value commercially. Nurturing businesses that can bid on and manage SC, and in some cases even produce a product, is elemental to achieving the myriad environmental goals placed on forests. Yet, the region has added only a few small service contractors and continued to lose integrated businesses capable of harvesting wood and converting it to a product. Many contract holders are not local to an area.

Agencies should host bidder workshops and show me trips in conjunction with partner organizations or community groups. They should create “hot-shot teams” of willing, knowledgeable contracting officers from both timber and acquisitions to assist field managers. This is occurring in some places, especially where agreements facilitate partnerships. BLM gets high marks for increasing outreach to small contractors and the development of more SC in general. Some report appreciation for extra help given by BLM managers in understanding how to access CCR and FEDBIZOPS. The majority of all contractors complain that the computerized systems are convoluted and cumbersome. Even the young ones with computer savvy, say it’s hard to get on and navigate the FEDBIZOPS.

Successes

There are places where SC is the face of economic stimulus. In rural New Mexico, Arizona, and Utah, thinning contractors report that SC is the only thing they have going; if it were not for the government subsidized contracts, they would not be working in the woods. The Southern Utah Stewardship Center is credited too with keeping small contractors working. The contractor with only a one or two man crew, no mill, and little to no market access is most dependent on the SC work, either small enough for them to bid on individually or sub-contracted to them by a partner organization.

On the opposite end of the continuum are some examples of job creation and economic multipliers via the few large, long-term contracts. After many years in preparation and discussion, a ten-year integrated service contract has been awarded on the Colorado Front Range to manage a wide range of fuels reduction and restoration projects. It does not match the scope of the White Mountain project, which according to sanctioned studies generated 10 million the first year and 16 million in the second year. Colorado now has the second largest contract in the southwest region (R4, R3, R2 (excluding WY)). Neither the Colorado nor White Mountain contracts follow the existing SC templates closely. Both projects function more like a traditional service contract rather than a timber sale contract, or the blending associated with SC.

The USFS has awarded three, large ten-year contracts: Colorado, Arizona and Southern Oregon. BLM has awarded 30 ten-year contracts: 25 in Oregon, 3 in Wyoming, 2 in California. The USFS projects are held by one contractor, while BLM uses an umbrella contract within which individual task orders are issued, some times to different contractors.

In summary of the business component of SC, comments gathered from a 40- year veteran of logging and milling in the West follow:

“Stewardship contracting might allow us to get cheap wood for a few years, but then what. The bugs, crappy forestry, and fires have won. We are now about the next forest. Stewardship can be a tool, but I would hate to see it replace the timber sale contract. I can’t rely on just one tool to fix my truck when it breaks down.

I would also hate to see this become just one more jobs program. If we are not delivering value for money, fire us. Sure the paper work is tough. Half of it is unfounded, but the other half demands a level of excellence that we should have. We need to be industry professionals and deliver service and knowledge.

The Forest Service is trying hard to do the right thing now, but they didn’t get the job done over the last 35 years. I have been a forestry professional all my life. We are passing only one tenth of the resource I grew up appreciating to our kids.

Years ago we started managing by crisis, and since then we have watched our forests burn and die. The future is about water. If you destroy watersheds, you destroy western culture. I see stewardship contracts following the money. It’s mostly done around the high end subdivisions. Government mostly gets conducted by those who show up; if you have money you can show up. We must stop following gold and start following water.”

Biomass and Products

Mills operating in the U.S. - dimensional lumber or value-added - utilize cutting edge technology, with little waste and a high degree of automation. Quantities of product have vastly shrunk, due first to moves off-shore with production to access cheap labor and resources, and lately due to constrictions in the overall market place. This hurts communities, not only from a jobs and wealth standpoint, but also in terms of outlets for biomass. Traditionally, low value wood, including biomass was paid for by high value products like 2x4s or furniture. Pellets, animal bedding, and co-generation of electricity and heating were uses for waste product generated by primary manufacturing. Now that the primary product has been curtailed, all those costs rest on the low-value product. Though one mill reported that a market for bagged shavings in Colorado and California have kept them alive. This can happen when a mill has the needed equipment and enough small diameter wood at a low cost.

Much of the cost in bids for SC accounts for removal of wood where no markets exist locally. Firewood removed in Utah for a Las Vegas market, quickly loses profitability. Encouragement from grants, technical assistance, advances in technology, and the promise of cap and trade legislation have kept the search for biomass markets alive. Every year someone notes that connecting rail facilities between the management sites and outlets would make sense, yet that option goes mostly untapped to date.

Pellets are hot. Facilities continue to emerge in the region debarking, chipping, and hammering mostly beetle killed trees, hoping to serve an eventual commercial market and growing residential market. Enterprising businesses with access to capital are eyeing Swedish portable pellet makers. Government sponsored rebates exist for pellet stove installation in homes. Western companies can't take advantage of the hungry European market for chips and pellets, since neither is classified as a processed wood product, making it possible for exportation.

Biomass as a source of electricity, fuel or heat has been touted as the next big thing for 20 years, but it has not taken hold in a way that truly displaces other energy sources or off-sets the cost of management. Experimentation continues and some markets have grown along side advances in technology. Proponents of co-generation envision smaller generator plants springing up along transmission lines that will be fueled by locally harvested biomass, leading to use of the wood removed and skilled labor.

A number of factors contribute to the still stagnant biomass market place:

- Costs associated with moving wood and in comparison to other sources such as natural gas i.e. natural gas is cheaper and easier to access.
- Handling wood requires extra labor and expertise i.e. power generators experimenting with wood/coal mixes.
- A bulk of the federal investment has been in far-to-market technologies, while the technology that is readily available has struggled to access funding i.e. it is easier to get 10 million for cellulosic ethanol research than to get \$30,000 for an elementary school pellet boiler. Yet, cellulosic ethanol does not pencil out, without outside help.
- As the paper industry continues to decline, there is an abundance of high-quality chips on the market. This impacts where and how pellet mills or facilities with chip boilers access material.
- Artificially restrained definitions for biomass and biomass tax credits.

Engaging Communities

Working with others outside the agency to envision and shape projects is integral to the notion of SC. Embedded in that idea is an important concept - involvement with communities will lead to benefits for communities. Managers have struggled to discern at what point they have achieved “community involvement,” or in some cases collaboration.

In the words of a USFS manager engaged in on-going collaborative forestry work:

“Community involvement is extremely valuable upfront in the planning stages. However, there are many members of the community that do not get involved at that time. When they see operations beginning in an area near where they live, they immediately want to get involved, and many times really don’t care what other people in the community felt or suggested during the initiation of a project. On the other hand, many of the people involved up front feel that they represent the majority of the community with every word they say. I’m not sure if community involvement really means community.”

Most concerned individuals, contractors, and groups want a chance to hear about a project and possibly take a field trip. Once they have stated concerns, support, or distaste, they go on about their business. A member of a local chapter of a national environmental group was interviewed this year. When asked to rate the agency on collaboration, he responded, “Oh, I am just a volunteer. Collaboration would take forever and the decision is still up to the feds regardless anyway.”

Where a demand for consensus-based collaboration exists, it appears to be primarily about trust, and comes from organized groups that use appeal and litigation to stop projects they do not like. These groups only want to be involved in very large scale projects or planning. Some, including a few agency managers, believe that if the USFS in particular is left to its own devices there will be a quick return to timber sales aimed at commodities, rather than stewardship projects for ecosystem restoration and fuels reduction. This is evidenced in the continuation of diameter limits in parts of the region, ranging from 12 to 16 inches DBH. As noted by an ecologist, active in southwestern community-based forestry, “It’s anti-science. No one even claims it’s based in anything other than social science at this point. The local environmental groups need the diameter caps to get these projects past their Washington, DC based counter-parts. It’s about controlling the USFS.”

Ely (regional team meeting) participants discussed the value in a tiered approach to outreach, engagement and eventual partnering. The first step involves casting a wide net, pre-NEPA, for individuals and groups desiring input on the vision for a particular landscape. Opportunity to share ideas and concerns at this stage goes a long way with those concerned about landscapes from a sense of place perspective. With this level of sensing information, NEPA can begin with a great deal of relevant information in terms of key issues and scope. NEPA appears to be handled somewhat differently in the BLM and USFS. The BLM reports a greater delegation of authority to the field level with a “do the best you can” attitude, while the USFS is perceived as working overtime to create “bullet proof” documents with less field level delegation.

NEPA is the most effective place to engage groups either outside the area or unwilling to engage at a community level. It allows managers to take care of those desiring a more

formal, legal relationship without sacrificing stakeholders who want to engage in design, implementation and monitoring of SC.

Community Partnering Examples

The National Wild Turkey Federation (NWTF) and Rocky Mountain Elk Foundation (RMEF) are primarily responsible for the expansion of agreements within both agencies. A number of regional umbrella agreements now exist and include annual operating plans from which projects originate, contributing to a big picture set of goals. Regions 1, 4, 6, and 8 of the USFS have agreements in place. The BLM has increased the scope of management with agreements in Idaho, Montana, Utah, and Nevada. RMEF and NWTF, with staff grant writers and large memberships, help expand public involvement, outreach to landowners, leverage of dollars, and even entrepreneurship in ways the agencies can not. The use of agreements continues to grow and seems to present the future for SC.

Cross boundary management has increased through a partnership between the USFS and the Mescalero Apache in AZ. The Nevada Woody Biomass group, facilitated by a Utilization and Marketing staff person at the University of Nevada, has increased awareness of projects and participation in bid tours.

The White Mountain project continues to be a show case of multiparty monitoring and leadership. The framework established has enabled decision makers to take more risks with community backing. The Colorado project benefits from nearly 20-years of discussions and partnerships, all aimed at fuels reduction and forest restoration. A formal working group called the Front Range Fuels Treatment Partnership is made up of government (state, federal, and local) and private interests that meet regularly to discuss issues and progress.

The Southern Utah Stewardship Center (SUSC) formed explicitly to encourage SC and bridge the gap between small contractors and access to projects. A representative says they are in business to go out of business as capacity increases. The organization inserts itself where needed acknowledging, as stated above, that it's tough to manage federal projects. The SUSC views its role as an aggregator. They encourage individual companies to bid projects, but if none are able the Center does the bidding and sub-contracts the work. The SUSC has developed a business model of sorts, also replicated to some degree by the Southwest Sustainable Forest Partnership in NM and AZ. The model involves a central group handling the myriad of environmental, governmental, etc. "red tape" as well as mentoring entrepreneurs, both new businesses and "barely makin' it" old businesses, helping them adapt to the paradigm of forest and rangeland restoration activities.

The Greater Flagstaff Forest Partnership organized in the early 90s after fires threatened the college town. This group has led a great deal of community organizing and facilitated negotiation and dialogue between the USFS and the Grand Canyon Trust, as well as other environmental groups and forest products interests. In addition, they helped commission a wood supply study that identified a landscape over 2 million acres of ponderosa pine forest in need of restoration. Several additional partners including the Center for Biological Diversity, the Apache-Sitgreaves, Tonto, Kaibab, and Coconino National Forests and Southwestern Regional Office have formed a collaborative group called 4FRI (four forest restoration initiative). The Regional Forester has challenged the collaborative to achieve landscape scale restoration at nearly zero net cost to the Federal Agency. A "Sources

Sought” notice was published in April, 2009 to solicit general proposals for treating between 30,000 and 50,000 acres per year of the 4FRI landscape.

Efforts across this ponderosa pine landscape would dovetail with the adjacent White Mountain effort, including participation in submission of a request to have Northern Arizona be one of the Forest Lands Restoration Act recipients. The Forest Service is currently working with a 4FRI Industry Work Group to determine what type and timing of Stewardship instrument could be used. Diameter limits have been an especially difficult barrier for the 4FRI to tackle. Also a barrier is the tension created between collaboration, FACA, and NEPA “pre-decisional” collaborative behavior.

Report Highlights from 2008 Mirror 2009

The regional team meetings are opportunities to highlight progress and success stories as well as identify problems or barriers with constructive criticism for the agencies. In the final analysis, there is much overlap from year to year in comments. Here is a sampling from 2008:

- NEPA takes too long to complete and should be considered part of the contract package with agency consultation.
- Areas managed under stewardship contracts are still too small. Larger, watersheds should be analyzed as part of the process and included.
- Diameter caps prevent ecological or economic progress and are in place artificially as a sort of social license to practice forestry.
- Woody biomass and small diameter trees are still valued too high yet remain costly to remove without markets.
- The contract instruments and associated paper work are still too complex and onerous for the majority of local businesses.
- Understanding of how to best use the stewardship contracting tools is not yet widespread among the agency line officers and managers.
- Greater emphasis should be placed on mechanisms for spreading learning about how to best implement stewardship contracting through training and mentoring.

Stewardship Contracting Brochure Available

Developed to help explain its benefits to units throughout the Forest Service, the brochure, [“Stewardship Contracting - Basic stewardship contracting concepts.”](http://www.fs.fed.us/fstoday/091106/03.0About_Us/stewardship_brochure.pdf) describes what stewardship contracting is, how the contracts are used, what is unique about it, how it works, and more. http://www.fs.fed.us/fstoday/091106/03.0About_Us/stewardship_brochure.pdf

**Pacific West Regional Stewardship Contracting
Multiparty Monitoring Team
Fiscal Year 2009 Report**

The Pacific West Regional Team collected information from telephone interviews (conducted by the Watershed Research and Training Center as a subcontractor for the Pinchot Institute for Conservation), as well as from team members' own experiences to investigate and characterize collaboration, community benefits, and other trends in the use of Stewardship Contracting in the Pacific West.

This year, 29 USFS projects and 13 BLM projects were selected for review. Regarding the USFS projects, we spoke to 30 agency representatives, 42 community members, 4 contractors, and 1 other collaborator. For the 13 selected BLM projects, we spoke to 13 agency people, 7 community representatives, 11 contractors, and 4 others. It should be noted that the high proportion of contractors interviewed for BLM projects skewed the survey results, as most often contractors didn't get involved until late (or after) the community engagement process was completed. However, this points to something our team discussed: contractors need to be able to get involved earlier in the process without having to worry about conflict of interest precluding them from bidding.

This year's survey results determined that Stewardship Contracting is enjoying a high level of support from both within and outside of the agencies. Only one person we spoke with stated that they felt the community was opposed to their Stewardship project. This is a shift from previous results where support was found to be lacking from within the agencies. Nearly every person we interviewed stated that despite the investment of energy and time, they would like to participate in another Stewardship Contract.

Our Regional Team meeting was held in Redding, California this year. We had previously held our meetings in Portland, Oregon, and this year we wanted to encourage more participation from R5 and California-based team members. Our meeting was well attended and we learned a great deal from each other. In last year's report we suggested that a conference for folks working on Stewardship Contracting be held at a national level, scaling up our regional efforts to learn from practitioners from around the country. Specifically, our team sees such a conference as an opportunity to meet other practitioners, to share ideas, and to have an audience with decision makers so that they can talk openly about their experiences and get feedback. Our team reiterated the need for such a conference at our meeting this year.

This report details the answers to the three questions the Forest Service and BLM were interested in answering about the community benefits of Stewardship Contracting in this region:

1. What are the predominant problems in engaging communities in stewardship contracting projects? What are the team's suggestions for improving the current situation?

2. What successes have emerged within the region for engaging communities in stewardship contracting? What fostered those successes?
3. What are the major perceived benefits of stewardship contracts to communities within the region?

What are the predominant problems in engaging communities in Stewardship Contracting projects? What are the team's suggestions for improving the current situation?

In interviews this year we found that nearly all of the sampled projects reported diverse participation. BLM projects tended to report more local-level participation, while USFS projects had more State and National level partners in their projects. However, although diverse participation was reported, a significant number of interviewees also stated that they believed there were people missing from the collaborative process. One community partner noted that you had to be aggressive to get community involvement. Several times it was mentioned that in the beginning there was a lot of interest but it dwindled as time went on. One suggestion was to design the project with specific benchmarks so that you could see the goals being reached along the way. In general, the interviewees from BLM projects expressed that they felt supported and heard. BLM agency personnel were open and willing to work with the community and approached the collaborations with a positive attitude.

The role of the communities in the projects was varied, but the majority of interviewees in USFS projects stated that the community provided: Comments and Recommendations (90%), Planning and Design (86%), Becoming Informed (86%), Development of Alternatives (79%), and Representation of Local Interests (76%). BLM projects also reported high levels of participation including: Becoming Informed (100%), Comments and Recommendations (85%), Representation of Diverse Interests (85%), and Planning and Design (77%). While “becoming informed” was often reported (and is a very passive form of collaborating) it was often reported in conjunction with other very active forms of collaboration such as “developing alternatives,” and “planning and design.”

The way in which people became involved in the projects points to another issue our team raised last year that still holds true. Most often, for BOTH agency and non-agency interviews, the interviewee stated that they were involved because it was “part of my job.” Because the collaborative process often takes a large amount of time and energy, those most able to participate are those whose participation is subsidized. This leads to professionalized collaborations that may not include some of the valuable local knowledge available in a project area. This continues to be an issue.

Some of the interviewees comments on collaboration:

- An agency representative reported, *“I wish I had the time and funding to continue using stewardship contracting. I struggle between trying to make it [collaboration] more efficient and loving the fact that we are building real relationships, the kind that take time, and last.”*
- A contractor stated, *“My biggest issue is that agency people so often transfer. I invest time in getting to trust and know a guy only to find him replaced next field season.”*
- A member of a collaborative group offered, *“Get away from extremists derailing your collaborative process by making sure you invite all of the stakeholders. With enough people, you’ll have reason and balance and can hold the fringe accountable.”*

Identified Barriers and Team Recommendations

1. **Barrier:** It is difficult to bring the community together around landscape management issues because they are often unaware of how it affects them, are too busy to become involved, and/or they represent many different viewpoints and have a hard time finding any areas of agreement. **Recommendation:** By framing projects around existing community goals and issues, agencies will be better able to show communities how the projects are relevant to them. A Community group's representative at our meeting offered this advice: *"In our case, the community was brought together in opposition to the land trade the BLM proposed, so our group easily formed. We already had a common goal."* Another common goal in our region that has brought groups together is the issue of fire safety.
2. **Barrier:** Lack of local collaborative groups and structures makes it hard for the agencies to engage communities. Additionally, agency personnel are overworked and often do not have the skills required to create and sustain a community engagement process that would lead to truly collaborative projects. **Recommendation:** Examples of different collaborative structures and the benefits to those structures would be helpful. In this region, standing collaborative groups have proposed projects in partnership with the agencies, been a consistent voice and forum when agency personnel transfer, and have built trust and relationships so that projects progressively become easier to collaborate on. Training should be available to all members of collaborative groups. Agencies should consider hiring individuals with communications/facilitation skills and/or subcontracting or working through agreements to ensure that the collaboration is adequately supported.
3. **Barrier:** Internal conflict of interest policies prevent contractors from getting involved in the collaborative process as early as they should be. **Recommendation:** Make agency representatives aware of the nuances of conflict of interest policy in NEPA processes and make clear where and how contractors can be engaged and provide substantive input. In some forests, current perception is that any contractor who participates in collaborative discussions of goals, objectives, and prescription options is disqualified from competing for contracts.
4. **Barrier:** Agency inconsistency, both in personnel assigned to collaborate on a particular Stewardship Contract (the same person should see the entire contract through) as well as inconsistency in messaging about how the tool can be used, and what the goals of the agency are, makes it difficult for non-agency partners to fully engage in the process. **Recommendation:** Try to increase the level of consistency both in who the partners deal with on projects and in communications/actions.
5. **Barrier:** The agencies are not able to spend money on signage. Without proper signage, the local community does not learn about the work taking place. **Recommendations:** During many of our interviews, we heard that communities of place were not particularly interested in the projects and neither supported nor opposed the work. In order to shift this toward communities supporting and engaging in the projects, our team believes we need to get the word out about the good work that is taking place through local signage of the project sites. While there has been national level attention on successful projects, allowing collaborative groups to spend retained receipts to purchase local signage and conduct outreach is recommended.
6. **Barrier:** County Payments. Many county governments are opposed to Stewardship Contracting as it is seen as competition for funds. The support of county governments

would be helpful in engaging with communities. It is important to note that this is not a universal problem. Some counties are actively supporting Stewardship Contracting by assigning county representatives to sit on collaborative groups. **Recommendation:** Solicit a study which pencils out the economics of county payments vs. stewardship contracts in terms of local benefit. We anticipate that the counties will see that they are actually making a great deal more money from the Secure Rural Schools and Community Self-Determination Act of 2000 than they would be if they collected dollars from timber receipts from timber sales or the timber harvested from stewardship contracts. Develop national-level policy that deals with County Payments in some other venue so they are no longer seen as being in competition with Stewardship Contracts. Create a forum for supportive counties to talk to counties who believe they are in competition with Stewardship Contracting.

7. **Barrier:** USFS appraisal process skewing actual costs. Appraisals are coming in higher than contractors can get on the market so they are often increasing their bid amounts for the service work in order to cover the difference between appraisal and market prices. Then the agencies evaluate the bids, see high service costs, and look elsewhere to get the service work done at a lower cost, when in fact the service work was subsidizing the market price of the material. **Recommendation:** The BLM has more flexible appraisal tools available to them and reported that their projects do not suffer from this problem.
8. **Barrier:** Contracts with no bids. There are a number of reasons for this, one of which is the timing of some contracts. Offering stewardship contracts in the 4th quarter makes it extremely difficult for contractors. **Recommendation:** Talk to contractors about WHY they didn't submit proposals. Gather information from "failed" projects and projects that have no bids to find out what kinds of barriers there were in those projects. Create projects that take into account the type of work the contractors in the area can bid on and offer Stewardship Contracts at times of the year when contractors are available to prepare technical and cost proposals.
9. **Barrier:** Monitoring is unfunded, and so, goes undone. **Recommendation:** Fund monitoring of projects so that adaptive management can occur.
10. **Barrier:** Contract length. This is a problem because at times the contracts are too short and at other times, when the contracts are longer, they still require all of the necessary funds to be available upfront. **Recommendation:** Revise contract lengths to ensure that the contract is flexible and of an appropriate length to deal with market turns etc. Also, remove the requirement that the service funds be available upfront so that the agencies can commit to longer contracts.
11. **Barrier:** Markets/Infrastructure: the mills need more projects and they need them to happen at a steady pace. Other problems with the mills include that Small Business Administration (SBA) contracts sometimes appraise based on the nearest SBA mill, not the nearest SBA mill that accepts the type of material you are moving. So, you may end up having to take your material much farther away simply because there are fewer and fewer mills and they don't all take the same material. **Recommendation:** Revise SBA rules so that appraisals are based on the nearest mill that takes the material you have. Try to support existing infrastructure.

12. Barrier: At our team meeting, some agency representatives commented that BLM's fuels money is drying up. The team was concerned that without more fuels money the service side of stewardship contracts will lose capacity. **Recommendation:** Fund agencies for more fuels reduction.

What successes have emerged within the region for engaging communities in stewardship contracting? What fostered those successes?

Many of the success stories shared within our Regional Team, as well as from interviewees, included:

- Collaborations that are working well
- Community involvement in planning how to use retained receipts
- Projects that are economically viable (and for those that aren't, communicating about why with contractors, industry and agency personnel.)

One of the factors that created success was personnel with a vision toward stewardship. A person within the agency and willing collaborators who were invested in the project made a big difference in the long term success of projects. These people were often invested in the spirit of Stewardship Contracting, excited about the opportunity to do a new kind of management, and were willing and able to be flexible.

Comments from interviewees regarding successes:

- A contractor explained, *"It is empowering to be able to act as a steward, making management decisions."*
- A community partner said, *"Willing and motivated agency leaders are critical to project success."*

Identified Successes and Recommendations

- 1. Success:** When a non-agency partner takes the lead on inviting people to be part of the collaborative effort, many people have reported a higher rate of success. Often this non-agency partner is an entity that is trusted by the local community and they lend their reputation to the effort. **Recommendation:** Enlist the participation of RCD's, Watershed Councils, and other trusted community organizations to help run collaborative processes.
- 2. Success:** Take community members on field tours of project areas during all stages of treatment, from planning to implementation and after project completion so that they can be part of the project in a real sense. **Recommendation:** Help projects find funding to support field trips and be sure to offer field trips to your collaborative group.
- 3. Success:** Sincerely elicit input from your collaborative group. **Recommendation:** Bring maps and ask people to draw their ideas on them.
- 4. Success:** When communities feel ownership, trust grows. **Recommendation:** Invest time in a durable and truly collaborative process. It will yield results.
- 5. Success:** Some of the Regional Team members felt that keeping meetings informal was a successful strategy. Other team members reported that having a skilled

- facilitator helped keep their collaborative process on track. **Recommendations:** Find a collaborative structure that works for your group. There are many models of successful collaboration and they are very diverse. Do what feels right in your group.
6. **Success:** Allow the community to help plan for the use of retained receipts. **Recommendation:** Consult with the community and use the receipts to fulfill common objectives such as trails. This will increase community buy-in.
 7. **Success:** Acknowledge mistakes and move ahead on agreed upon tasks. **Recommendation:** Structure your collaborative group so that you are using adaptive management to guide your project. Be sure to acknowledge reality and when things don't go as planned use that learning to revise the rest of your plan.
 8. **Success:** Consistent flow of projects. This is important for industry, contractors, and collaborative groups. Having more projects lined up to work on allows contractors to plan into the future, buy necessary equipment, and sustain infrastructure. For a collaborative group new projects keep people engaged and coming to the table. **Recommendation:** If it makes sense to your collaborative group structure, line up successive projects so that you can build on successes and keep momentum of Stewardship Contracting in your area.
 9. **Success:** Be flexible. **Recommendation:** Over and over flexibility came up as an asset to projects. Remove internal agency barriers to flexibility and encourage innovative employees. Community and contractor partners also need to be flexible and understanding.
 10. **Success:** Captured learning through adaptive management. **Recommendation:** Put an adaptive management tool in place at the beginning of your project. Use it diligently.
 11. **Success:** Communication with contractors in order to elicit bids. **Recommendation:** Collaborators can help spread the word about the projects they are helping to plan. By letting their contractor and industry friends know about the projects there will likely be more bids on the project.
 12. **Success:** While small agency offices may not have the capacity to administer Stewardship Contracts, team members stated that the ability to easily collaborate between departments (which smaller offices often reported) was one key to success. **Recommendation:** Encourage close collaboration within agency offices. Where feasible, locate personnel who need to work closely on projects in proximity to each other to help facilitate their collaboration.
 13. **Success:** Projects with multiple funding sources tend to be more stable. **Recommendation:** Secure multiple funding sources for projects.
 14. **Success:** Design projects that are economically feasible for contactors. **Recommendation:** Keep in mind economic and in-woods realities as you design projects. Try to get contractors involved in the design process without jeopardizing their ability to bid the project down the line.

15. Success: Where appropriate, use multiple contracts or task orders so that small contractors can perform portions of the project. **Recommendation:** Ensure that the scale of your projects is in line with local contracting capacity.

16. Success: Projects that allow contractors to mark trees will lower agency costs. **Recommendation:** After relationships are built with local contractors, allowing the contractors to mark trees and make management decisions can be very efficient.

What are the major perceived benefits of Forest Service and BLM stewardship contracts to communities within the region?

Interview results reveal that respondents for both BLM and USFS projects most often cited “Specific Project Outcomes” as the most beneficial aspect of Stewardship Contracting for communities. Listed below are the interviewee responses in order of prevalence:

USFS Projects Perceived Community Benefits:

- Specific project outcomes
- Improved public trust
- Increased collaboration
- On-the-ground work
- Opportunity to use local contractors
- More local jobs
- Other economic benefits
- Increased efficiency

BLM Projects Perceived Community Benefits:

- Specific project outcomes
- On-the-ground work
- Other economic benefits
- Increased collaboration
- More local jobs
- Opportunity to use local contractors
- Increased efficiency
- Improved public trust

The benefits of Stewardship Contracting to the agency were reported as:

USFS Agency Benefits:

- Increased public input
- Improved trust
- Understanding of diverse interests
- Increased support of agency
- Sense of project ownership

BLM Agency Benefits:

- Increased support of agency
- Improved trust
- Understanding of diverse interests
- Sense of project ownership
- Increased public input

Some of the comments made by interviewees regarding the benefits of Stewardship Contracting include:

- An agency representative said, “*Stewardships are financially sound opportunities for agencies to restore the land.*”
- A community member commented, “*Trust has been built because the input is respected and included in forest management decisions by the local Forest Service.*”
- A Contractor remarked, “*I quit logging for a while because I wasn’t happy with what was happening. When the Forest Service put out the stewardship contracts, I saw it as something different, not damaging the resources, but removing dangerous fuels.*”

Perceived Benefits and Recommendations

1. ***Perceived Benefit:*** Local jobs created or sustained. ***Recommendation:*** Continue to use Best Value Contracting, and make sure your contracts are scaled appropriately.
2. ***Perceived Benefit:*** Ecosystem management objectives accomplished. ***Recommendation:*** When designing projects be sure to think about the whole system and design a project that benefits multiple aspects of that system. Perhaps provide incentives to project collaborators who are able to achieve multiple goals.
3. ***Perceived Benefit:*** Retained receipts keep money local. ***Recommendation:*** Figure out how to deal with county payments. Do a study that traces the dollars so that counties can see the economic benefits of Stewardship Contracting locally. Distribute the findings of the study.
4. ***Perceived Benefit:*** These projects are often less contentious and there is less litigation. ***Recommendation:*** Keep working to collaborate, on these and other types of projects, to avoid litigation.
5. ***Perceived Benefit:*** The kinks are getting worked out of this mechanism. ***Recommendation:*** Keep working on streamlining the process and making the internal contracting better. Ask policy and decision makers to support this vision for forest restoration by funding these kinds of projects.
6. ***Perceived Benefit:*** Stewardship Contracting gives communities an “in” to the agencies and once good relationships are built, they are able to support each other and work on other types of projects as well. ***Recommendation:*** Share long-term and large-scale land management plans with collaborative groups. By sharing long-term goals and plans groups can see where their project fits into the larger picture and may be inspired to work with agencies on other projects.
7. ***Perceived Benefit:*** Information is shared through the collaborative group. ***Recommendation:*** Maximize the opportunity to share local knowledge, new scientific findings, etc. so that all parties become more educated.

The Pacific West Regional Team is interested in learning more from our national partners and sharing our experiences with other practitioners. We feel that Stewardship Contracting is a good tool and that, while cumbersome, it is beginning to gain momentum and mature. We see Stewardship Contracting as an excellent opportunity to engage agencies and communities in forest restoration and look forward to working toward the fulfillment of Stewardship Contracting's goals:

- To work within a Collaborative Process,
- To offer Multi-Year Contracts so that predictable work is available to contractors and industry,
- To utilize Goods to “pay” for Services in order to accomplish more work on the ground,
- To make decisions based on Best Value Contracting criteria,
- To Increase Local Benefits of forest restoration,
- And to allow for Designation by Prescription and Description.

**Northeast/Lake States Regional Stewardship Contracting
Multiparty Monitoring Team
Fiscal Year 2009 Report**

In preparing this report the Northeast/Lake States Team considered information from a number of sources including, but not limited to:

- telephone interviews conducted with Forest Service personnel, community members, contractors, and other project participants in a stratified random sample of existing stewardship contracting projects;
- team members' own personal observations of and experiences with stewardship contracting, including a November, 2009, team site visit to the Wayne National Forest; and
- a review of previous years' monitoring reports.

I. Situation Statement

There are a number of robust, collaboratively developed and implemented multi-dimensional stewardship contracting projects and agreements either in progress or completed in this region. Several of them have been featured as “success stories” in this and previous annual reports.

Overall, however, the use of stewardship contracting is growing slowly here, with many districts still working on their first projects. It might have been expected that this delayed start would give the region an operational advantage, sparing it the growing pains of dealing with a new and unfamiliar management tool and enabling project managers to benefit from the “lessons learned” in other regions that have used stewardship contracting with increasing frequency and skill over the last ten years.

Unfortunately, lessons learned elsewhere generally have not been widely shared. **Many agency personnel in this region still report limited knowledge of and/or experience with the underlying philosophy of stewardship contracting and the broad range of special authorities** made available in its enabling legislation.

Increasingly project managers define stewardship contracting solely or primarily as a funding mechanism – “goods for services”. Non-Forest Service respondents (contractors, community members, state agencies, etc.), on the other hand, usually focus on the specific work that gets done on the ground and its benefits to the community. The importance placed by the agency on the goods for services authority negatively affects field staff perception of the usefulness of stewardship contracting as a whole – both when timber values are depressed or (in this region particularly) when the tree species offered for sale in their area retain their high value even in a generally poor timber market.

Most agency training programs now focus primarily on contract negotiation and administration. Having not participated actively in the start-up phase of stewardship contracting when today’s operational guidelines and contracting procedures were being developed, agency interviewees in the region express frustration at now being required to implement projects using a tool that doesn’t seem to have been fashioned to fit their needs. As one respondent summed it up:

In ways and at times, stewardship contracting could be very good, but there shouldn't be a nationwide mandate to do [it]. Here we have a viable, thriving timber industry. We don't have a small understory fuels problem, and our timber sales don't go "no bid". We don't have the same conditions here as you have in the West. Here the stewardship contracts are in direct competition with our standard timber sales.

Field personnel also chafe at agency-imposed limitations on the types of service activities that can be undertaken. **Restrictions on recreation-related activities particularly are perceived as significantly and unreasonably limiting the usefulness of stewardship contracting** in this region, and inconsistently applied restrictions on other types of activities have also drawn complaints. One respondent remains hopeful that some relief will be forthcoming:

We proposed several other projects – installing bear-proof dumpsters, an ADA-accessible hand pump, water quality improvement along a cold water fisheries by replacing culverts, and potentially clean-up from the harvest. None of these projects was approved by the region. Now some of the authority is coming to the forest supervisors so that we can be considering the resource on a local scale and the supervisors can make local decisions to apply stewardship on a project-by-project basis....Then we can do some ADA work, address wildlife habitat issues, etc. Then we won't be nearly as limited and will have more opportunities.

Frontline staff members' lack of skill development and experience in collaboration has been a continuing problem, and forests or districts trying to implement stewardship contracting without benefit of those skills are definitely disadvantaged. For example, a

manager interviewed about his forest's first project said “*there were some regional targets [for stewardship contracting projects],*” and a timber harvest with associated work to create the conditions needed for a silvicultural research effort was deemed to “fit the bill very nicely.” Collaboration relative to the project meant “*working with outside interests to refine the activities that would take place and the methods to use, and a good discussion on the desired outcomes of the project.*”

A state agency researcher interviewed defined collaboration as “soliciting input to affect the outcome” but said, “What we did was solicit input on the whole thing after it had been defined without [the community’s] input.” Asked to rate the level of local support for the project, they said, “I don’t know, but I do know they’re not happy with the firewood restrictions... People won’t be able to gather firewood [on the research sites] for 50 years.”

The local contractor (who employed a crew of six to complete the job) said having to tell area residents that they couldn’t take any firewood off the site made him “the bad guy.” “[The Forest Service] should have went out to like a town board meeting and stuff like that and asked the community what they would have thought of it, trying to get the community involved a lot more.”

This was not an isolated incident. In at least four of the 12 projects monitored this year, definite communication- or collaboration-related failures or misunderstandings between the agency and community members or between the agency and the contractor were reported. In half of the projects, the project managers were unable to identify any non-agency individuals involved in the projects other than contractors and subcontractors.

The region places considerable emphasis on partnerships, and that has contributed to its considerable success in engaging communities of interest (especially those represented by conservation and forest user organizations such as The Nature Conservancy, the National Wild Turkey Federation, and the Ruffed Grouse Society) in its work. In monitoring interviews conducted over the last three years, however, **communities of place have consistently been shown to be much less engaged than communities of interest.**

When people participate, they expect to have a voice – more access to and influence upon decisions. **Community members and other stakeholders are often unclear about the available decision space, and unmet expectations can adversely affect future willingness to participate.** One local non-profit representative who was active in collaborative group meetings for over a year, recalled:

[The] incentives [presented in our orientation to stewardship contracting]...were very good – giving back to the community because you are taking resources off the ground. [That commitment] needs to follow clear down through [the process]... The timber removal was never out on the table to comment on that I’m aware of. It seemed like a done deal... I met with the Forest Service [recently]... and was told then that all the revenue (which would not be much) would stay within the Forest Service to re-do improvements they had... Without a doubt, my optimism was turned to disappointment. I think if the Forest Service called me again and asked me to come to a meeting, I would probably go, but I would just be so guarded [in my expectations].

II. Responses to Specific Forest Service Questions

A. What are the predominant problems in engaging communities in USDA/Forest Service stewardship contracting projects? What are the team's suggestions for improving the current situation?

In addition to the problems addressed in the foregoing Situation Statement, three others need to be mentioned:

Time – The team has expressed concern in previous years about the lack of time the Forest Service staff in the region have available to devote to work with communities and other stakeholders in developing, implementing, and monitoring stewardship contracting projects and agreements. This year that problem has been exacerbated by the additional time required to get American Recovery and Reinvestment Act (economic stimulus) projects up and running.

Project delays – Because of the generally depressed timber markets, many contractors have delayed harvest activities, hoping for a price rebound. This usually means service activities are similarly delayed, which is understandable but still frustrating for communities which advocated for those activities.

Administrative complexity – Whether perceived or actual, complexity in stewardship contracting is often cited as a reason why agency staff are resistant to doing stewardship projects. For instance:

- *I always liked the idea, but the process was intimidating at the beginning. It isn't as effective as I had hoped it would be – because of the slowness. There is market related slowness, but also internal Forest Service resistance. We aren't jumping on to this stuff like we could.*
- *I think once we get a handle on really understanding the process – putting the contracts together with the timber sale embedded – it will be easier. We're so new to it.*
- *There is some skepticism because of the time it took to prepare the project. We're in a learning curve kind of deal. There are some folks who are really enthusiastic, and some folks who see stewardship contracting just as extra work.*

Recommendations

The team has made these recommendations before, and we now make them again – with an increasing sense of urgency. We believe the stewardship contracting and agreement authorities are not being used to their full potential, and with the current authorization expiring in 2013, there is little time remaining to demonstrate the agency's willingness and capacity to do so.

1. Immediately and intensively begin remedying the lack within the agency of necessary skill development and experience in collaboration. The underlying goal of stewardship contracting is to create a new, collaborative relationship among agencies, communities of place and interest, and capable contractors to achieve the desired, beneficial end results. The Department of Agriculture aspires to be an “all lands agency,” with the Forest Service providing leadership in landscape-scale restoration across ownership boundaries. Agency personnel know that in order to reach such goals they need to increase greatly their comfort with and competency in collaboration.

- *We kind of collaborated because we had to – It was more like “What do you think of this?” ...We collaborated out of the need to. Fortunately we’ve gotten a little better since then.*
- *It really wasn’t that bad. No one bit our heads off. We need to improve it in the future.*

Skill development is not intuitive. It begins with leadership, and district rangers will be key to its success. They need to lead their staffs into the process, set an example, and create positive incentives for effective performance. Wherever possible, non-agency participants who will be engaged in collaborative processes with the agency should be included in the training, and their achievements should be acknowledged and honored as well.

The collaborative approach used in stewardship contracting and agreements, coupled with increased management flexibility and a broader array of tools and authorities to work with, opens the door to better communication and more productive relationships with communities and other constituents. Improved public understanding of national forest management issues commonly translates into more public support for addressing those issues.

2. Restore the operational flexibility that was made available through the enabling legislation for stewardship contracting but that was subsequently restricted or removed through agency administrative direction. Flexibility and adaptability are key to the survival of stewardship contracting. In this region, the restrictions regarding the use of stewardship contracting for projects related to recreation and/or heritage resource protection have been particularly burdensome.

3. Minimize the internal and external “overhead burden.” Agency personnel, contractors, and project partners alike continue to raise concerns about excessive paperwork, complicated and time-consuming procedures, and inefficient use of resources. To make stewardship contracting work, contractors and agency personnel must think and act differently than in the past. There is not an adversarial relationship based on agency enforcement, but rather a joint effort to accomplish agreed-upon end results.

4. Improve the extent and frequency with which “lessons learned” in stewardship contracting are shared among agency personnel, communities and other stakeholders, and contractors. Wheel reinvention is frustrating and wastes valuable time for Forest Service employees and communities embarking on their first stewardship projects. The agency can facilitate the increased use of stewardship contracting and foster more project successes by sharing widely and in a timely fashion the relevant experiences and lessons learned that continue to emerge around the region and the country.

B. What successes have emerged within the region for engaging communities in stewardship contracting. What fostered those successes?

The **Brush Hollow Biomass Project** stewardship agreement between the Kane Area School District and the Allegheny National Forest signed in November, 2009, has four major components:

- reduction of hazardous fuel loads comprised of wind-thrown timber downed on approximately 500 acres of the ANF during a 2003 windstorm;
- silvicultural treatments to promote reforestation/restoration of the area;

- “hands-on” educational opportunities for students in the Kane Area High School’s forestry program; and
- production of wood chips to fuel the biomass heating systems at both the high school and the Elk Regional Health Center (ERHC).

The school district put \$503,055 of district funds into the wood-burning, hot-water heating system project at Kane High School. To that, the Pennsylvania Department of Environmental Protection added a grant of \$250,000, and the Forest Service provided \$355,000. The district estimates the projects will be recouped in eight years through the savings realized by the switch from natural gas to wood chips as fuel. ERHC saved more than \$94,000 in fuel costs in its first 6 months of operation at their Acute Care Facility, and last year the biomass heating system was extended to the center’s Long Term Care Facility. Total heating costs savings at the two ERHC facilities are projected to exceed \$300,000 annually. A local company has the contract to provide the wood chips from Brush Hollow for the high school and ERHC, so the estimated \$89,000 spent annually to purchase the local wood chips will stay in the local economy.

The Allegheny began training its personnel in stewardship contracting in 2004, and awarded its first stewardship contracts in 2008. While it took a year longer than estimated to bring the Brush Hollow Biomass Project to fruition, Dr. Maryann Anderson, superintendent of Kane schools, hailed it as a “win-win” agreement for both the school district and the Forest Service.¹

The **33-Nelsonville Bypass Timber Removal** agreement between Hocking College and the Wayne National Forest was developed in 2006 when the Ohio Department of Transportation wanted to begin construction of an 8.5-mile, four-lane section of US Highway 33 bypassing the city of Nelsonville, OH, (where Hocking’s main campus is located) but passing through intermingled sections of private and national forest land. In this project, timing was critical. The administrators of Hocking’s forest management program and the forest supervisor and Athens district ranger of the Wayne NF had to find a way to mesh the ODOT construction schedule, the availability of various contractors and volunteers, the class schedules of the Hocking students who would be involved, and the roosting and maternity periods of the endangered Indiana bat.

Building on the existing excellent working relationships between key Hocking and Forest Service officials, difficult issues (such as bonding) were resolved, and the project was accomplished. Hocking – a public, open access technical college – recruited and hired several local logging and construction contractors to conduct harvesting, crop tree release, access road construction, and other major project activities, and students in the college’s forest management and heavy equipment programs gained valuable “hands on” experience working with them. Other project activities included gate repairs, the construction of a “bat condo”, installation of highway crossings for snakes and other small species of concern, and a “native plant rescue.” The latter was carried out with the help of volunteers from Rural Action’s Appalachian Resource Center, Native Plant Rescue, Ohio University, and others. Thousands of important medicinal and native plants were salvaged from the highway corridor. Plant beds were built at the Athens Ranger District Office. Some plants will be

¹ Publisher, “*Pact ensures wood chips for heat at high school,*” Kane Republican, Kane, PA, November 23, 2009.

maintained there so that they can be integrated into the Wayne's public education efforts and their seeds harvested and used in future restoration projects on the forest. Some salvaged plants were transplanted into young, disturbed forests on the Wayne NF to increase species diversity, and some went to the Ohio Governor's Heritage Garden.

Recommendations

5. Encourage innovation and creativity. Projects in which communities are the most positively and enthusiastically involved often are using stewardship contracting's various special authorities to enable them to implement "outside the box" approaches to meeting unique community needs.

6. Agency participants need to be able to take the time to build collaborative community relationships as part of their job, not as another add-on to it. Effective community engagement not only contributes to better projects, but also increases community/stakeholder support for the agency's work and enhances local "ownership" of and investment in it. Successfully pulling together the many components of the Brush Hollow and 33-Nelsonville Bypass projects required significant investments of time on the part of not only the agency, but also the communities involved. With tight budgets and reduced staffing, everyone's plate is full these days. Successful projects result when those involved decide to make a bigger plate.

C. What are the major perceived benefits of Forest Service stewardship contracts to communities within the region?

Specific project outcomes – "getting work done on the ground" – continues to be the benefit cited most frequently by Forest Service personnel, community members, contractors, and other stakeholders alike. Job creation and other economic benefits also are highly valued in these times of economic stress.

Recommendations

7. Continue the annual telephone survey programmatic monitoring process for another two years, and supplement it with a number of in-depth case studies. Sound data is important in documenting the community benefits of stewardship contracting, so the team believes the current survey monitoring process should be continued (using the same research design) for another two years in order to have a five-year data set from which trends can be identified and measured.

Case studies would be an effective means by which to examine a range of projects and determine how their participants and stakeholders define success, how they work to achieve it, and how and to what degree community engagement contributes to on-the-ground accomplishments. What kinds of collaborative processes are working? How many people have participated, and from what stakeholder segments? What, if any, is the relationship between the level of community involvement and the degree of community benefit that results?

Thank you

The Northeast/Lake States Regional Multiparty Monitoring Team appreciates the opportunity to provide our assessment of stewardship contracting as it impacts local communities, and to contribute our recommendations for actions to further improve the use of this important management tool. If you have questions or need further information about any of the points in this report, please do not hesitate to call upon us.

**Southeast Regional Stewardship Contracting Report
Multiparty Monitoring Team
Fiscal Year 2009 Report**

Prepared by Carla Harper, Pinchot Institute Representative

Executive Summary

After formal experimentation over the last decade, Stewardship Contracting is now being viewed by Washington, DC based decision makers as the future of vegetation management, with the 2013 reauthorization date reportedly being moved to 2010. The US Forest Service leadership has directed staff to begin refining stewardship contracting instruments once again with an aim toward one “vegetation management” contract. The Stewardship Contracting authorities, designed to foster community wealth and forest health in rural places, have not taken hold in the way Congress and their co-creators imagined. Less than five percent of existing work is under a stewardship contract, leading some in power to question why it is not being used more across the system.

Some partners wonder where they fit into the reauthorization process, and hope for an invitation to help prepare the stewardship contracting story for Congress, OMB, and the special interest communities. As with implementation of Stewardship Contracting, engaging partners will continue to be important.

Internal barriers continue to involve a perception that Stewardship Contracting is too complex with limited pay-off. Sparse support and direction from the Washington Office, extra reporting, conflicting laws and policy, retained receipt policy, and the federal cancellation ceiling policy contribute to internal hesitancy. From the business perspective, stewardship too often presents complicated combinations of service work and tree removal, making the bid process risky. In addition, the downward spiraling market in all related sectors has hurt businesses and made them more leery of work that present unknown risks. From a community standpoint, stewardship’s absence from the twenty-five percent fund has become an issue.

In the Southeast, Stewardship Contracting is advancing due primarily to partnerships and in some cases formal agreements with conservation partners such as National Wild Turkey Federation. Region-wide, Master Stewardship Agreements seem to represent the future of Stewardship Contracting and the leading method for achieving the habitat work so popular with the public, agencies, and conservation groups.

2009 Regional Team Meeting Overview

*SC is used to reference stewardship contracting in all tenses.

An evaluation of “the role of local communities in the development of stewardship contracts and agreements” is conducted annually to assist the U.S. Forest Service (USFS) asses their progress, and report back to Congress. This report synthesizes the findings for 2009, based on survey of a twenty-five percent random sample of all projects in Region 8 (13 in 2009), and input from the Southeastern Regional Stewardship Contracting Team gathering.

This year's meeting occurred in Laurel, MS, hosted by the Desoto National Forest, Chickasawhay Ranger District. The group met in the historical Rogers-Green House and toured District sites under management with Stewardship Contracts (SC), as well as shared in a lunch with partners to discuss the local work further. This District has demonstrated excellence in many areas, especially partnership including National Wild Turkey Federation (NWTf), US Fish and Wildlife Service, MS Department of Wildlife, Wild Law, University of Southern Mississippi, Laurel Garden Club, Southeastern Bat Diversity Network, MS Power, Quail Unlimited, MS Natural Heritage program and many local businesses.

Now in its fifth year, the project has survived clean-up and salvage from Hurricane Katrina and continued invasion of Cogon grass to improve habitat for amphibians, reptiles, sensitive bats, the gopher tortoise, RCW, quail, lake fisheries, and wild turkey. Accomplishments include, 1650 acres of commercial thinning, 2650 acres of mid-story reduction, 41 acres of noxious weed eradication, and 1.2 million in receipts.

Their success was evidenced by the incredible showing of partners at the Laurel session, each telling a positive story about work with the Chickasawhay. As "conservation minded women," the Laurel Garden Club, after being inspired by the Garden Club of America's Partners for Plants program, approached the District Forester, who willingly partnered with them to launch a Cogon grass mapping effort. The local university met with the same enthusiasm when they wanted to study bats, restore wetlands and an ephemeral pond. They now hold "class rooms in the woods." A local mill representative spoke of their role, not in the traditional processing of timber to product, but in the service side of the habitat work positively. "We are in business to make money and stay in business and were glad to have the work," he said.

The positive attitude and success of the Chickasawhay SC has spread beyond the District to some purchasers previously opposed to the concept, and the receipts are benefiting habitat on neighboring forests including the Bienville. The Chickasawhay Ranger District is already planning the next 10 year SC project for their region, representing 18 MMBF, and close to 1.5 million in additional excess receipts.

The District Ranger clearly sees the benefits of SC, both as a tool and having a good system for keeping the public involved. He made concerns for the decline of a species, as the result of overstocked pine, the launching point for collaboration that has led to a successful SC and many improvements on the ground. In describing his approach, he says, "It is not normal scoping; we framed things differently by focusing on desired future conditions, and did a bit of education."

This year's discussion was enriched by the participation of numerous staff from the Mississippi National Forests, including Forest Supervisor. The USFS Washington Office Director of Forest Management joined the meeting as well. Thirteen partners in stewardship with the Chickasawhay District plugged in for a lunch discussion on the second day.

A Brief Overview: 1986 - 2010

Section 347 of the FY1999 Omnibus Consolidated and Emergency Supplemental Appropriations Act (*P.L. 105-277*) authorized the USFS to implement up to 28 Stewardship Contract (SC) pilots. From 2003 – 2005, the Bureau of Land Management (BLM) and the USFS awarded a total of 535 SC, with the number increasing each year from 38 in fiscal 03 to 172 in 05. In 2009, the agencies report a combined 418 active SC projects (BLM = 69 and USFS = 349).

The concept of SC began around 1986, with several projects named in the early 1990s, on the Kaibab and Dixie National Forests as an experiment with single entity, ten-year timber contracts. The vision then and now remains comprehensive ecosystem treatments, administrative efficiencies, and opportunities for positive economic impacts within communities. Collaboration and work with partners is a heavily emphasized key to SC success. SC is most useful when a component of trees with value are “traded” as off-set for the costs involved with other tasks, such as biomass removal, road work, noxious weed treatments, and so on.

SC legislation bundled a package of new and old tools:

- Best value contracting made mandatory the consideration of factors such as the contractors’ prior performance, experience, and skills. Cost is still a factor in the decision, but need not be the primary one.
- Multiyear contracting allowed service contracts embedded within a SC to run for up to 10 years. **New authority*
- Designation by description or prescription allowed agencies to contractually describe the desired on-the-ground end result of a particular project, while giving the contractor operational flexibility in determining how best to achieve that result. **New authority*
- Award through less than full and open competition allows agencies to award sole-source contracts, give preference to “local” contractors or HUB-zone contractors, etc.
- Trading goods for services permits an exchange or trade of goods, i.e. “the value of timber or other forest products removed” for services. This is especially helpful in conditions where most of the needed tree removal is of very small, low value material. **New authority*
- Retention of receipts permits the agencies to collect revenue from project contracts and hold it locally to contract for other needed land management activities such as road decommission, weed control, etc. within borders of an entire unit, and even neighboring units.

The program continued to expand in size following passage of subsequent Interior Appropriation Acts (*P.L. 106-291* and *P.L. 107-63*). By FY 2003, the following occurred:

- Authorities were extended to 2013
- Number of project limits were removed
- Removal of commercially viable trees as an objective of forest health prescriptions was formally included
- Authorities were extended to the BLM

SC has been closely monitored for abuses over the last ten years, informally by professional environmental organizations and formally through the work of The Pinchot Institute, internal agency tracking, and via two GAO audits. No evidence exists in any area that the tools have been abused in any way.

The BLM and USFS are being asked now by the administration and Congress to provide input on the reauthorization of SC. Some predict that a reauthorization and possibly a reconfiguration will occur in 2010, not 2013. Both agencies are analyzing existing barriers to SC that might need to be addressed through a reauthorization process. The USFS Chief has requested an internal review of the existing contracts in use, with a goal to develop a single blended contract rooted in the procurement side of the agency, thus guided by the Federal Acquisitions Regulations (FAR). Many believe these regulations provide the flexibility needed to truly conduct long-term stewardship work.

A debate is developing over whether to focus on SC as just one tool in the management bag, along with traditional timber sale contracts, or move toward exclusive use of either some new, hybrid contract or the existing Integrated Resource Contracts, available as either timber or service focused. Another option rests with further developing agreements with partners. All agree that the final instrument should be more streamlined than current packages, possibly resembling state contracts, which are short and to the point, often requiring payments and cutting with designated time lines, regardless of market changes. Many provisions that currently make for cumbersome contracts are added to protect both the government and business.

Some managers and external observers report that SC has already become the “tool of choice.” This idea is met with mixed feelings. Some like the long-term, landscape emphasis of SC, and see it as a way to escape the negative connotations timber sales have with environmentalists. Others see no reason to artificially limit the available tools.

Barriers, Benefits, and Opportunities

The Congressional intent behind authorizing the SC tools was a desire to benefit communities. Unfortunately, there is not a lot of evidence pointing to large scale community benefit within any key parameter: social, environmental or economic. In the southeast, SC has taken off in pockets and where it has been successful once, more are initiated. Yet, the majority of forests have either tried it only once or not at all.

SC is a useful tool for places where government, business and community work together around a common goal such as habitat improvement. In places where desire, reason and the free market are combined, the twin goals of SC are realized: community and land health. Reason involves thoughtful, grounded science applied to achieving better land conditions desired at a broad community level. Government can facilitate the innovation and flexibility needed to carry out the work needed.

As a case in point, using an agreement between the NWTF and USFS, a sensitive Red-cockaded Woodpecker (RCW) area in Texas was treated following Hurricane Ike. The downed timber had to be removed, and it had to be accomplished prior to the RCW spring breeding season, otherwise the value of the timber would be lost. The NWTF with support from corporate partner, Georgia Pacific, put three contractors on the project the day of the award and in a nine week period, over 33,000 tons of timber was salvaged.

The work was done with full concurrence from the US Fish and Wildlife Service. Intervention on the part of the Regional Office enabled the work to move ahead, proving that interaction between field and region helps. It also illustrated that partner organizations like NWTF are nimble in ways not possible for government alone. The work would not have occurred in the timeframe needed had the agreement not been in place.

Semantics: Timber Sale or Stewardship Agreement

Many of those who want to achieve the land health and community wealth promoted by one administrator after another have begun to question the semantics of forest management. Distrust remains deep in some circles, including internally, evidenced by derogatory use of terms like “timber beast,” “get the cut out,” and even “timber sale.” “Clear cut” is still understood by a majority of the public to be a malicious method for foresters to harm the environment.

While the “timber beast” has gone all but extinct, and “get the cut out” ended before many of today’s forestry professionals were even born, the timber sale remains. It continues to be the vehicle for removing wood, deemed valuable by the agency, because Congress continues to fund the agency primarily based on outputs and targets. Field people are told to enhance and protect ecosystem values, ensure “climate change resilience”, yet do so with the very methods a vocal segment of the public distrusts. Add to this, new initiatives and pet policy introduced with every new administration and the end result is dissatisfied watch-dog groups and the public as well as continued declines in land health and community wealth.

Is there need for a change in terms? “Get rid of anything that looks and smells like a timber sale,” says, a veteran industry forester and manager on the original SC back in the late 80s. One manager in the Laurel discussion said, “We got appealed on everything, until we stopped talking about taking logs to a mill.”

The words “timber sale” carries a very different connotation than “stewardship agreement.” Both terms and public reaction to them represent thought patterns developed over just the last ten to fifteen years. Where a demand for consensus-based collaboration exists, it appears to be primarily about distrust, and comes from organized groups that use appeal and litigation to stop projects they do not like. Some, including a few agency managers, believe that if the USFS is left to its own devices, there will be a quick return to timber sales aimed at commodities, rather than stewardship projects for ecosystem restoration and fuels reduction.

A trained forester and mill owner said this in an interview:

“Doing stewardship contracting is the best public relations available to the USFS. It gives the people who live in and around these forests hope, because they have watched wildlife decline and the loss of early succession species for many years, all because the USFS stopped managing in order to argue with the environmentalists. We must return to the use of common sense. Stewardship is the right thing now and in the future.”

The excitement around SC in the region has been generated by habitat improvement. Wildlife biologists and conservation groups are the biggest cheerleaders for SC. “Anything habitat is very positive,” many say. Biologists involved in SC, often mention that the tool should get more publicity. Belabored foresters say, “You get a lot more people on your side, if you have NWTF and The Nature Conservancy endorsing the project.” While mostly semantics, SC does generate more public support, in general, than the traditional timber sale, even though the work, and end results may be exactly the same. The excitement for biologists and wildlife enthusiasts has come from the extra funding channeled into habitat projects via SC.

A team member, adds, “Under a timber sale, the “extra” stuff, like stream work, control of invasives, etc. often never got done. The logging ALWAYS got done, but the money for the rest often got siphoned away, usually to more logging in a later project or to fire suppression once the fires started in summer. SC and its mechanisms have done a MUCH better job of ensuring that the money for things other than logging actually got spent on those things. Failure to do the non-logging work is rare in SC; it was all too common in traditional timber sale contracts. When done right, yes, the timber sale could do the exact same work as a SC, but I rarely saw it happen ... until the timber sale contracts were themselves placed under some other form of an ecosystem mechanism, usually a forest-wide restoration plan. But standing alone, a timber sale contract has little to no assurance of doing ANY of the good, non-logging work. A SC has a high degree of assurance.”

Replacing the timber sale program and the old contracts with a stewardship program and stewardship agreements or contracts is about removing the perception of commodity as driver. This argument is tempered by the fact that thousands of timber sales are awarded each year, providing wood to value-added and structural mills, but has become an almost irrelevant point when listening to both managers and externals talk.

The point is not to stop removing wood, whether it has a commercial value or not, but to stop trying to pour new wine into old skins. The thought process has been inverted. Managers cannot think about a timber program to provide raw material for the economy or to meet targets, but instead must consider what the land needs according to a plan acknowledged by communities of place and interest. Removing trees is part of the implementation, not the driver. Land managers should define the desired outcomes, and ask contractors to respond in a detailed technical proposal. The process for bidding this way is admittedly harder for contractors, but some believe will eventually result in best value all around.

Returning money to the treasury and supplying commodity to the national economy is no longer an objective for public land management. Congress, the last three administrations, the Departments, agency leadership, powerful environmental groups, and the public in general support this statement. Yet, Congress has not changed the measures of success and reward. Industry representatives at the Washington level have not conceded to a new set of tools. The agencies have not previously been given direction to develop new tools for new objectives. SC talks the talk, but fails to walk the walk in that the new authorities are overshadowed by a host of conflicting laws, policy, and agency culture.

The Role of Agreements with Conservation Organizations

The development and use of agreements in partnership with conservation groups represents the real growth and the future of SC. In fact, The National Wild Turkey Federation (NWTf) and Rocky Mountain Elk Foundation (RMEF) appear to be responsible for the expansion of agreements nationally. With the help of interested Regional Offices, a number of regional umbrella agreements now exist and include annual operating plans based on landscape goals from which projects can develop. Regions 3, 4, 6, 8, and 9 of the USFS have agreements in place.

In the past, each forest had to build their own and it became cumbersome. The Master Stewardship Agreement authorizes the Forest Supervisors to use a Supplemental Project Agreement (SPA) to award projects. The SPA incorporates the provisions of a CCS and IRTC or IRSC into a single document and enables projects such as long leaf or RCW restoration, fuels reduction, or storm recovery to move quickly. To date, four Region 8 forests have taken advantage of the opportunity.

How to most effectively use agreements is still evolving. Some managers report that agreements are being treated too much like contracts e.g. using TSA accounting systems and requiring partners to pay up front for timber even though the money is refunded eventually as the service work is completed. This timber sale contract requirement forces partners to tie up large amounts of capital and often wait long periods for reimbursement.

NWTf has been a clear leader in the development of SC in Region 8 since the pilots. With staff grant writers and large memberships, they expand public involvement, outreach to landowners, leverage of dollars, and even entrepreneurship in ways the agency can not. They get involved in all aspects of SC including monitoring, collaboration, bidding, training etc. because their mission is habitat improvement, and they see SC as a clear means to that end.

Twenty-two biologists are employed nationally in support of the NWTF mission. Seven are in cooperative positions with the USFS and other entities for the expressed purpose of advancing SC. NWTF estimates the 2008 value taken advantage of the opportunity.

The NWTF would like to see a SC on every District, but their policy is to introduce SC to Rangers with an offer to help coordinate at all levels. They stay only where wanted, acknowledging that managers must see the potential benefits, and if they don't want to do it, the results will be poor. Those that have accepted the offer usually want to continue the relationship. One said, "NWTF brought volunteers, and they used the project and monitoring to tell people a story." NWTF broadens opportunities for those forests engaged with them through SC. They tend to be a magnet for additional partners and positive press.

Internal Barriers and Solutions

The Laurel meeting benefited from the presence of managers at all levels, from NFS Forest Management Director to the Forest Supervisor and all other levels through field technicians. It allowed for a meaningful dialogue between those sold on SC and those still apprehensive. Much of the apprehension stems from a fear of harming government interests, another initiative with little pay-off, and complex procedures hard to learn. Proponents argue that it is a phenomenal tool that allows accomplishment on- the-ground without relying solely on project funds, including creation of jobs for the local community and improving habitat conditions. Most agree SC will be a common tool, in the right places.

When managers can share habitat improvement plans and actual implementation with the public, their ratings go way up. Most admit that they would not have done it had it not been somewhat forced. The extra paperwork and learning curve are frustrating, and for some an impediment to further use, but for those that have seen positive results, it is worth the trouble. For example, forests or grasslands without much of an existing timber program gravitate quicker to SC, because KV is not so readily available. A small SC can generate a pool of funds to conduct work across an entire unit, where none had been available before.

The most common story is one where an initial, small SC was used to test the waters and build partners. If the "test balloon" project went well, SC morphed into larger projects with broader outreach, expanding partnerships, and more acres treated. As usual, success breeds success. A USFS regional stewardship coordinator and contracting officer, says that most don't understand what they get for the upfront costs. He and believe that using SC has bought them expanded capacity in terms of leveraging dollars and treating the land. Much of their success is clearly associated with the District Ranger's positive leadership, and a "can do" attitude among staff. They have used SC as a means to achieving and exceeding their targets and in the process expanded partnerships and increased their receipts.

Resistance among managers was best summarized by a Ranger who said, "If everything is important, nothing is important." Rangers must see SC as a method for leveraging dollars, or else it is a hard sell. SC has been viewed as just another target being pushed on them and prefers it remain a tool only, with some streamlining on the paperwork side. Some have checked off the SC box in hopes of being free to go back to their usual work saying, "We did a stewardship contract, just for the sake of saying we did it."

The use of retained receipts has always been an important and often confusing topic for managers and partners. A perception prevails for many that Knutsen-Vandenburg Funds (KV) is a more satisfactory way to achieve service work.

Line officers don't like the loss of KV when goods are traded for services because, unlike SC receipts, KV pays for salaries. Some feel these restrictions placed on the retained receipts, as a matter of policy, in effect holds the funds hostage, therefore excluding good opportunities. The primary differences between KV and retained receipts include the following: KV is subject to cost pools and the 34 percent overhead charges, and must be used within the original project area, but can be used to pay personnel. Retained receipts may not be used for personnel, but can be used anywhere on a forest or even adjacent forest, and are not subject to usual charges.

Another technical barrier to larger, long-term projects that has not been solved involves cancellation ceiling requirements, triggered when bidders indicate a need to invest in new infrastructure in order to carry out a contract. The cancellation regulations require the government to hold, in a sort of escrow, the funds needed to essentially pay back private investors, should the government default on the contract. It is something of a reversed bond, which sucks the budget of a Region dry quickly. The USFS has sought a Congressional waiver as well as permission to move greater sums of money across budget line items to alleviate the obstacle.

Support is in top three success factors from region through supervisor's office. If there is reluctance at the supervisor level, districts tend to find SC not worth the trouble. Beyond line officer encouragement, the next biggest factor is willingness of contracting officers from the two different worlds of timber and acquisitions to work together to sort out questions and issues. Some will do this, and some will not. There are parts of the USFS system where SC has been abandoned because of contracting officer refusal to work with the managers. This could be fixed by encouragement from leadership and/or a national list of contracting officers willing and able to trouble shoot problems, including attitude softening amongst their colleagues. As stated at the meeting, "Contracting Officers must trust each other and know rules, but more often than not, they don't know each other."

A perceived complexity and risk associated with SC matched with a lack of support and clear direction deters many. None want to inadvertently break any laws or create risk for the government while developing SC. "We are taught not to take any undue risk; to develop bullet proof NEPA," said a Forest Supervisor. Regional and WO support and direction has often been slow to materialize and in some cases out right discouraging. One particular Ranger noted that their success with SC included the development of partnerships, but that it did not come easy. When crafting her first SC, she went to the Region for advice but received none. Yet, a few months after awarding the SC, she received a lengthy overview of all the things she did wrong.

In addition to navigating extra paperwork, SC requires work to find a willing contractor able to do both timber removal and service work. This makes managers uncomfortable. "It is hard for me to know if we were getting best value," as one manager said.

A Forest Supervisor said, "Our people want to be on right side of right." She pointed out the lack of a barrier buster system. "There's no apparent place to go with problems." The fact that SC has not been clearly supported beyond the direction to go do them has led some to believe it is just another passing fad that may just fade away in 2013.

A partner from a regional conservation organization, agrees with the lack of clear direction and formal help, but claims SC is not as complex as some may think, and that a certain level of fear mongering has emerged among those who simply do not like the concept. Stories of how hard SC is to create and manage are not grounded in reality, according to him. The partner also says that SC should be integrated into the program of work as a way to get more done, not seen as something to do as an add-on; after all other work is completed.

NWTF worked with the FS in developing an advanced SC training package designed to work like a traveling “dog and pony” show to increase enthusiasm at the line officer level. It was unveiled at the NWTF convention in 2008, yet no Forests in R8 have requested the presentation. He feels discouraged that the USFS, from the Chief down have vacillated on SC over the years. In addition, the agency has provided little communication with partners regarding the action plan prepared by a high level team, with partner consultation in 2008. Washington Office, SC coordinator Tim Dabney has made progress and been very responsive to field level technical issues, though he is only one person.

The NFS Forest Management Director and his staff are mulling over ways to better market SC. Efforts to provide mentoring and training have not been well attended. They are also asking whether barriers to expansion of SC are cultural within the agency or the result of overburdened staffs with no time to learn anything new.

In response to concerns over complexity of SC and consternation over which contracting instruments and provisions to use, the NFS Director asked, “have we over complicated it, do we need to address every law on the books, must contracts be two-feet thick?” He went on to state that the provisions that make for such onerous contracts are in place to protect government or industry interests. Yet, in the case of USFS, there are no real risks to the government if NWTF or some other entity walks away from a list of service tasks. The government has paid them nothing, so stands to lose nothing. He concluded that if the end product is collaboration and the land, not commercial outputs, the agency does not need all the clauses within a SC.

Business Barriers and Successes

The issues faced by business and the solutions have not changed over the last ten years. The only difference now may be that industry veterans are saying things like, “this is the worst it’s been in 30 years.”

The typical purchaser of a SC does not own a mill, but may own equipment capable of handling service work. These operators put a lot of people to work, albeit usually temporarily. Most bidders are initially leery of the added service work, usually because they do not have experience with it, or claim the descriptions vague. Successful contracts have attempted to keep the service work straight forward, and added enough valuable products to make it worthwhile. In the Chickasawhay project, loggers have become front line fighters against Cogon grass as a result of service work within the SC. They have learned to identify Cogon and how to contain its spread by carefully cleaning equipment. In addition, some are spraying the private land they own and/or work.

A regional team member, reports that his council members dislike the excessive paper work associated with bidding on and managing a SC. Where desired, NWTF has actively worked with bidders either through training workshops and/or direct help with proposal development. In some cases, NWTF has bid on and managed projects. Where NWTF is present, reassuring operators that they have done it before and will help, interest increases. In a number of cases, the NWTF has helped

industry turn a corner in terms of willingness to bid on SC, by helping them focus on the opportunities versus the risks. The first SC is the testing ground; once one is completed successfully, they become less frightening to business, like the Districts. Most have found that getting local operators engaged early, ensures projects that receive bids and accomplish objectives.

Some managers complain that technical proposals are not always good. Pre-bid meetings are reported to help both bidders and agency. It gives a wide range of businesses from traditional timber guys to service contractors a rare opportunity to interact and learn from each other.

Bidders often say the product offered is not worth the value desired by the agency. Yet some bid anyway saying, "If I can at least break even, it's a good thing for my community." Even \$100,000 has a positive impact in a small community, trading five to ten times before it leaves. As one sawmill owner said, "Stewardship contracting is as good a stimulus plan as any for this rural area."

Too often, the businesses are not seen as partners in the same sense local governments, environmental or conservation groups are, but most are effective partners. They tend to know as well as the biologists, when forests have lost diversity, and they too want to see them restored.

Engaging Communities

"You need people; people give you strength. I thought they slowed you down, but without them we can't do anything."

– A District Ranger

Integral to SC is the notion that involvement with community representatives, both of place and interest, will lead to benefits for communities. Managers often struggle to discern at what point they have achieved "community involvement," or where desired, collaboration.

Learning the difference between scoping, partnering and collaboration is important for field level managers. Many have come to see NEPA as "harsh and in your face." In Laurel, a Ranger said, "There's arrogance in the usual cut and paste NEPA documents. It fails to convey the values people have for a piece of land." NEPA is a legal requirement, and the place to deal with appellants and litigants. It is not a place of partnering or collaboration.

Partnering and collaboration are close cousins often used interchangeable as terms to describe working with people as peers; "sitting down to see where they are coming from." It involves, "seeing people as assets versus problems," as described by a Ranger. Another Ranger says, "Collaboration doesn't have to mean consensus." Partnerships grow when the USFS has an attitude and working process that allows people individually or through organizations to contribute in some way to the formation and implementation of a project. This interaction between government and partner must be valued sincerely; not just a check off. It takes time; mostly in the form of keeping an on-going two-way communication, that acknowledges the fact that most people are busy. The environmental advocacy groups, Wild Law and Wild South, have become partners and even allies with those forests willing to work early in the planning stages of project development with them.

As the role of public forests has changed, managers have been forced to rethink their relationship and role with communities or become irrelevant. It's a shift from asking, "How can you help me," to "what can we do together." Experienced managers say it starts early with a type of rapid assessment, looking at maps and the Forest Plan around a table. This leads to more perspectives, more ideas and ultimately ownership and meaningful involvement in the actual work.

Another Ranger said, “When you want to begin one of these projects, get a loose framework of what you want to accomplish, but don’t make hard and fast decisions. Next, identify your stakeholders, and then fill the skeleton in with them.”

Stakeholders usually come from a small segment of easily identifiable groups: business, local government, state and federal wildlife agencies, environmentalists, and conservationists. Most individuals, and even contractors, want a chance to hear about a project and possibly take a field trip. Once they have stated concerns, support, or distaste, they do not desire further engagement in a process. A USFS person, who is an experienced SC developer, says some projects just lend themselves to collaboration because they emerge from a community issue, such as fire hazard reduction and the development of co-generation with a local power authority. Not all projects have this broad appeal. In fact, as he says, “most of what we do is neutral to the public; they don’t really care.”

In the absence of an issue naturally generating public interest, conservation partners like NWTF have proven invaluable because they bring volunteers and proponents through their membership. This local connection brings about a legitimacy, trust, and momentum hard to build in small rural towns. Cindy Ragland says, “Without NWTF I would not be here now. They had the capacity to deliver, where I did not. I faced tons of resistance to stewardship both from my staff, internally above me, and outside the agency. Now, after four years, I feel ready to engage in the true intent of SC.”

On the Daniel Boone NF, a SC project area is providing a place for extensive university research ranging from oak regeneration to the costs in biomass removal, American chestnut revival, gypsy moths, and bats. Eighteen researchers, including students, have on-going studies within the SC area. Three were interviewed who provided glowing testaments to the Daniel Boone staff and the benefits of SC to research and education.

For all SC projects, working collaboratively is a shared responsibility between agency and partners. Managers are learning to share both the responsibility and their decision space. There is also a balance between knowing when enough outreach and engagement has occurred versus waiting to pursue more. Initiating a SC is a tangible way to test the waters. For example, in one instance: “We started with one small project. Now, we have a much broader outreach and a huge project that is on-going. We had 50 people at the collaboration meeting ranging from NWTF, Wildlaw, local power company, landowners, logging operations – the full spectrum.”

There are many unfortunate stories nationally where a project with a great deal of support begins, but never reaches fruition because of outside political agendas. This is the case with a Tennessee project, now twice included in the random survey sample. The project began during the pilot phase with numerous partners due to combined restoration and historic preservation goals. The forest utilized a categorical exclusion under HFRA within the SC. The ensuing national controversy over the categorical exclusion led the Forest Supervisor to cancel the part of the project that would have derived receipts in order to restore a historical property along the Appalachian Trail. As a result the partners have fallen away and the SC has dissolved.

2008 Report Highlights are Consistent with 2009 Findings

The regional team meetings are opportunities to highlight progress and success stories as well as identify problems or barriers with constructive criticism for the agencies. In the final analysis, there is much overlap from year to year in comments. Here is a sampling from 2008:

- SC most popular as a means to improve wildlife habitat
- Some managers still reluctant to engage in the extra work required for SC; KV works for them
- Agreements gaining in popularity with active role played by National Wild Turkey Federation
- Steep learning curve for industry to take full advantage of SC opportunities.
- WO and Regions not absorbing lessons learned through partners and within their ranks
- Treating the tools like a program but not funding as such.
- It all rises and falls on leadership in the agency and often also from without. The successes have come from places where a strong leader exists both within and outside the agency.

Stewardship Contracting Brochure Available

Developed to help explain its benefits to units throughout the Forest Service, the brochure, [“Stewardship Contracting - Basic stewardship contracting concepts,”](http://www.fs.fed.us/fstoday/091106/03.0About_Us/stewardship_brochure.pdf) describes what stewardship contracting is, how the contracts are used, what is unique about it, how it works, and more.
http://www.fs.fed.us/fstoday/091106/03.0About_Us/stewardship_brochure.pdf

Appendix B: Data Tables

Table 1	Respondents' definitions of stewardship contracting.
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Table 1. Respondents' definitions of stewardship contracting.

	Total Respondents (n=226)	Agency Respondents (n=89)	Non-agency Respondents (n=137)
Work done on the ground	42.3% (96)	32.60% (29)	48.90% (67)
Trading goods for services	42% (95)	58.40% (52)	31.40% (43)
Community collaborative benefits	22.6% (51)	19.10% (17)	24.80% (34)
Contracting tool	20.4% (46)	25.80% (23)	16.80% (23)
Very positive/valuable tool	12.8% (29)	9.30% (8)	15.30% (21)
Don't know/unsure	5.8% (13)	3.40% (3)	7.30% (10)

*Respondents were allowed to provide more than one response.

Table 2. Changed views of stewardship contracting since involvement in project.

Changed views	Total Respondents (n=226)	Agency Respondents (n=89)	Non-agency Respondents (n=137)
Yes	36.3% (82)	44.9% (40)	30.7% (42)
No	59.7% (135)	53.9% (48)	63.5% (87)
Maybe	1.3% (3)	---	2.2% (3)
Don't know	2.7% (6)	1.1% (1)	3.6% (5)

Table 3. How has your view changed.

	Total Respondents (n=82)	Agency Respondents (n=51)	Non-agency Respondents (n=43)
More positive/encouraged	29.3% (24)	45% (18)	14.3% (6)
More complicated/more work	26.8% (22)	20% (8)	33.3% (14)
Understand it better	25.6% (21)	25% (10)	26.2% (11)
Positive about collaboration	11% (9)	10% (4)	11.9% (5)
Less optimistic	8.5% (7)	---	16.7% (7)

Table 4. Entity which initiated the stewardship contracting project.

Project initiator	Total Respondents (n=88)
Agency initiated	40.1% (36)
Joint	19.3% (17)
Disagreement:	
- Agency vs. non-agency initiated	5.7% (5)
- Agency vs. jointly initiated	28.4% (25)
- Non-agency vs. joint	4.5% (4)
- Agency vs. non-agency vs. joint	1.1% (1)

Table 5. Outreach methods used to involve local communities (n=88).*

Method of Outreach	%
Personal contacts	92% (81)
Traditional public meetings	89.8% (79)
Field tours	86.4% (76)
Direct mail	79.5% (70)
Collaborative process meetings	70.5% (62)
E-mail	67% (59)
Media	65.9% (58)
Presentations to existing groups	61.4% (54)
Presentations to other organizations	29.5% (26)
Other	1.1% (1)

*Respondents were allowed to provide more than one response.

Table 6. Participating entities and scale of involvement in stewardship contracting projects.*

Participating Entities	Scale of Governance				
	Involvement	Local	State	Regional	National
USFS (n=88)	100%	100%	6.8%	15.9%	6.8%
Environmental interests (n=72)	81.8%	100%	36.1%	26.4%	8.3%
Project contractors (n=72)	81.8%	100%	12.5%	12.5%	5.6%
State agencies (n=70)	79.5%	94.3%	47.1%	2.6%	---
Community business interests (n=61)	69.3%	100%	6.6%	1.6%	1.6%
Adjacent landowners (n=61)	69.3%	100%	4.9%	---	---
Local government interests (n=60)	68.2%	100%	8.3%	8.3%	1.7%
Wildlife and fisheries interests (n=58)	65.9%	100%	39.7%	17.2%	8.6%
Recreation interests (n=51)	57.9%	92.2%	19.6%	5.9%	---
Fire interests (n=47)	53.4%	100%	10.6%	6.7%	6.7%
Tribal interests (n=24)	49.4%	100%	11.9%	16.7%	---
Other federal agencies (n=36)	40.9%	100%	36.1%	30.6%	2.8%
Education interests (n=35)	39.8%	94.3%	20%	5.7%	2.9%
Right to access groups (n=17)	19.3%	100%	5.9%	---	---
BLM (n=15)	17.1%	100%	6.7%	6.7%	---
Other (n=33)	37.5%	100%	15.2%	6.1%	---

*Respondents were allowed to provide more than one response.

Table 7. Respondent definitions of “local” community.*

Definition of “local” community	Total Respondents (n=226)	Agency Respondents (n=88)	Non-agency Respondents (n=117)
County/counties	32.3% (73)	36% (32)	29.9% (41)
Communities around forest	21.7% (49)	22.5% (20)	21.2% (29)
Adjacent landowners	10.6% (24)	10.1% (9)	10.9% (15)
Watersheds/valleys	8% (18)	9% (8)	7.3% (10)
State/region	6.2% (14)	2.2% (2)	8.8% (12)
Collaborative group	4% (9)	3.4% (3)	4.4% (6)
Within 25-100 miles	4% (9)	10.1% (9)	---
Everyone not in the agency	3.5% (8)	5.6% (5)	2.9% (4)
Other (greater than 1 response)			
Contractors	2.7% (6)		
Tribes	2.2% (5)		
Forest users	2.2% (5)		
WUI	2.2% (5)		
Homeowners association	2.2% (5)		

*Respondents were allowed to provide more than one response.

Table 8. Role of local communities in stewardship contracting projects (n=71 projects).*

Role of local community	%
Comments and recommendations	92% (81)
Becoming informed	87.5% (77)
Representation of other interests	79.5% (70)
Planning and design	76.1% (67)
Public outreach and education	72.7% (64)
Development of alternatives	71.6% (63)
Implementation	69.3% (61)
Monitoring	57.9% (51)
NEPA analysis	47.7% (42)
Funding	46.6% (41)
Technical information	46.6% (41)
Other	5.7% (5)

*Respondents were allowed to provide more than one response.

Table 9. How respondents personally first became involved in stewardship contracting projects.

How participants become involved in projects.	Total Respondents (n=226)	Agency Respondents (n=89)	Non-agency Respondents (n=137)
Job	32.3% (73)	48.3% (43)	21.9% (30)
Bid on the project	15.9% (36)	---	26.3% (36)
Invited by agency	12.8% (29)	---	21.2% (29)
A problem to solve	12.8% (29)	25.8% (23)	4.4% (6)
Told to	7.5% (17)	19.1% (17)	---
Due to role in community	6.2% (14)	---	10.2% (14)
Live there/have property	3.1% (7)	1.1% (1)	4.4% (6)
Volunteered	2.2% (5)	1.1% (1)	2.9% (4)
Public meeting/press release	2.2% (5)	---	3.6% (5)
Previous experience	.9% (2)	---	1.5% (2)
Community pressure	.9% (2)	2.2% (2)	---
Were a pilot	.9% (2)	2.2% (2)	---
No response	2.2% (5)	---	3.6% (5)

Table 10. Reasons why respondents decide to be involved in stewardship contracting projects.

Reasons why participants become involved in projects.	Total Respondents (n=226)	Agency Respondents (n=89)	Non-agency Respondents (n=137)
Job	29.6% (67)	58.4% (52)	10.9% (15)
Get work done on the ground	25.2% (57)	23.6% (21)	26.3% (36)
Contracting business	14.2% (32)	1.1% (1)	22.6% (31)
Interested in SC tool	8.8% (20)	12.4% (11)	6.6% (9)
Role of organization	6.2% (14)	---	10.2% (14)
Asked due to professional experience	4.9% (11)	---	8% (11)
Live there/own property	4.4% (10)	3.4% (3)	5.1% (7)
Personal interest	2.2% (5)	---	3.6% (5)
Role in community	2.2% (5)	---	3.6% (5)
No response	2.2% (5)	1.1% (1)	2.9% (4)

Table 11. Respondent definition of collaboration.*

Definition of Collaboration	Total Respondents (n=226)	Agency Respondents (n=117)	Non-agency Respondents (n=171)
Working with others	51.3% (116)	53.9% (48)	49.6% (68)
Achieving a common goal	22.6% (51)	21.3% (19)	23.4% (32)
Diverse people and interests	10.2% (23)	5.6% (5)	13.1% (18)
Gathering public input/comments	9.3% (21)	15.7% (14)	5.1% (7)
Talking/discussion	9.3% (21)	11.2% (10)	8% (11)
Increased involvement/decision making	7.1% (16)	5.6% (5)	8% (11)
Meetings	5.8% (13)	2.2% (2)	8% (11)
Public involvement	4.4% (10)	9% (8)	2.2% (3)
Long term relationships	3.5% (8)	2.2% (2)	4.4% (6)
Negative on collaboration	3.5% (8)	4.5% (4)	2.9% (4)

*Participants were allowed to provide more than one response.

Table 12. Degree to which community involvement in stewardship contracting is collaborative.

Degree of Collaboration	Total Respondents (n=226)	Agency Respondents (n=89)	Non-agency Respondents (n=137)
Very collaborative (1)	38.5% (87)	31.5% (28)	43.1% (59)
Very Collaborative (2)	18.1% (41)	24.7% (22)	13.9% (19)
Somewhat collaborative (3)	22.1% (50)	23.6% (21)	21.2% (29)
Not collaborative (4)	6.2% (14)	9% (8)	4.4% (6)
Not collaborative (5)	4.9% (11)	6.7% (6)	3.6% (5)
Don't know (6)	10.2% (23)	4.5% (4)	13.9% (19)

* 1=Very collaborative, 5=Not at all collaborative. Mean: 2.11

Table 13. Individuals or interests missing from the collaborative process.

	Agency Respondents (n= 89)	Non-agency Respondents (n= 137)
Yes	33.70%	24.10%
No	56.20%	58.40%
Don't know	10.10%	17.50%

Table 14. Reasons missing interests should be/have been involved in the collaborative process (n=63).*

Reason all groups should be involved	Percent
To avoid misunderstanding	66.7% (42)
Users of the area	55.6% (35)
Valuable expertise to share	55.6% (35)
A need to be inclusive	47.6% (30)
Potentially affected by the project	47.6% (30)
Valuable expertise to share	33.3% (21)
To avoid appeals and/or litigation	25.4% (16)
Constraint to implementation	4.8% (3)

*Participants were allowed to provide more than one response.

Table 15. Resources needed by community members to facilitate their participation in projects.

Assistance	Needed (n=47)	Received*
Technical	55.3% (26)	80.8% (21)
Financial	48.9 % (23)	78.2% (18)
Training	44.7% (21)	71.4% (15)
In kind	29.8% (14)	85.7% (12)
Other		
Information/education	3.4% (3)	3.4% (3)
Information for county commissioners	1.1% (1)	1.1% (1)
Community organizer	1.1% (1)	1.1% (1)
Maps	1.1% (1)	1.1% (1)
Rancher access	1.1% (1)	1.1% (1)
Monitoring equipment	1.1% (1)	1.1% (1)
Time	1.1% (1)	0
Opportunity to participate	1.1% (1)	0
Clearer understanding of SC	1.1% (1)	0
Planning and design	1.1% (1)	0
Local empowerment	1.1% (1)	0
More knowledge of ecosystems	1.1% (1)	0
Help with handwork	1.1% (1)	0

* Percentages calculated using: (# who received assistance) / (# who needed assistance).

Table 16. Resources needed by communities to facilitate their participation in projects.

Resources needed	From whom?
Financial	
Multiparty monitoring	USFS
Waiver of easements	IRS
Travel to meetings	Home Depot
Organize and participate in meetings	National Forest Foundation
Attend meetings and field trips	Watershed Council
Collaboration	State
Outreach materials to community	County
CWPP implementation	Stakeholders group
Chipping	Community
Thinning	Title III
Training	
Learn about monitoring	USFS
Understand ecology	NGO's
Collaboration	Stakeholders group
Increased familiarity with stewardship contracting	Rocky Mountain Elk Foundation
Understand federal process	Conservation district
Meeting planning	
In Kind	
Get work done	USFS
Field trips	Conservation Northwest
Collaboration	State agencies
Monitoring	Community
Meeting place	Watershed Council
Facilitation	Fire district
	Stakeholder group
Technical	
Fire behavior	USFS
Local knowledge	Conservation Northwest
Maps	State agencies
Information to make informed decisions	Local colleges
Collaboration	Stakeholder group
Create conservation plan	Collaborative group
Education on variable thinning	Community
Contracting abd bidding	
Scientific information	
How ecological systems work	
Learn to do transects	
Public information	
Other	
Information to county commissioners on how to integrate projects into CWPP	USFS
Equipment for monitoring	Rocky Mountain Elk Foundation
Community organizers to keep things going	Conservation district
Coordination with local fuels projects	BLM
Planning and design	State
Education	County
Local agencies need empowerment and to be listened to	City
Help with handwork	

Table 17. Lessons Learned about community involvement.

	Total Respondents (n=95)
Collaboration takes time	47.4% (45)
Need to start the process as early as possible (pre-NEPA)	44.2% (42)
Treat people fairly and with respect	28.4% (27)

*Participants were allowed to provide more than one response.

Table 18. Importance of local benefits to local communities resulting from stewardship contracting projects.*

Benefits to local communities from stewardship contracts (n=226)	Very high	High	Medium	Low	Very low	Don't know	Mean
Specific project outcomes	61.30%	16%	5.80%	0.40%	1.30%	15.10%	1.41
Improved public trust	33.60%	26.10%	21.70%	5.30%	4%	9.30%	2.05
Opportunity to use local contractors	33.20%	26.10%	17.30%	6.60%	5.30%	11.50%	2.07
Increased collaboration	36.70%	21.20%	20.80%	5.80%	5.80%	9.70%	2.15
On the ground work	31%	25.70%	17.70%	6.60%	4.90%	14.20%	2.17
More local jobs	25.20%	24.80%	22.60%	6.60%	6.60%	14.20%	2.34
Other economic benefits	24.80%	20.40%	24.80%	6.60%	5.80%	17.70%	2.38
Improved efficiency	23.50%	18.10%	20.40%	8%	11.90%	18.10%	2.46

*Responses based on a five point scale: 1=Very high importance to 5=Very low importance.

Table 19. Specific project outcomes.

What were specific outcomes?	Total Responses (n=88)
Fuels/fire reduction	67% (59)
Habitat improvement	44.3% (39)
Thinning	31.8% (28)
Restoration	26.1% (23)
Roads	23.9% (21)
Forest health	17% (15)
Weeds/invasive plants	14.8% (13)
Timber harvest/salvage	12.5% (11)
Stream restoration/stabilization	11.4% (10)
Recreation work	10.2% (9)
Forest improvement	9.1% (8)
Watershed restoration	5.7% (5)
Economic benefits	5.7% (5)
Research	4.5% (4)
Trust/understanding/collaboration	3.4% (3)
Historical/cultural	2.3% (2)
Biomass utilization	2.3% (2)
Firewood	1.1% (1)
Access improvement	1.1% (1)
Building removal	1.1% (1)
Public education	1.1% (1)
Clean up training range	1.1% (1)

Table 20. Benefits of community involvement in stewardship contracting projects (n=226).*

Benefits of community involvement	Very high	High	Medium	Low	Very low	Don't know	Mean
Increased public input	33.6%	27.4%	18.1%	3.1%	6.2%	11.5%	2.07
Diverse interests	30.5%	31.9%	16.4%	1.3%	6.6%	13.3%	2.11
Increased support for agency	30.1%	29.6%	16.8%	4.4%	6.6%	12.4%	2.19
Sense of project ownership	31.0%	25.7%	21.2%	3.1%	7.5%	11.5%	2.21
Improved trust	29.6%	30.5%	18.1%	4.4%	7.1%	10.2%	2.22

*Responses based on a five point scale: 1=Very high importance to 5=Very low importance.

Table 21. Support for stewardship contracting projects in local communities (n=226).

Level of support	Total Respondents (n=226)	Agency Respondents (n=89)	Non-agency Respondents (n=137)
Widely supported	53.5% (121)	49.4% (44)	56.2% (77)
Somewhat supported	32.7% (74)	38.2% (34)	29.2% (40)
Indifferent	5.8% (13)	5.6% (5)	5.8% (8)
Opposed	0.4% (1)	0	0.7% (1)
Don't know	7.5% (17)	6.7% (6)	8% (11)

*Responses based on a five point scale: 1=Widely supported, 5=Opposed.

Table 22. Support for stewardship contracting projects in the agency.

Level of support	Total Respondents (n=226)	Agency Respondents (n=89)	Non-agency Respondents (n=127)
Widely supported	61.9% (140)	62.9% (56)	61.3% (84)
Somewhat supported	24.8% (56)	25.8% (23)	24.1% (33)
Indifferent	4.9% (11)	7.9% (7)	2.9% (4)
Generally unaware	1.3% (93)	1.1% (1)	1.5%(2)
Opposed	.4% (1)	1.1% (1)	-
Don't know	6.6% (15)	1.1% (1)	10.2% (4)

*Responses based on a five point scale: 1=Widely supported, 5=Opposed.

Table 23. Respondent interest in participating in another stewardship contracting project (n=226).

Interest in participating in another project	Total Respondents	Agency Respondents	Non-agency Respondents
Yes	88.9% (201)	91% (81)	90.9% (120)
No	3.5% (8)	3.4% (3)	3.85 (5)
Maybe	6.6% (15)	5.6% (5)	7.6% (10)
Don't know	.9% (2)	-	1.5% (2)

Table 24. Reasons respondents would participate in another stewardship contracting project.

	Total Respondents (n=201)	Total Agency Respondents (n=81)	Total Non-agency Respondents (n=120)
Work gets done	30.3% (61)	24.7% (20)	34.2% (41)
It's my job	12.4% (25)	27.2% (22)	2.5% (3)
Good for business	12.4% (25)	6.2% (5)	16.7% (20)
Stewardship contracts work	5.5% (11)	7.4% (6)	4.2% (5)
Great tool/ good idea	4.5% (9)	8.6% (7)	1.7% (2)
Already doing more	4.5% (9)	6.2% (5)	3.3% (4)
Other	3% (6)	3.7% (3)	2.5% (3)
No answer	27.4% (55)	16% (13)	35% (42)

Appendix C: Survey Questionnaire

Survey Instrument

[Note: This document will be mailed to potential interviewees and will also be used as a transcript for interviewers conducting the telephone survey.]

Date:

BLM/USFS:

Region/State:

Project:

Who:

- Agency person
- Community member
- Contractor
- Other:

FY_____ PROGRAMMATIC MONITORING:

The Role of Local Communities in Development of Stewardship Contracting Agreements or Contract Plans

Participants: When Congress authorized the Forest Service and the Bureau of Land Management to use stewardship contracting, it also required that the agencies provide an annual report on the role of local communities in the development of agreements or contract plans under that authority. In the preparation of this report, a stratified random sample among existing stewardship contracting projects is surveyed each year, and the _____ stewardship contracting project you are involved in

was one of those selected for review. We anticipate that your involvement in this telephone survey/interview will take no longer than 30-minutes.

A sample survey form has been included with this e-mail, so that you may have the opportunity to review the questions prior to the telephone survey/interview. Plans are to conduct the telephone surveys/interviews from *[insert Month xx, Year xxxxx through Month xx, Year xxxxx]*.

The Pinchot Institute for Conservation is coordinating this study under contract with the Forest Service. Your name will not be associated with the interviewer's notes from the phone survey and the names of those interviewed will not be retained. The information collected in this interview will be analyzed and used by both the Forest Service and Bureau of Land Management to inform the agencies' yearly report to Congress on stewardship contracting implementation. The survey responses will not be shared with other organizations inside and outside the government but the results of the analysis of the survey responses, through its inclusion in the FS and BLM report to Congress, will be available for use by organizations both inside and outside the government.

Participating in the interview is completely voluntary. Your participation assumes your understanding and acceptance of this voluntary agreement. Your decision to participate or not will not affect your current or future relations with the Forest Service, Bureau of Land Management, the Pinchot Institute for Conservation or _____*(insert local/ regional subcontractor name here)*.

On behalf of the Forest Service and Bureau of Land Management, we would like to thank you in advance for your thoughtful and candid responses to the following questions related to stewardship contracting in your community.

You are/have been involved in the _____ stewardship contracting project.

1a. If someone asked you to explain stewardship contracting, what would you say?

1b. Has your view of stewardship contracting changed since you became involved in this project? **Yes**

No

If yes, how has it changed?

I want to ask about community involvement in your project.

2. Who initiated the project? Agency Non-agency

3. Who has been involved?

	<i>Check all that apply.</i>	<i>What is the scale of involvement (local, regional, national)?</i>
USDA Forest Service	<input type="checkbox"/>	
Bureau of Land Management	<input type="checkbox"/>	
Other Federal agencies	<input type="checkbox"/>	
Tribal interests	<input type="checkbox"/>	
State agencies	<input type="checkbox"/>	
Local governmental interests	<input type="checkbox"/>	
Community business interests	<input type="checkbox"/>	
Environmental conservation groups	<input type="checkbox"/>	
Fire interests/organizations	<input type="checkbox"/>	
Adjacent landowners/residents	<input type="checkbox"/>	
Recreation interests/users	<input type="checkbox"/>	
Educators/educational interests	<input type="checkbox"/>	
Wildlife and fisheries groups	<input type="checkbox"/>	
Right to access groups	<input type="checkbox"/>	
Project contractors	<input type="checkbox"/>	
Other (Please specify)	<input type="checkbox"/>	

4.

What

is/was the role of the local community in the _____ stewardship contracting project?

	<i>Check all that apply.</i>
Planning and design.	<input type="checkbox"/>
Development of alternatives.	<input type="checkbox"/>
Comments and recommendations.	<input type="checkbox"/>
Public outreach and education.	<input type="checkbox"/>
NEPA analysis.	<input type="checkbox"/>
Implementation.	<input type="checkbox"/>
Provision of technical information.	<input type="checkbox"/>
Becoming informed.	<input type="checkbox"/>
Providing and/or acquiring funding.	<input type="checkbox"/>
Monitoring.	<input type="checkbox"/>
Representation of concerned/affected local interests	<input type="checkbox"/>
Other.	<input type="checkbox"/>

5. What outreach efforts are being/have been used specifically to get people involved in the project? *For each affirmative answer, probe for the details of who and how.*

- | | |
|--------------------------------------------|---------------------------------------------------------------------|
| <input type="checkbox"/> Meetings | <input type="checkbox"/> Presentations to existing community groups |
| <input type="checkbox"/> Direct mail | <input type="checkbox"/> Presentations to organizations |
| <input type="checkbox"/> Personal contacts | <input type="checkbox"/> Other (Please describe) |
| <input type="checkbox"/> Field tours | |

6. Is/Was community involvement in the _____ stewardship contracting project a collaborative effort? Yes No

Please explain your answer.

Probes: Do/Did multiple interests meet? Is/Was there discussion among multiple interests?

7a. How did you personally get involved?

7b. Why did you personally get involved?

8. Are there individuals or interests you believe should be/should have been involved in the stewardship contracting project that aren't/weren't?

- Yes
- No
- Don't know

8b. If yes, who?

	<i>Check all that apply.</i>	<i>Why should they be involved? See list below for options -Include all that apply.</i>
USDA Forest Service	<input type="checkbox"/>	
Bureau of Land Management	<input type="checkbox"/>	
Other Federal agencies	<input type="checkbox"/>	
Tribal interests	<input type="checkbox"/>	
State agencies	<input type="checkbox"/>	
Local government interests	<input type="checkbox"/>	
Community business interests	<input type="checkbox"/>	
Environmental/conservation groups	<input type="checkbox"/>	
Fire interests/organizations	<input type="checkbox"/>	
Adjacent landowners and residents	<input type="checkbox"/>	
Recreation interests/users	<input type="checkbox"/>	
Educators/educational interests	<input type="checkbox"/>	
Wildlife and fisheries groups	<input type="checkbox"/>	
Right to access groups	<input type="checkbox"/>	
Project contractors	<input type="checkbox"/>	
Other	<input type="checkbox"/>	

- (a) To avoid misunderstanding.
- (b) Because they are users of the area
- (c) To avoid appeals and/or litigation
- (d) Because they are a constraint to implementation
- (e) A need to be inclusive
- (f) Because they have valuable expertise to share
- (g) A need for local knowledge
- (h) Because they are potentially affected by the project
- (i) Other (*please explain*)

9. What kinds of resources, if any, does/did community members need to facilitate their participation in the project? For each type of assistance, have the respondent describe in more detail.

	<i>Received (yes/no)</i>	<i>From whom?</i>	<i>For what?</i>
Financial			
Training			
In-kind time, services, facilities			
Technical			
Other (Please describe)			
None.			

10. What have been the local benefits of the _____ stewardship contracting project?

	<i>Check all that apply.</i>
Economic	<input type="checkbox"/>
<i>More local jobs</i>	<input type="checkbox"/>
<i>More on-the-ground work accomplished by local contractors</i>	<input type="checkbox"/>
<i>Greater opportunity to use local contractors</i>	<input type="checkbox"/>
Increased collaboration	<input type="checkbox"/>
Improved efficiency and effectiveness	<input type="checkbox"/>
Improved public trust (<i>among/ between whom?</i>)	<input type="checkbox"/>
Specific project outcomes (<i>e.g., wildlife benefits, watershed protection, fuel reduction</i>)	<input type="checkbox"/>
Other (<i>Please describe</i>)	<input type="checkbox"/>

11. What are/have been the benefits of community involvement in the _____ stewardship contracting project.

	<i>Check all that apply.</i>
Broader understanding/consideration of diverse interests	<input type="checkbox"/>
Improved trust (<i>among/ between whom?</i>)	<input type="checkbox"/>
Increased opportunity for public input	<input type="checkbox"/>
Improved sense of purpose and ownership in a given project	<input type="checkbox"/>
Increased support for the agency	<input type="checkbox"/>
Other (<i>Please describe</i>)	<input type="checkbox"/>

12. How widely supported do you believe this stewardship contracting project is/was in the community?

- Widely supported
- Somewhat supported
- Indifferent
- Generally unaware
- Opposed
- I don't know

13. How widely supported do you believe this stewardship contracting project is/was in the agency [Forest Service and/or BLM]?

- Widely supported
- Somewhat supported
- Indifferent
- Generally unaware
- Opposed
- I don't know

14. Are there any lessons that you learned about community involvement through this project that you would like to share?

15. Based on your experience in this project, would you participate in another stewardship contracting project? Yes No
Please explain.

16. Are there any additional comments you want to make about either stewardship contracting generally or your personal experience with it?

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