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## The Role of Communities in Stewardship Contracting

FY 2010 Programmatic Monitoring Report  
to the USDA Forest Service

Prepared by the Pinchot Institute  
for Conservation

January 2011





PINCHOT  
INSTITUTE  
FOR CONSERVATION

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by Brian A. Kittler.

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## **EXECUTIVE SUMMARY**

This report conveys results from the FY 2010 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 contracts or agreements. 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 each containing their own observations and suggestions from a regional context.

This monitoring program has found that there is very broad support for stewardship contracting. In fact, nine out of ten people participating in Forest Service stewardship projects say that they would participate again, largely because of the specific outcomes they have achieved on-the-ground. Interest in stewardship contracting often stems from a desire for flexible approaches that can be readily paired with collaborative forms of natural resource management. Despite the steady growth and many positive innovations experienced with stewardship authorities over the past 10 years, a number of hurdles remain.

While many of these challenges are not specific to stewardship contracting, and present obstacles to effective federal lands management more broadly, there is a growing sense that stewardship contracting is being perceived as simply being a goods-for-services funding mechanism, and that this may ultimately limit its utility. Likewise, while the inclusion of diverse interests in stewardship projects through collaborative processes and effective public engagement remains strong in some locations, it has either not progressed or has diminished in others. That is not to say that collaborative and comprehensive restoration and management is not happening through the use of stewardship authorities; it certainly is.

In fact, the last few years have seen a proliferation of large, multi-year, multi-task projects that propose to accomplish their objectives almost exclusively through stewardship contracts or agreements. These proposals tend to come from places with capacity to undertake such ambitious programs-of-work. More often than not these places have robust collaboration and effective public engagement by the agency.

### **Successes reported through the 2010 programmatic monitoring program include:**

- The use of stewardship contracting has increased dramatically over the last year with a 65 percent increase in the number of contracts and a 73 percent increase in acres awarded.
- Existing collaborative groups continue to favor stewardship contracts and agreements as a main vehicle for accomplishing collectively defined desired outcomes. In some locations, stewardship contracting has become the preferred way of doing business and has allowed more work to be accomplished on-the-ground
- There continue to be pockets of innovation in the use of stewardship contracting that yield efficiencies in administration, as well as enhanced benefits on-the-ground.
- The use of stewardship agreements continues to grow, and nearly 50 percent of survey participants report that partners bring new funds into stewardship projects. Agreements with NGOs, particularly wildlife conservation NGOs, have been very successful in raising matching funds, engaging the public, and building trust.
- There are a growing number of projects that are yielding measurable economic, social, and ecological benefits.

**Benefits reported through the 2010 programmatic monitoring program include:**

- Performing more work on the ground in an integrated manner (e.g., hazardous fuel reduction, habitat improvement, noxious weed control or eradication, road improvements and/or obliteration, and stream restoration).
- Benefits to local contractors, as well as, the creation and retention of local jobs and businesses.
- Increased capacity for the diverse tasks that comprise ecosystem management and restoration.
- Improved trust between the public and federal land management agencies and increased collaborative behavior in certain projects and across some regions.
- Increased administrative and fiscal efficiencies achieved through the use of best-value contracting, goods-for-services, designation by description and prescription, and retained receipts.
- Increased ability to pool and leverage partner resources, including significant new funding.

**Challenges reported through the 2010 programmatic monitoring program include:**

- Indications that stewardship contracting projects may be becoming less collaborative overall.
- In many places, community engagement is limited and community participation is minimal.
- Insufficient training resources, technical assistance, and financial resources are made available to effectively engage communities in stewardship projects.
- Agency and non-agency participants approach stewardship contracting and collaboration from different perspectives, and community members are often frustrated when certain activities (e.g., recreation sites) are deemed of low priority for stewardship contracts.
- Agency perception of the appropriateness of community engagement differs widely from place to place and among individuals.
- Monitoring is often the last priority for the allocation of needed resources, but is viewed as an essential part of implementation.
- Economic constraints and insufficient local infrastructure can limit the effectiveness of stewardship contracts in realizing community benefits and achieving fiscal efficiencies.
- The cancellation ceiling remains a significant barrier to multiyear landscape scale projects seeking to use stewardship authorities to lower costs, enhance the efficiency and effectiveness of restoration treatments, and help create or maintain a skilled workforce and necessary infrastructure.
- Internal rules, administrative interpretation, and the attitudes of individual employees can severely limit the flexibility and effectiveness of stewardship contracting authorities.
- Some Forest Service managers and county governments remain averse to supporting and/or using stewardship contracting because of its perceived negative fiscal impacts (diminished “25% Fund” or K-V deposits).
- There is a need to more accurately quantify the economic, social, and environmental benefits of stewardship projects so that the agency, communities, and Congress can make more informed decisions about the trade-offs between using stewardship contracts or agreements and traditional timber sale contracts.

# 1 — INTRODUCTION

## 1.1 Background and Context

Across the United States, the health and resilience of forest ecosystems are threatened by a number of stressors. This is most apparent in the nation's vast public forests, particularly—but not exclusively—in the west, where recent years have seen a significant amount of tree mortality, uncharacteristically severe disturbance events, and long periods of drought affecting forests at a landscape level. In spite of this, there are significant opportunities to increase vegetative diversity, create wildlife habitat, reduce impacts associated with forest roads, undertake other restoration activities, and generally put forests on a trajectory towards increased health and resilience.

The consequences of not addressing the threats and opportunities facing federal public lands include a diminishment or complete loss of the benefits these resources provide—clean air, clean water, biological diversity, wildlife habitat, sequestration of atmospheric carbon, recreation opportunities, utilitarian benefits, as well as numerous cultural, spiritual, social, and economic values.

In the west, where the vast majority of the 450 million acres of Forest Service and Bureau of Land Management (BLM) lands exist,<sup>1</sup> the mix of forest management threats and opportunities is acute. Fire exclusion, grazing, timber harvesting, plantation forestry in direct replacement of natural forests, and other landscape manipulations that occurred during the previous century, have all contributed to the degradation of present-day forest ecosystems. Other issues with increasingly negative impacts on the vegetative composition of Forest Service and BLM lands include the spread of noxious weeds, and encroachment of Pinyon-Juniper woodlands. In the east, management issues are different, but not necessarily less of a challenge. In many places, federal forests are characterized by an over abundance of vegetation and reduced fire frequencies. Because of this history, ecosystem restoration and present day management activities across much of the federal public lands now center on the removal of small diameter trees of low commercial value.

In recent decades managers have clamored for land management tools that can effectively address these complex challenges during an era of fiscal austerity and enhanced public scrutiny. While it may not be possible to envision a comprehensive consensus-based policy solution capable of addressing the forest management challenges of the 21<sup>st</sup> century, there is a generally recognized need for adaptive and flexible management systems that enable collaborative planning, implementation, and monitoring of land management activities at the local level. Stewardship End-Result Contracting (stewardship contracting) is viewed by many as a move in this direction.

Indeed, stewardship contracting is touted as the future of vegetation management for the Forest Service and BLM. Stewardship contracting authorities allow these federal land management agencies to package a diverse array of land stewardship work by combining the disposal of goods (e.g. timber or other forest products) with contracts to perform service tasks (e.g., forest road decommissioning, watershed restoration, stream restoration, hazardous fuel reduction work, etc.). Stewardship contracting is also intended to generate social and economic benefits to local communities and the public at large.

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<sup>1</sup> The Forest Service manages approximately 190 million acres of forest and grassland, and the BLM manages approximately 260 million acres.



## 1.2 A Brief History of Stewardship Contracting

Contractual mechanisms have always been an important way for federal land management agencies to achieve their objectives. Contracts are used by public land management agencies for legal reasons, but also because they harness the ingenuity and efficiencies of the private sector and distribute some of the benefits associated with land management to the public. For instance, timber sale contracts have always played an important role in the management of National Forests as the production of timber is intrinsically tied to the agencies' budget through annual timber production targets established by Congress.

A number of policies have shaped the timber program over time. The Knutson-Vandenberg Act of 1930 (16 U.S.C. 576 et seq.) created the Knutson-Vandenberg (K-V) trust fund in order to finance replanting of stands in National Forests following harvest. Like the annual timber targets for the Forest Service, the K-V fund also firmly affixed the timber sale program within the agency as timber sale receipts came to comprise a significant portion of the agency's budget. The history of the K-V fund also has relevance for stewardship contracting, as K-V would later be expanded to fund other activities (e.g., habitat improvements, road work, stream restoration, and agency overhead, including salaries) in addition to replanting. This expansion of the K-V fund as a mechanism to accomplish a wide array of stewardship activities set the groundwork for early experimentation with stewardship authorities.

Traditionally, use of K-V for reforestation (the original intent and single largest use for these funds) only occurs after the sale is complete. The use of K-V funds had been controversial at times, as it has taken as long as 15 years to expend them for replanting following a sale and the funds have not always been used for the purposes originally identified in the timber sale area improvement plan (GAO 1994; Gorte 1995; GAO 2004).<sup>2</sup> As will be discussed below, stewardship contracts offer alternative approaches to financing land management activities.

From the late-1940s to the late-1980s the timber sale program evolved into the main method for achieving a variety of land management activities. While timber was the primary focus, the receipts associated with timber sales also supported fish and wildlife conservation activities, recreation programs, and a number of other multiple-use activities. With the broader decrease in timber sales that began in the late-1980s, the Forest Service lacked effective tools to finance and contract the land management activities normally done in association with timber sales. During this era, financing land management activities became increasingly challenging because Congress was not appropriating funds for service-oriented work in amounts that would be sufficient to achieve the desired end-results on the ground (Mitsos and Ringgold 2001).

In the late 1980s and early 1990s the federal government began exploring ways to reduce the high costs of management activities and address degraded forest resource conditions. At the time, options included salvage timber sales to remove dead and dying trees and service contracts. However, service contracts required significant appropriations, and salvage sales were not favored by a number of constituents

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<sup>2</sup> Each timber sale area improvement plan includes a set of required land management activities and may also include a set of non-required activities. Required activities are those needed for reforestation. Non-required activities include fish enhancement, riparian planting, timber stand improvement to enhance tree growth, prescribed burns to enhance wildlife habitat and rangeland ecosystems, stream channel restoration, wildlife habitat openings, noxious weed management, road decommissioning, agency administrative activities, etc. Each of these non-required land management activities occurs only if funding is available through K-V, other Forest Service trust funds, grant from non-agency sources, or through Congressional appropriations.

because of environmental and fiscal (i.e., deficit sales) concerns.

Thus, Forest Service field staff began experimenting with an alternative approach that blended timber sale contracts with work typically accomplished through separate service contracts. These were known as “bundled land management service contracts” or “end-result contracts” because they offered discretion to contractors in how they achieved the described end-results while working within the broad parameters established in the contracts. The desired end-results were described in terms that explained what the final forest stand density, desired wildlife habitat, riparian conditions, road conditions, and other resource objectives should be like at the end of the project. Contractors had the freedom to perform their work as long as the end-result matched the vision set forth in the contract.

These early end-result contracts were used primarily to facilitate traditional timber management activities like sale layout, site preparation, reforestation, timber stand improvement, and tree marking. This approach was highly controversial at the time due to the fact that many of these contracts were designed to facilitate the exchange of timber for service work in areas where the value of timber was below the cost of administering these sales.<sup>3</sup> Most of these early multi-year end-results contracts were comprised of a bundled set of service items and timber work that were administered through one contract because the value of the timber was so low, these contracts would have normally been deficit sales if handled under separate contracts (Mitsos and Ringgold 2001). Essentially, the Forest Service was covering the cost of reaching timber targets by lowering its overall cost of administering contracts for multiple activities. Thus, the harvest of timber was beginning to become one in a collection of linked management objectives, albeit primarily for fiscal management and not ecosystem management purposes.

Repeated experiments with end-results contracting led to innovative thinking among Forest Service line officers who were interested in accomplishing resource rehabilitation and restoration activities in addition to timber management work. The idea being, if contractors are out in the woods harvesting timber, why not also pay them to do service work in the same area of the forest. With this concept in mind, the 1992 appropriations bill (P.L. 102-154) authorized two “stewardship end-results contracts” in the Kaibab and Dixie National Forests to exchange the value of timber for stewardship services.<sup>4</sup> The next two years saw additional projects authorized through Congress in the panhandle of Idaho, the Coconino National Forest in Arizona, and the Lake Tahoe Basin (Mitsos and Ringgold 2001; Gorte 2001a).

The Forest Service moved one step closer to institutionalizing stewardship contracting in 1997, when the Washington Office requested each Regional Forester submit the top projects in their region that could be used to test innovative ways of using the timber sale program to implement ecosystem management and improve forest health conditions. According to the letter from Chief Michael Dombeck to the regional foresters, these proposals were intended to:

Add to existing knowledge about testing stewardship concepts...experiment with new processes and procedures that could improve administrative flexibility and efficiency...foster ‘collaborative stewardship’...improve water quality and quantity, restore riparian areas, enhance forest and rangeland ecosystem health, encourage partnerships, and

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<sup>3</sup> These early experiments with the exchange of goods for services were done on a case by case basis and required Congressional action.

<sup>4</sup> Under P.L. 102-154 these services could include site preparation, replanting, silviculture programs, recreation, wildlife habitat enhancement, and other multiple-use enhancements.



promote responsible recreation use...suggest new ways to handle low-value material and/or non-traditional forest products...improve efficiency and lead to reduced costs.

Of the 50 proposals received, four planned the award of contracts by less than free and open competition and multi-year contracts, six proposed the use of best-value contracting, nine proposed the use of designation by description or prescription, 11 planned the use of retained receipts, and 19 proposed the use of goods-for-services, all concepts that would eventually be authorized through the pilot phase of stewardship contracting. Some of projects proposed would eventually be implemented during that pilot phase.

### **The pilot program**

In 1998, Congress authorized a pilot program in which the Forest Service 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. The legislation charged the agency to: (1) more effectively involve communities in the stewardship of nearby public lands, and (2) develop a tool in addition to the timber sale program that could more effectively address the complexity of forest ecosystem restoration.

The pilot program legislation tested a number of contracting authorities that exist to this day:

- *Best-value contracting.* Requires 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.* Allows for stewardship contracts and agreements to run for up to 10 years.
- *Designation by prescription.* Permits the 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.* Allows the agencies to specify which trees should be removed or retained without having to physically mark them.
- *Less than full and open competition.* Permits 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.* Allows the agency to exchange goods (e.g., the value of timber or other forest products removed) for the performance of service work (e.g., hazardous fuels removal) in the same project area.
- *Retention of receipts.* Affords the agency the ability to keep revenues from projects in which the product value exceeded the service work to be performed and use those receipts to pay for other stewardship service work that does not need to occur within the original project area.
- *Widening the range of eligible contractors.* Allows non-traditional bidders (non-profit organizations, local governmental bodies, etc.) to compete for and be awarded stewardship contracts.

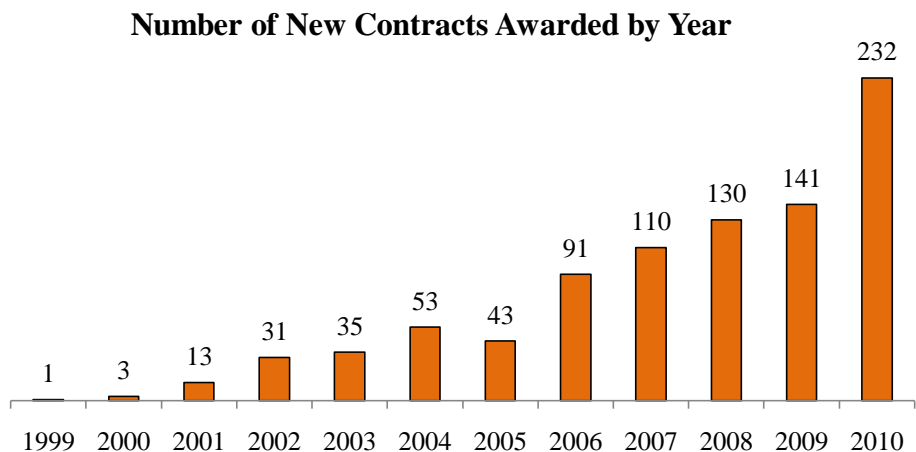
The early positive response to the pilot effort resulted in the passing of legislation<sup>5</sup> in 2003 in which Congress ended the pilot program, gave stewardship contracting authority to the BLM, extended the authorization for its use through September 30, 2013, and removed the limitation on the number of projects nationwide.

### **Growth since the pilot program**

Stewardship contracting has grown significantly since the end of the pilot program. Its legislatively defined purpose is “to perform services to achieve land management goals for the national forests and the public lands that meet local and rural community needs.” Those land management goals may include, among other things:

- 1) road and trail maintenance or obliteration to restore or maintain water quality;
- 2) soil productivity, habitat for wildlife and fisheries, or other resource values;
- 3) setting of prescribed fires to improve the composition, structure, condition, and health of stands or to improve wildlife habitat;
- 4) removing vegetation or other activities to promote healthy forest stands, reduce fire hazards, or achieve other land management objectives;
- 5) watershed restoration and maintenance;
- 6) restoration and maintenance of wildlife and fish habitat; and
- 7) control of noxious and exotic weeds and reestablishing native plant species.

Progress toward all of those goals has been impressive, as the Forest Service’s annual report of activities and accomplishments continues to show. As one indicator of usage, in 2007, roughly 15 percent of all timber sold from the National Forest System was removed as a necessary part of restoration work and hazardous fuels work accomplished through stewardship contracts and agreements, and in 2010, that figure grew to 23 percent. Likewise, over the last year, the number of new stewardship contracts and acres awarded through stewardship contracts increased by a phenomenal 65 percent and 73 percent respectively.



<sup>5</sup> 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, amended P.L. 105-277, Sec. 347.

For the BLM, roughly a quarter of all timber sold is presently removed as part of the work done under stewardship contracts. The BLM project size has increased from an average of 100 acres per project in 2003 to a 2,000 acre average in 2010, which is important for habitat projects and other ambitious goals that require work to be performed at larger scales. In 2010, BLM set a target of 41 contracts, yet awarded 76 contracts, while doubling the acres under stewardship contracts to 31,000 more than the previous year.

Stewardship contracts are increasingly viewed as an essential tool to accomplish ambitious goals for landscape scale ecosystem restoration and management (Nie and Fiebig 2010; Moseley and Davis 2010). Policy analysts also recognize stewardship contracting as an approach that promotes collaborative natural resource management on federal public lands (Cheng 2006; Moseley 2010; Moseley and Davis 2010). Increasingly, stewardship contracts are linked to other facets of forest policy, as evidenced by the fact that projects selected during the first round of the Collaborative Forest Landscape Restoration Program (CFLRP) will focus on stewardship contracts almost exclusively, and by the FY2011 Forest Service budget request that emphasized the role of stewardship contracts.<sup>6</sup>

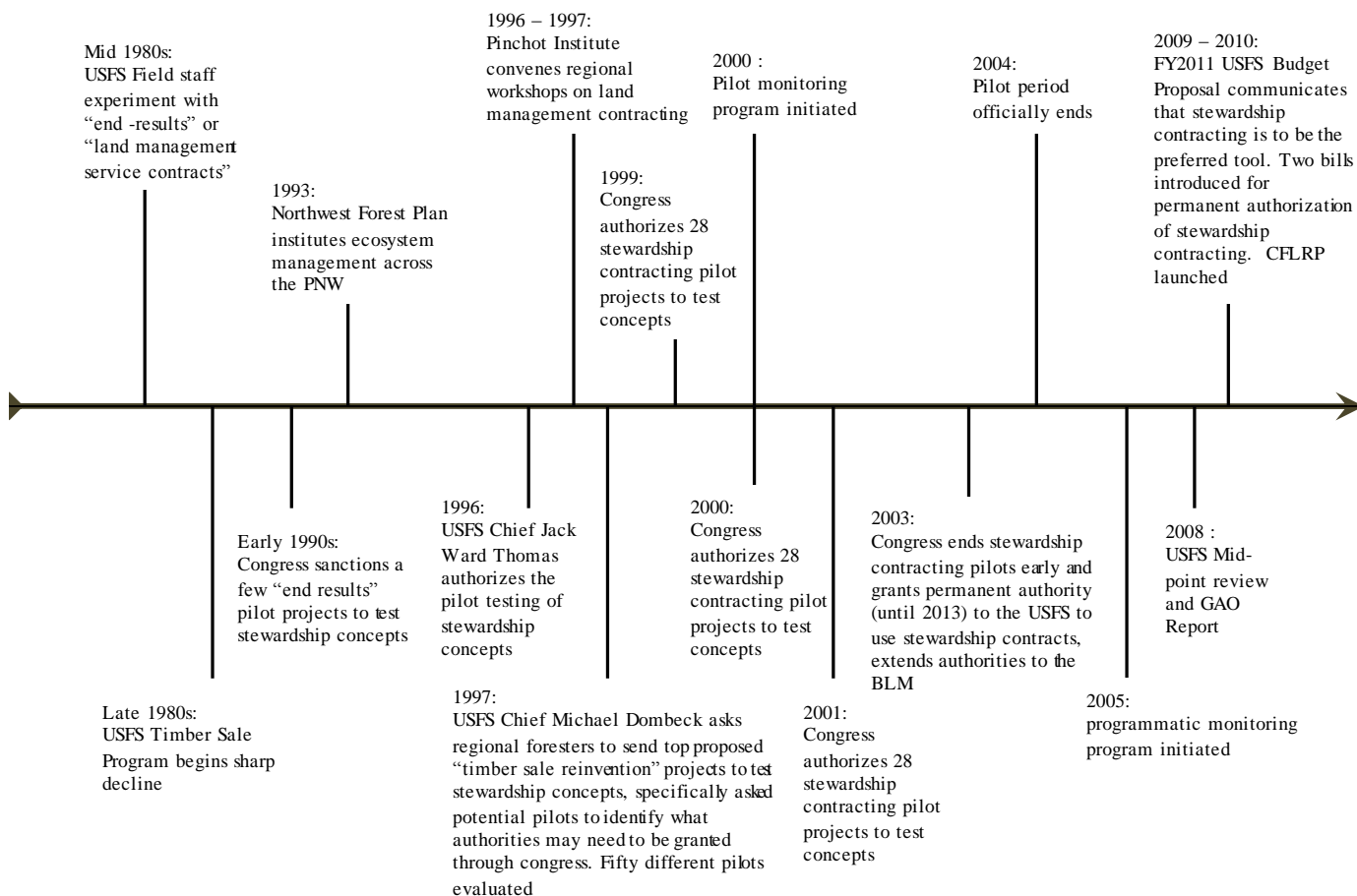
Both the BLM and Forest Service would like to see their stewardship authorities made permanent before it expires in 2013. The 111th Congress introduced legislation that would do this (H.R.4398 and S. 2798), but neither bill has progressed in the legislative process.

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<sup>6</sup> The FY 2011 budget request stated, “timber removal will occur predominately within the context of larger restoration objectives, most usually through the use of stewardship contracts or agreements ...stewardship contracts and agreements will be the primary means of managing natural resources and includes a focus on new and emerging markets for wood removed in restoration activities (including use of woody biomass for energy), in addition to more traditional markets...Most often, restoration projects designed to meet science-informed restoration requirements will use stewardship contracts to conduct restoration activities such as mechanical removal of vegetation, decommissioning roads, or plantings along streams – activities that support forest-based industries and lead to jobs.”

Figure 1 offers a chronology of some of the most important moments in the development of stewardship contracting.

**Figure 1.** Stewardship contracting chronology.



### 1.3 Purpose of this Report

The current authorizing legislation replaced a requirement for multiparty project-level monitoring that was present during the pilot phase with a new requirement for programmatic level multiparty monitoring. Because of a reporting requirement from 1999 (PL 105-277) the Forest Service and BLM report annually to Congress on their activities and accomplishments in terms of land management objectives reached (e.g., number acres treated) and local benefits extended to communities through their use of stewardship authorities. Since 2005, the agencies have taken the lead in communicating their on-the-ground land management outputs (e.g., acres treated) and the Pinchot Institute for Conservation has provided an objective programmatic-level assessment of the role communities and other stakeholders play in stewardship contracting.

Conceiving of a national effort to monitor, assess, and communicate the role communities play in stewardship contracting, Congress instructed the Forest Service and BLM to use a multiparty process

involving county, state, federal or tribal governments, NGOs, and other interested parties. To meet this mandate the Pinchot Institute and its regional partners organized five Regional Multiparty Monitoring Teams (Regional Teams) that include the Forest Service, BLM, the forest products sector, academia, state, county and tribal governments, land trusts, environmental and wildlife conservation organizations, and other stakeholders.

To date, several annual programmatic reviews prepared by the Pinchot Institute have identified ways in which stewardship contracts benefit forest ecosystems, the federal land management agencies in question, and communities of place and communities of interest.<sup>7</sup> This report conveys the results from the 2010 programmatic-level multiparty monitoring effort to evaluate the role of communities in stewardship contracting.

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<sup>7</sup> Past reports on stewardship contracting dating back to the pilot era are available here: [http://www.pinchot.org/gp/Stewardship\\_Contracting](http://www.pinchot.org/gp/Stewardship_Contracting)

## 2 — 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, synthesizing data collected for communication to Regional Teams, and facilitation of Regional Team meetings. The four partner organizations included:

- *Flathead Economic Policy Center* (Carol Daly) Northern Rockies and Northeast/Lake States
- *Michigan State University* (Dr. Maureen McDonough) Data Analysis/Synthesis
- *Watershed Research and Training Center* (Michelle Medley-Daniel, 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 2010, the agencies reported a combined 382 active stewardship contracts (BLM = 63 and USFS = 319). From this list, 25 percent 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, its partners, and the Forest Service and BLM, reviewed and approved by the Office of Management and Budget, and has since been used annually to collect data relevant to the programmatic monitoring effort (See Appendix C). As interviews are completed, resulting data are compiled into uniform reports and sent to MSU, where all questions and responses are coded for analysis using a computer program. Michigan State University compiles the results from these analyses and shares them with the Pinchot Institute and its regional partners for vetting at Regional Team meetings.

### 2.2 Response Rate

The stratified random sampling protocol identified a total of 83 Forest Service projects across the five regions to be monitored for FY2010. For each project, a total of three interviews were to be undertaken (the agency project manager and two external non-agency participants). 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, two external participants were randomly selected to interview. In some instances less than three interviews were undertaken due to difficulties in contacting project participants or because the project manager was unable to provide the names of two or more involved non-agency individuals. This resulted in a total of 229 interviewees being available. A total of 206 individuals



(82 agency personnel, 34 community members, 36 contractors, and 53 others) participated in the survey, resulting in a 90 percent response rate.

### **2.3 Regional Team Meetings and Reports**

The Regional Teams were responsible for synthesizing regional data analyzed 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 experience is reflected in the Regional Team Reports provided in appendix A. Each of these reports communicates important statistical and experiential information on the use of stewardship contracts and agreements across the country. These reports include a number of important findings and recommendations that readers are urged to review in addition to the findings and recommendations included in the body of this report.

The Pinchot Institute and its regional partners convened and facilitated five separate Regional Team meetings at which representatives from the Forest Service, BLM, the forest products industry, academia, local governments, environmental and wildlife conservation organizations, and other interests were in attendance. These meetings were conducted to help differentiate any trends that may emerge among projects when regional variability is considered, to provide a much needed regional information sharing and networking opportunity for individuals undertaking similar projects, and to foster a multiparty aspect of this monitoring effort. The date and location of these meetings are listed here:

- **Southwest Regional Team meeting:** September 29 & 30, 2010 – Ft. Collins, CO
- **Northern Rockies Regional Team meeting:** October 25 & 26, 2010 – Bonners Ferry, ID
- **Southeast Regional Team meeting:** October 05 & 06, 2010 – Russellville, AR
- **Northeast/Lake States Regional Team meeting:** November 03, 2010 – Warren, PA
- **Pacific Northwest Regional Team meeting:** November 16, 2010 – Medford, OR

The Regional Team meetings fostered a constructive dialogue about the role of communities in stewardship contracting within the context of these individual regions. Meeting participants also used the meetings as a key opportunity to leverage each other's knowledge and experience, as formal opportunities to pull together users of stewardship contracts and agreements at a regional level and in such a manner are sparse. In each of the regional team meetings, team members used region-specific survey data as well as their own experiences to discuss the three core questions of the programmatic monitoring process:

1. **What are the predominant problems in engaging communities in Forest Service 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 Forest Service stewardship contracting? BLM stewardship contracting? What fostered these successes for both agencies?**
3. **What are the major perceived benefits of Forest Service stewardship contracts to communities within this region?**

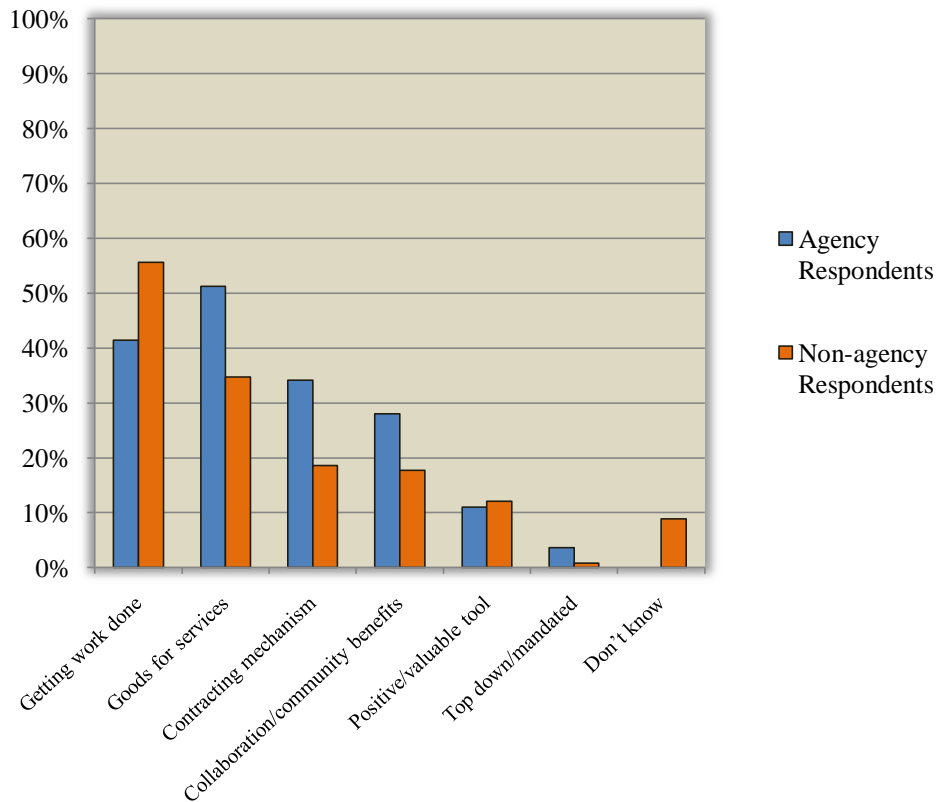
### 3 — SURVEY RESULTS AND DISCUSSION

#### 3.1 Perceptions of Stewardship Contracting

Respondents were asked to explain stewardship contracting in their own terms. Of the 206 total agency and non-agency respondents (see Figure 2 and Table 1 appendix B), the predominant views on how best to define stewardship contracting, included getting “work done on the ground” (50 percent), “trading goods-for-services” (41 percent), a “contracting mechanism” (25 percent), and a mechanism to provide “community collaborative benefits” (22 percent). A higher percentage of non-agency respondents than agency respondents view stewardship contracting as a way to get work done on the ground. Agency respondents are much more likely to view stewardship contracting as a goods-for-services funding mechanism than their non-agency counterparts. Also, based on this survey, agency personnel are also more likely than non-agency stakeholders to view stewardship contracting as a way to provide collaborative benefits to communities.

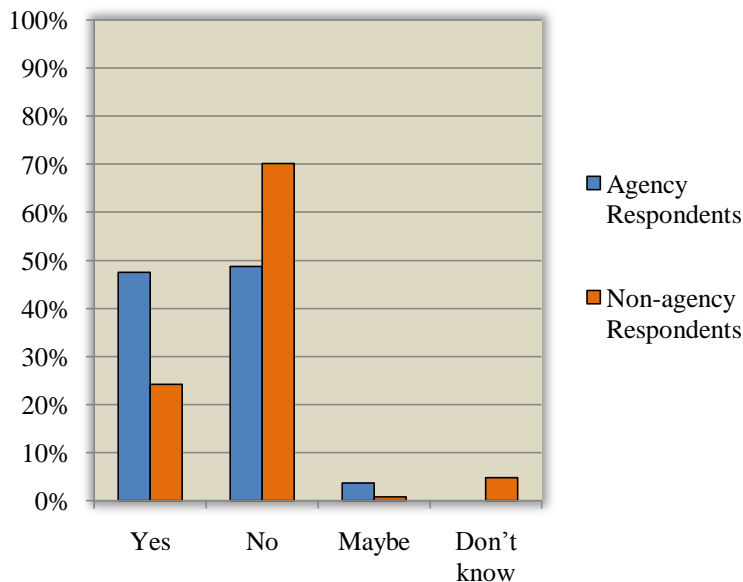
The exchange of goods-for-services has been the most frequently used definition by agency personnel for a long time. It is encouraging that the amount of agency respondents defining stewardship contracting as “collaboration with communities” increased from 19 percent in 2009 to nearly 30% in the 2010 survey results.

**Figure 2.** Respondents’ definitions of stewardship contracting.



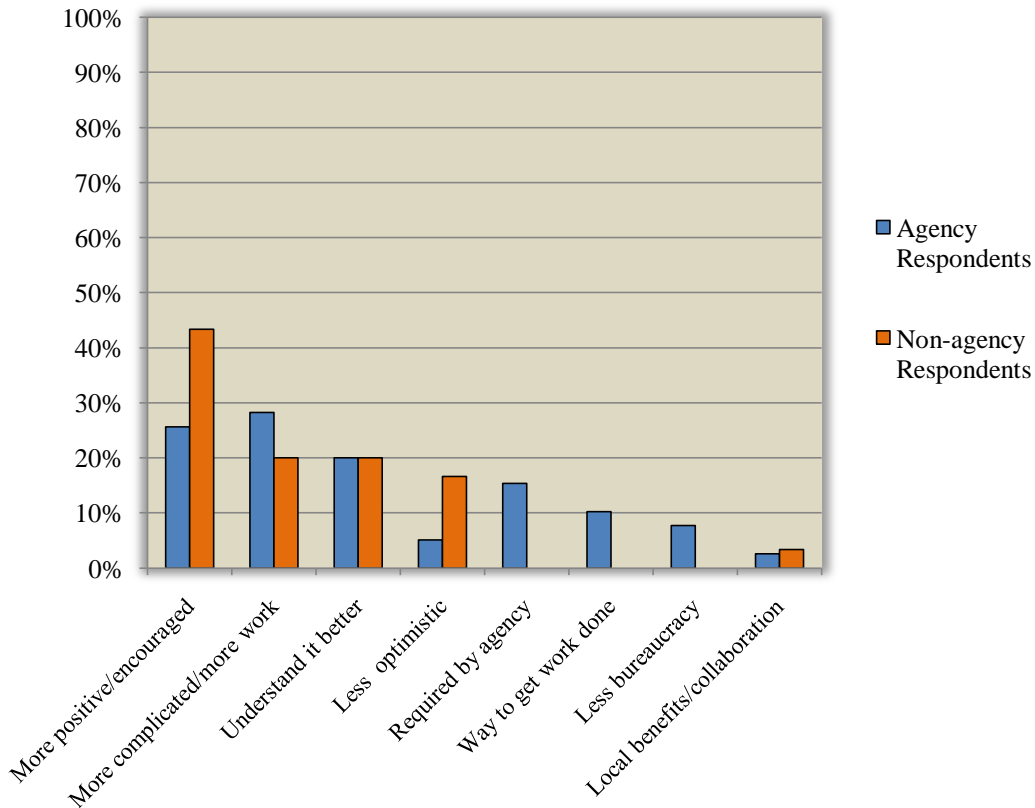
Most respondents (62 percent “no,” as opposed to 34 percent “yes”) report that their definition of stewardship contracting has not changed as the result of their participation in a stewardship project (see Figure 3 and Table 2 in appendix B). However, a significantly higher percentage of respondents whose view did change are agency personnel as opposed to non-agency respondents. This result has carried over since the 2009 survey.

**Figure 3.** Changed views of stewardship contracting.



The most frequent response (33 percent) among agency and non-agency respondents that claim their opinion of stewardship contracting had changed as a result of their participation is that they feel more positive and encouraged about stewardship contracting. However, 25 percent of agency and non-agency respondents reported that after participating in a project, they now view of stewardship contracting as being more complicated or more work than they did previously. More agency respondents (28 percent) than non-agency respondents (20 percent) felt this way, whereas significantly more non-agency personnel (43 percent) than agency personnel (26 percent) reported having a more positive view of stewardship contracting after participating in a project. Roughly 20 percent of both agency and non-agency respondents report having a better understanding of stewardship contracting, yet 17 percent of non-agency and 5 percent of agency responses indicate that individuals are now less optimistic about stewardship contracting (see Figure 4 and Table 3 in appendix B).

**Figure 4.** How respondent’s views changed.

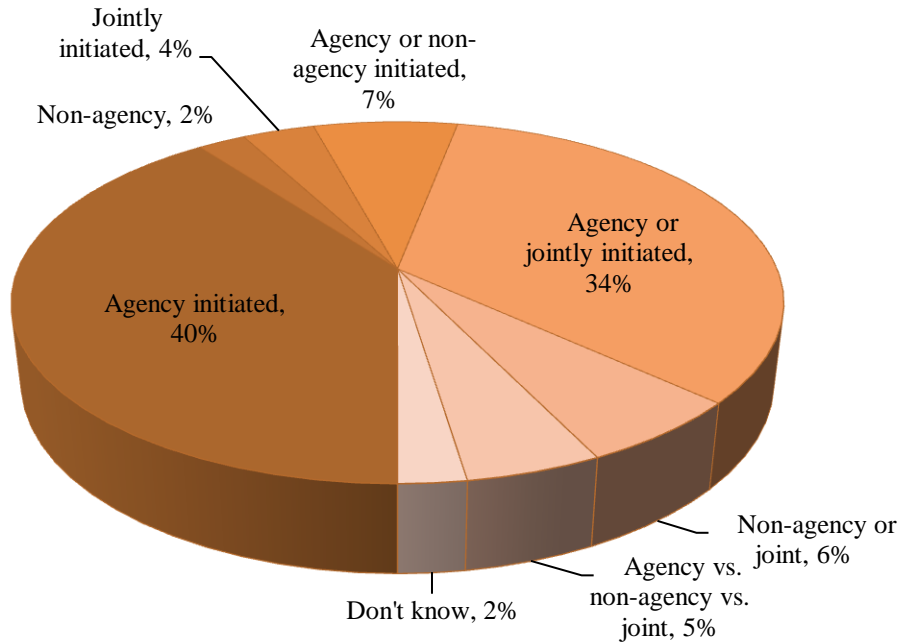


### 3.2 Local Community Involvement in Stewardship Contracting

#### Project Initiation

As was the case last year, a full 40 percent of respondents agreed that the projects they had participated in were initiated by the Forest Service. Only four percent of respondents agreed that their projects were jointly initiated, and only two percent reported that their projects were initiated by non-agency participants. A full 34 percent of respondents had different perceptions of who had initiated their projects—felt that projects were started either by the agency alone or the agency jointly with non-agency participants (see Figure 5 and Table 4 in appendix B).

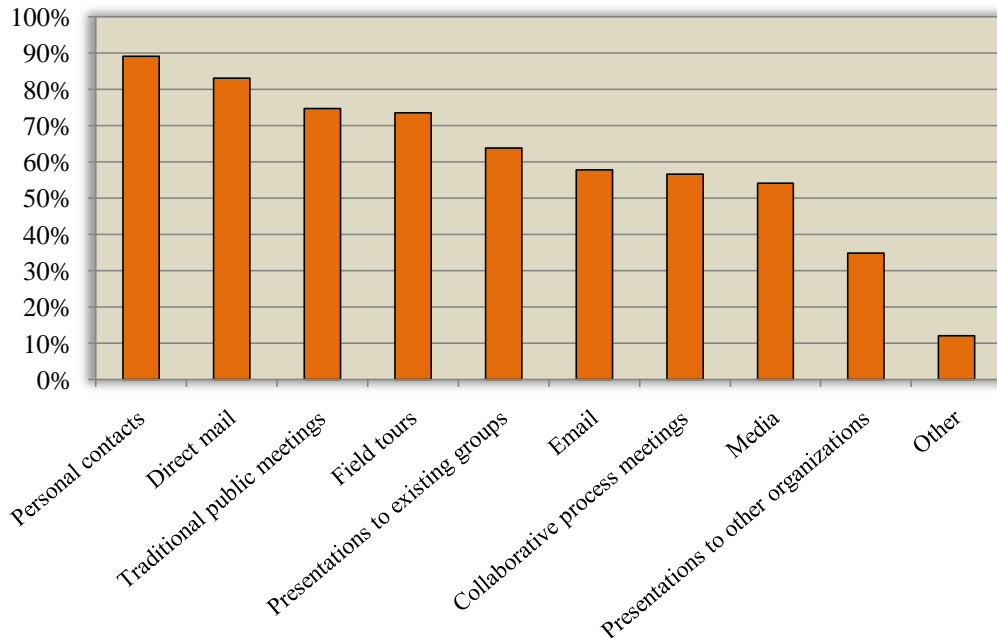
**Figure 5.** Entity which initiated the stewardship contracting project.



### **Outreach Efforts**

A number of methods are used to involve communities in stewardship contracting projects (see Figure 6 and Table 5 in appendix B). Personal contacts (89 percent), direct mailings (83 percent), and traditional public meetings (75 percent) akin to (or sometimes the same as) those used in the National Environmental Policy Act (NEPA) process were the most frequently reported methods used to engage the public. Encouragingly, field tours remain a popular way to engage the public, with 73 percent of responses reportedly using this method. Somewhat discouraging, however, is that only 57 percent of responses noted that collaborative process meetings were used, down from nearly 70 percent in the two previous years of this survey (2008 and 2009). Outreach methods that comprise the “other” category include: brochures, project websites, river outfitter guide meetings, Resource Advisory Committees (RACs), volunteers, campground notices, continuing education in ecosystem management training program, and through agency NEPA process and the project bid process.

**Figure 6.** Frequency of outreach methods used to involve communities.



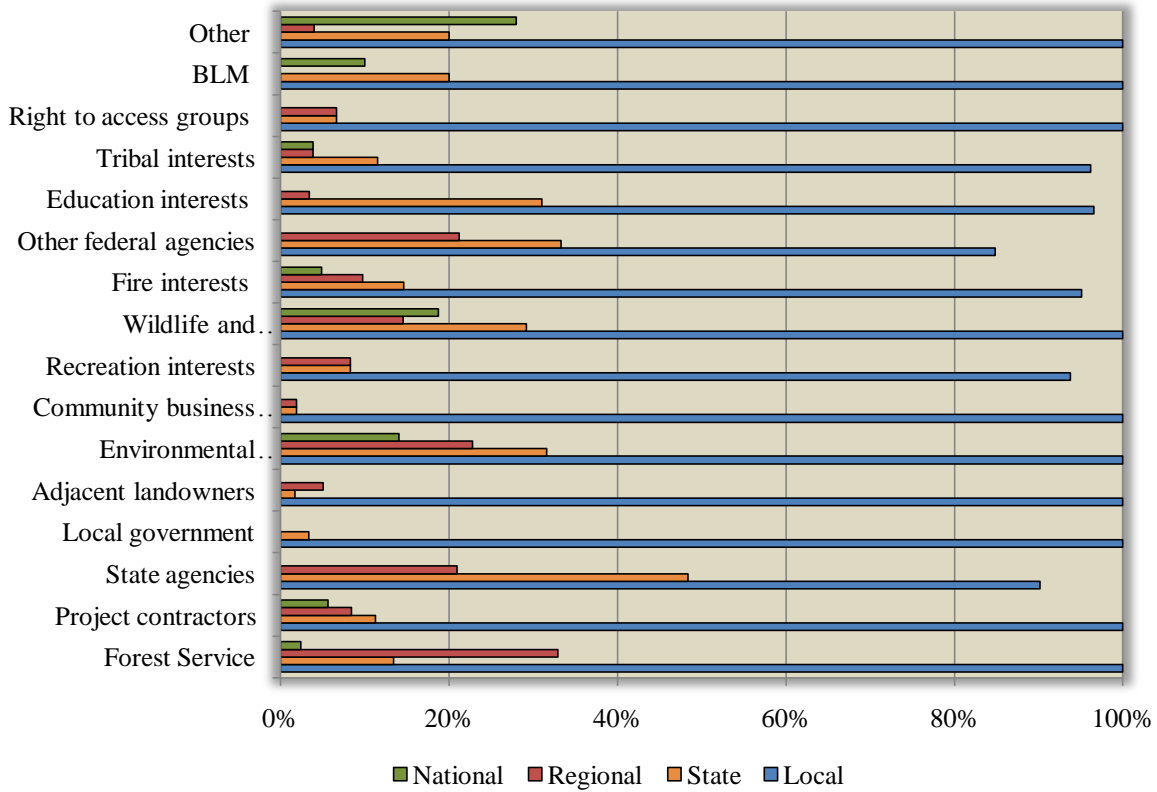
### **Stakeholder Involvement**

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). In general, responses were consistent with those of the previous year. A couple notable exceptions included a slight increase by national-level environmental and wildlife and fisheries interests and a significant increase of state agencies working at the regional level (up from three percent to 21 percent). As much as 30 percent of responses cited “other interests” not listed in the categories provided. While responses containing this “other interests” category are down slightly from 2009, it is worth noting that more individuals identified as being from the “other” category were interviewed in 2009, so their participation was likely more apparent this year.

As in previous years, the number of stakeholders participating in stewardship projects generally decreases as the geographic scale increases from the local level on up to the national level (see Figures 7a and Table 6 in appendix B). All in all, more regional- and national-level interests have reportedly been involved in stewardship contracting over the last two years than in 2008.



**Figure 7a.** Amount of time entities participate in stewardship contracts at various scales.



**Figure 7b.** Frequency of involvement in Forest Service stewardship projects by various entities.

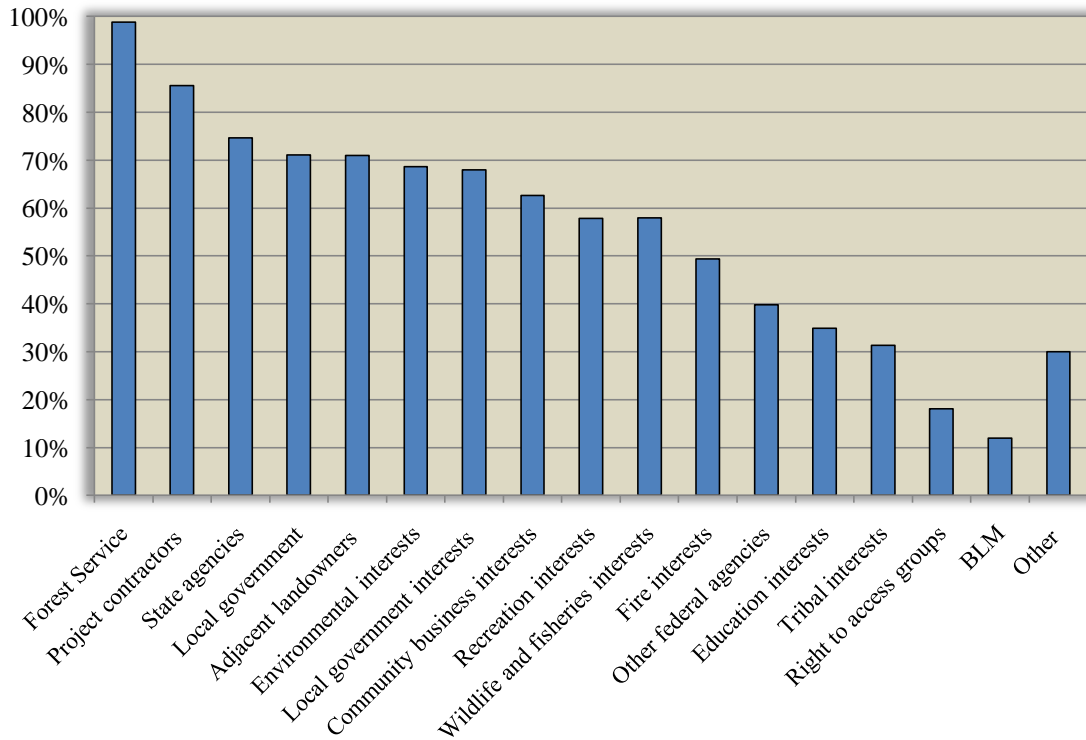


Figure 7b indicates a fairly broad distribution of interests involved in stewardship projects, with the Forest Service, contractors, state agencies, local governments, adjacent landowners, environmental interests, community business interests, recreation interests, and wildlife and fisheries interests, being mentioned during at least half of the surveys and interviews. However, during last year's survey, environmental interests, project contractors, and state agencies were all reported over 80 percent of the time. This year the only interests reported over 80 percent of the time were the Forest Service and its contractors.

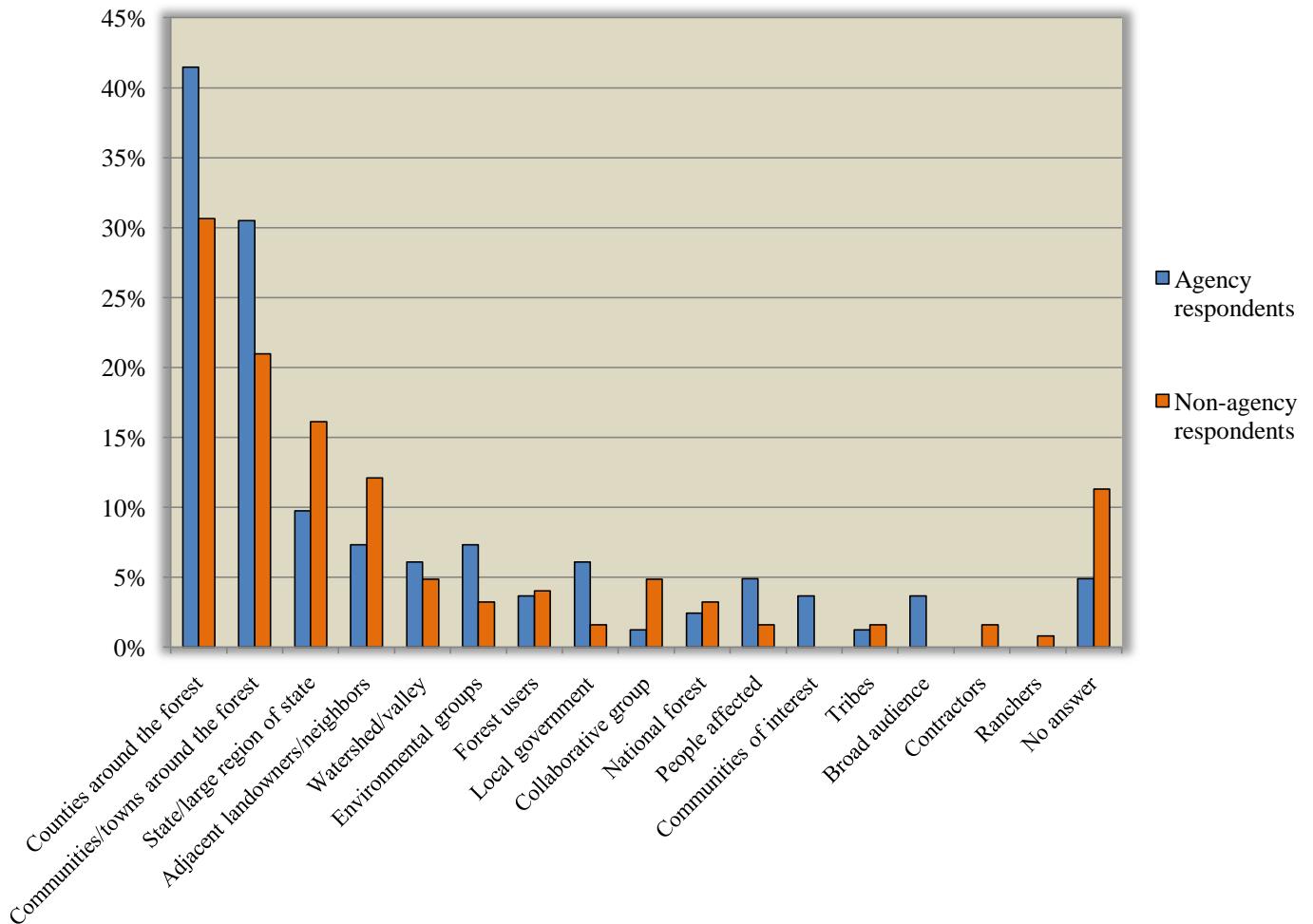
The apparent backsliding in the frequency with which groups were involved may be due to any number of reasons. Two hypotheses worth exploring further include: First, more community interests and less contractors could have been interviewed in the previous year, which would likely be a partial explanation of why other interests were mentioned less frequently. Contractors often steer clear of engaging in collaborative processes with other stakeholders due to perceived and real unfair advantage, and because of the nature of contract work. A second explanation could be linked to the large influx of funds that the agency received through the American Recovery and Reinvestment Act (ARRA) (P.L. 111-5). While the agency increased the number of stewardship contracts over this past year by a phenomenal 65 percent—representing a 73 percent increase in acres awarded—efforts to get projects out the door, may have inadvertently contributed to less stakeholder involvement. These potential explanations are merely conjecture and additional analysis would be necessary to tease this out. Whatever the explanation, the decrease in participation is of some concern.

Lastly, it is important to note that participating entities tend to vary by region and state. For instance, wildlife and fisheries interests may be reported more often in states where the National Wild Turkey Federation and Rocky Mountain Elk Foundation have active stewardship contracts or agreements. So any conclusions drawn from the national level data regarding the diversity and frequency of participating interests may not necessarily reflect trends at the regional, state, and local level. Further inquiry, possibly in-depth case studies would be necessary to reveal trends at these scales.

### **Role of Local Communities**

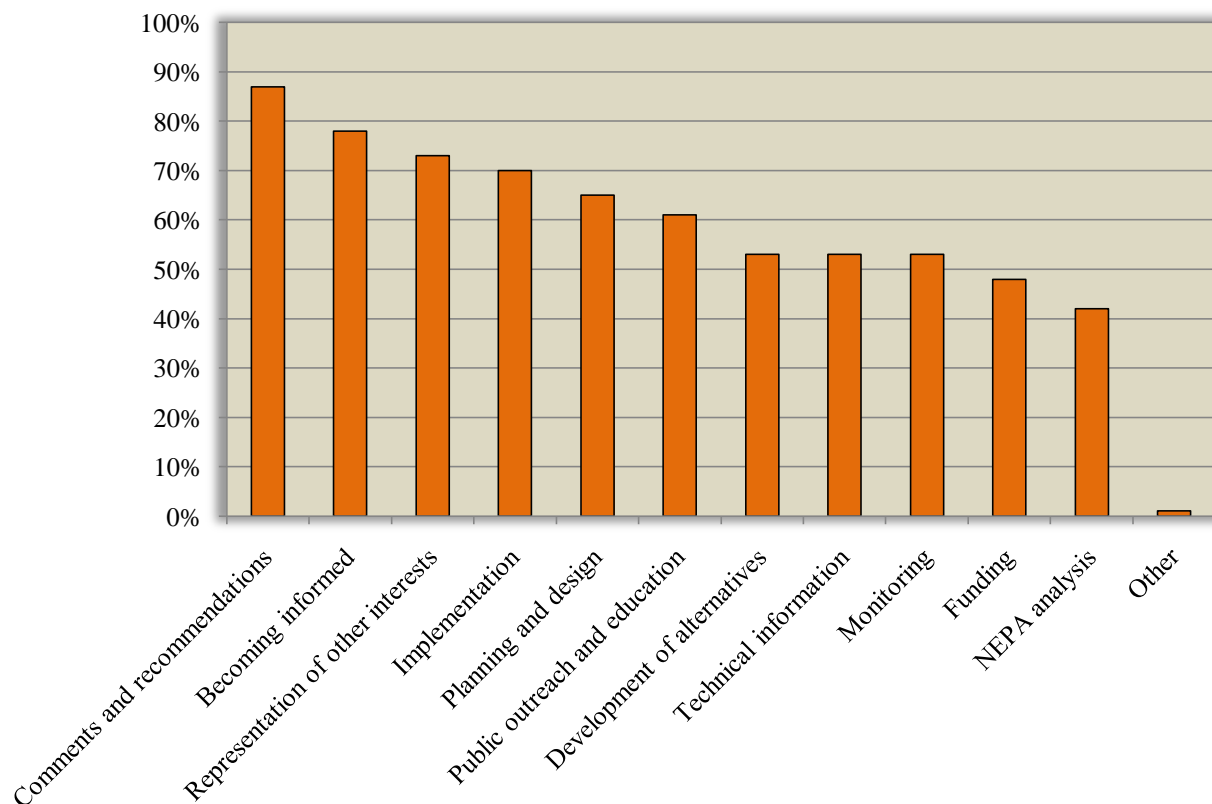
Respondents were asked to explain their definition of “local community.” While there is a fairly broad distribution, the most frequent responses to this question from both agency and non-agency respondents are “county/counties around the forest,” “communities/towns around the forest,” “the state and/or a large region of the state,” and “adjacent landowners and/or neighbors” (see Figure 8 and Table 7 in appendix B). The fact that 42 percent of agency respondents and 31 percent of non-agency respondents think of counties as being the “local community” may reflect that county government is the predominant form of governance around which rural forested communities are organized. This may also reflect the economic association of county governments with natural resource (e.g., timber) produced on federal public lands.

**Figure 8.** Respondent definitions of “local” community.



Interviewees indicated a broad range of roles for communities in stewardship projects (see Figure 8 and Table 8 in appendix B). The 2010 data and data from recent years of this programmatic monitoring effort suggest that across the country community members are playing a largely passive role in stewardship projects (e.g., representing other interests—73 percent of responses, becoming informed—78 percent of responses, and providing comments and recommendations—87 percent of responses). Less common roles for communities are more on the project planning and design (65 percent), implementation (70 percent), and monitoring (53 percent) end of things. An important finding from this year’s monitoring effort is that of projects interviewed, 48 percent of responses suggest that communities have a role in providing funding. This funding is often associated with fuels reduction projects on private lands that complemented work on adjacent public lands, and is frequently provided by local governments or local community groups. This is likely an indication of growth in the use of stewardship agreements, a trend that the Regional Teams have identified as a very positive trend.

**Figure 9.** Frequency of the different roles local communities play in stewardship projects.

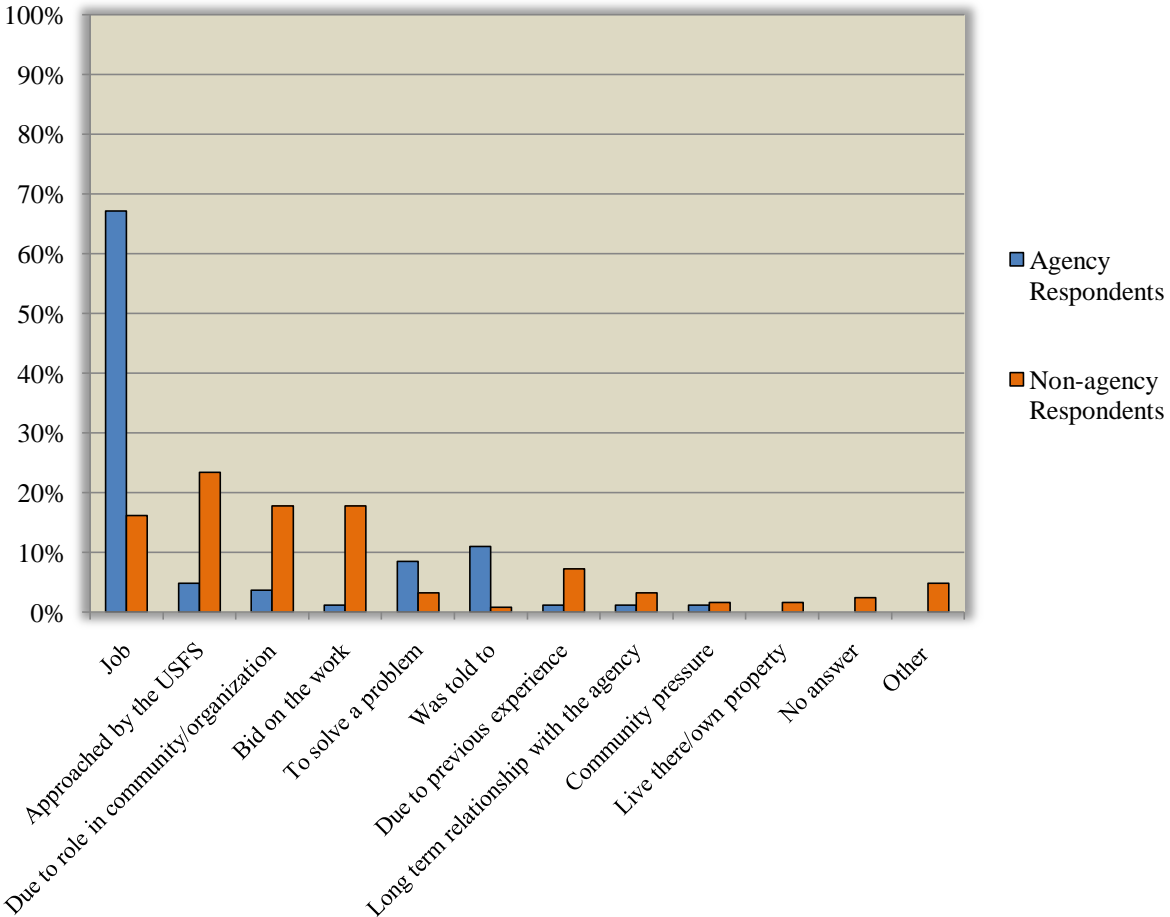


### 3.3 Personal Involvement in Stewardship Contracting

#### Circumstances Surrounding Participation

Survey participants explained the circumstances leading to their participation in a stewardship contracting project (see Figure Table 10 and Table 9 in appendix B). Most (67 percent) agency respondents report that they came to be involved in stewardship contracts through their job. Related, 11 percent of agency respondents also report that they first participated because they were instructed by their superiors to do so. Non-agency individuals reported becoming involved due to their role in their community or with their organization (18 percent), because they bid on the project (18 percent), because of their job responsibilities (16 percent), and most often because they were approached by Forest Service people to do so.

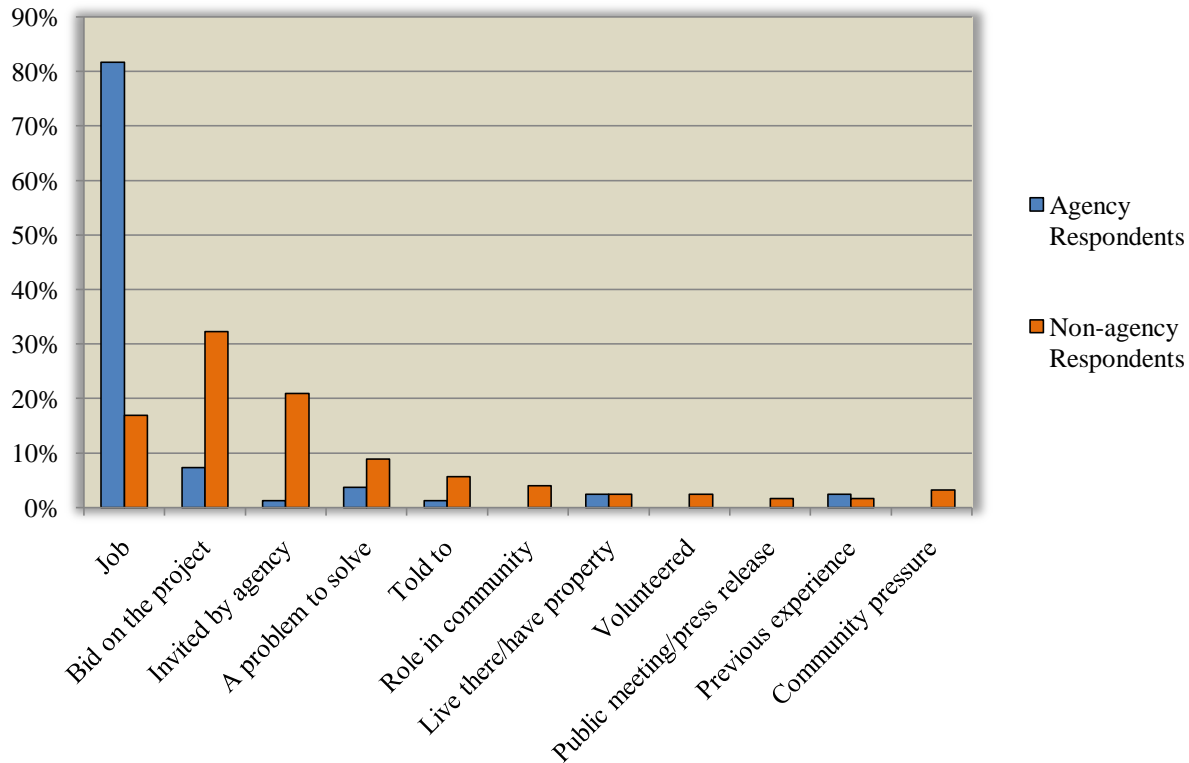
**Figure 10.** How respondents personally first became involved in stewardship projects.



**Reasons for Engagement**

Respondents reported their reasons for engaging in stewardship projects (see Figure 11 and Table 10 in appendix B). The vast majority of agency respondents (82 percent) report that they became involved in stewardship contracting projects because it is part of their job, while only 17 percent of non-agency respondents report this. Still, non-agency respondents did also report that they bid on the project as potential contractors (32 percent), and 21 percent of non-agency respondents report being invited by the agency. Interestingly, no agency respondents report their participation as being due to their role in the community. Other reasons individuals became involved included: “it makes sense,” “I was only generally involved,” “to help my community,” and because “I am working with my family’s business.”

**Figure 11.** Why respondents became involved in stewardship projects.



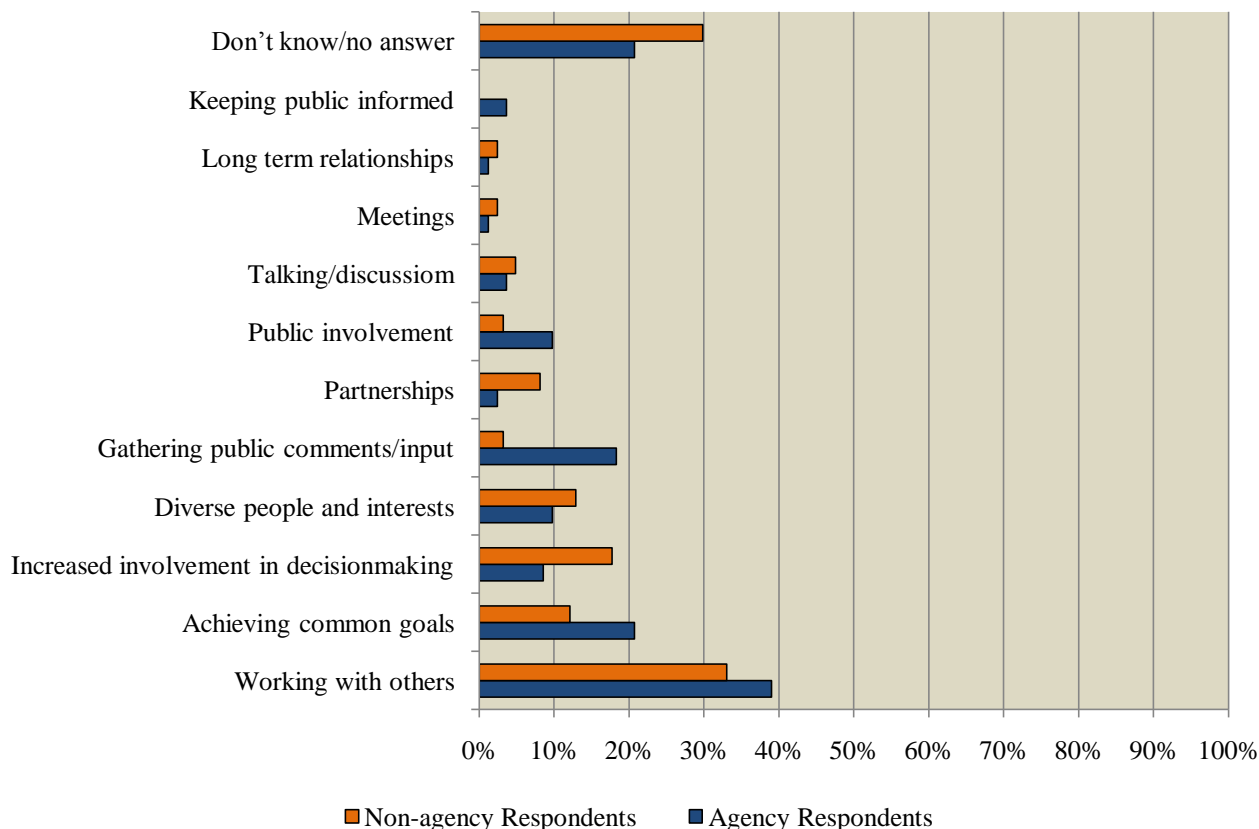
### 3.4 The Collaborative Process in Stewardship Contracting

#### Nature of Community Involvement

Participants were asked to provide interviewers with their own definition of “collaboration” (see Figure 12 and Table 11 in appendix B). The most significant response, with over 33 percent of non-agency respondents and nearly 40 percent of agency responses, is that collaboration is “working with others.” The similarities in terms of how to define collaboration largely part ways after that. Non-agency stakeholders are significantly more likely than agency personnel to consider collaboration as: a way to become more involved in decision making, partnerships, and including diverse people and interests. Agency personnel, on the other hand, are much more likely than non-agency people to view collaboration as: “gathering public comments and input” and “involving the public” as is commonly done through the NEPA public involvement process, and “achieving common goals.”



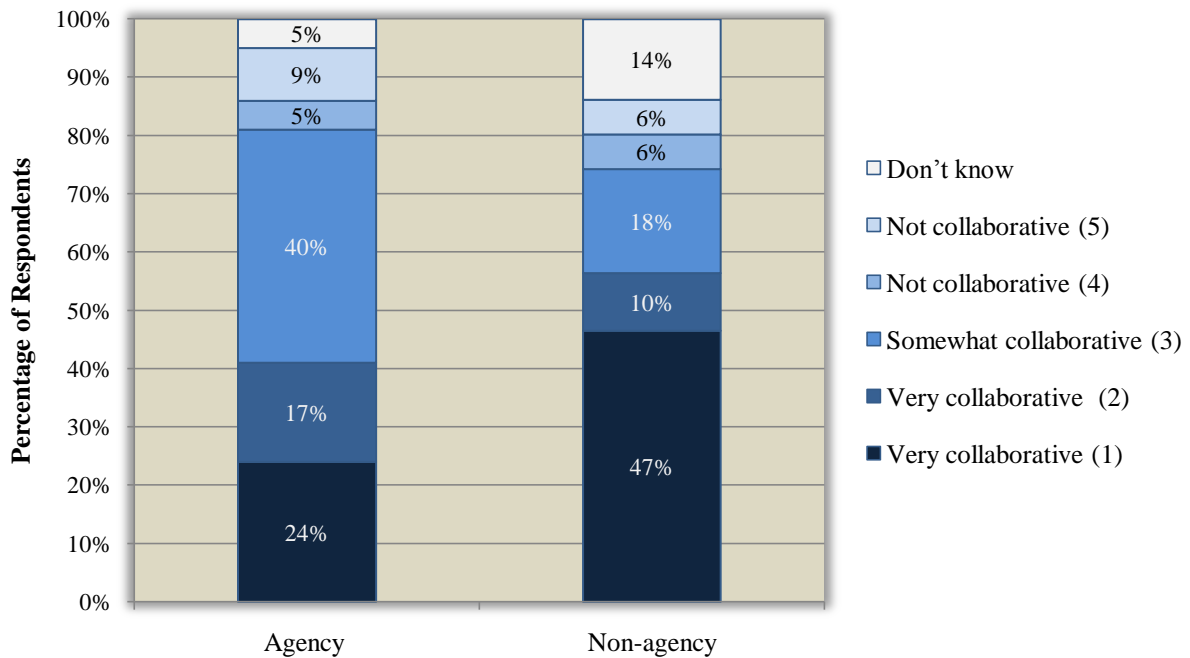
**Figure 12.** Respondent’s definition of collaboration.



**Degree to Which Projects are Collaborative**

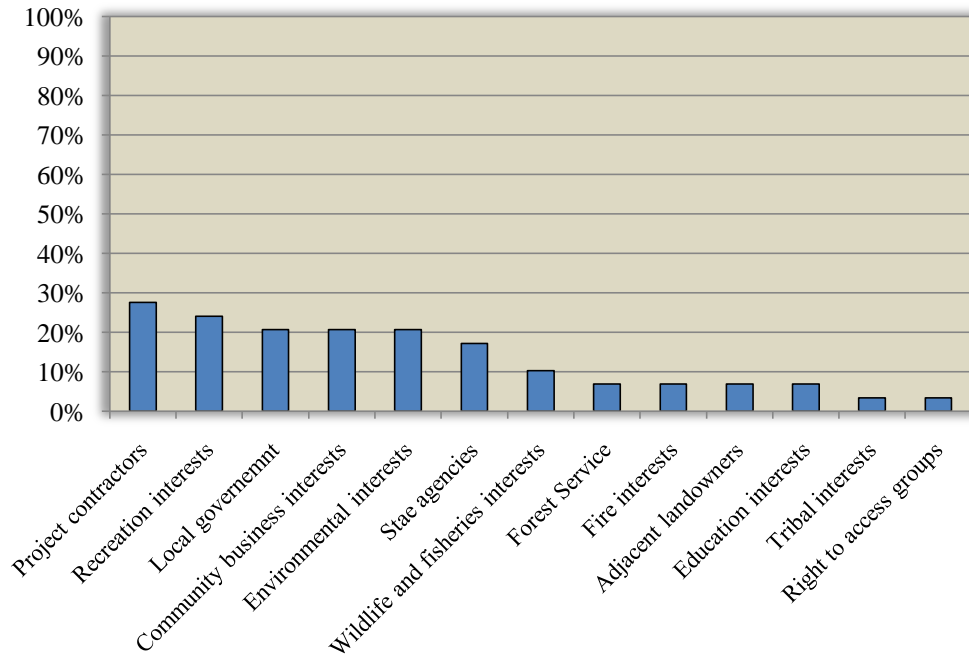
Survey participants were asked to rate the degree of collaborative community involvement in their projects on a five-point scale (1 = very collaborative to 5 = not at all collaborative) (see Figure 13 and Table 12 in appendix B). These data show that 50 percent of agency and non-agency respondents feel that their projects are “very collaborative.” This is down slightly from last year’s figure of 60 percent because fewer agency respondents felt that the projects they participated in were “very collaborative.” Conversely, each year some agency and non-agency respondents suggest that their projects are either only “somewhat collaborative,” “not collaborative,” or that they simply do not know whether or not their projects should be considered collaborative. This category of responses increased from 20 percent in 2009 to 50 percent in 2010. It is worthwhile to note that agency participants tended to view projects as “somewhat collaborative” but not “very collaborative,” while non-agency responses seem almost the inverse of this. Also, 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 13, the darker the color blue, the greater the perceived degree of collaboration is.

**Figure 13.** Degree to which stewardship projects are collaborative.



Just less than 15 percent 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. Another possibility is that the interviewees are part of 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. A full 35 percent of all respondents felt that additional interests should have been involved in their stewardship contracting project. Figure 14 shows the most frequent categories of individuals that respondents believed should have been involved in their collaborative process. These most frequently included project contractors (28 percent), recreation interests (24 percent), local government representatives (21 percent), community business interests (21 percent), and environmental interests (21 percent). The fact that project contractors are reported to be frequently missing from projects correlates with findings from previous programmatic monitoring reports that suggest that project contractors, despite being bearers of important local knowledge, are often not involved in the design of projects and this often limits their ability to prepare a successful bid and/or fully understand the context within which the project is scheduled.

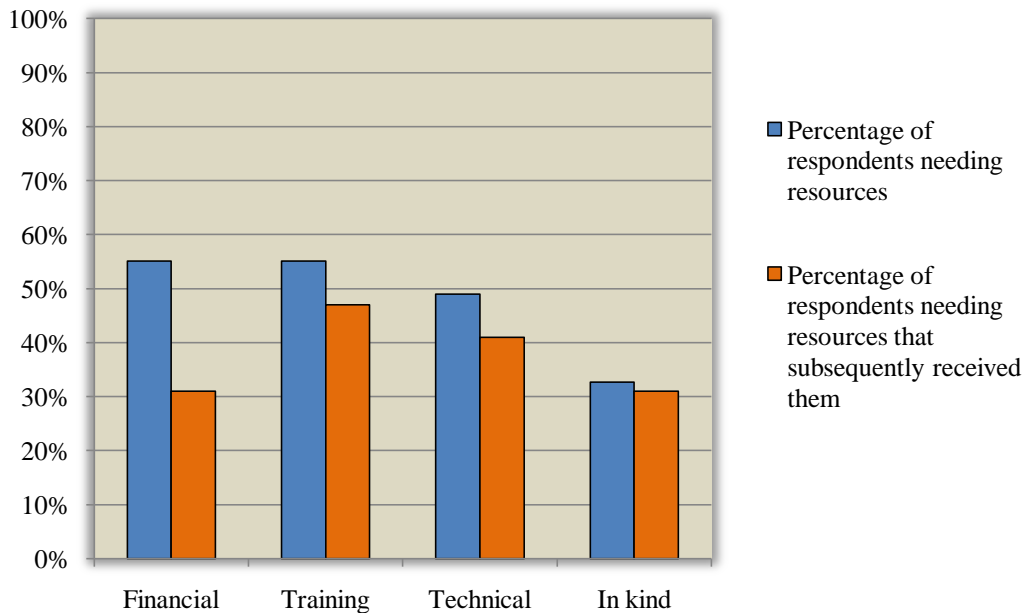
**Figure 14.** Individuals missing from the collaborative process.



**Resources Needed to Participate**

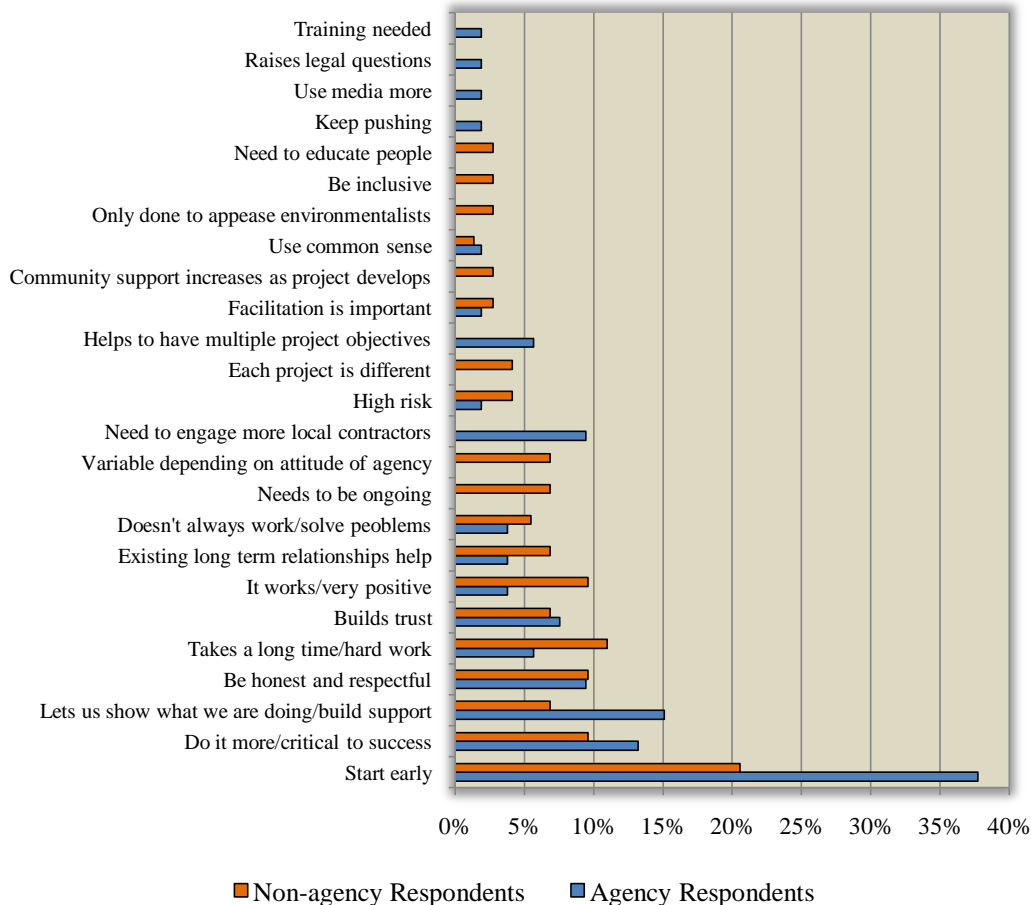
Close to 60 percent of interviewees indicated that the projects in which they participated were in need of additional resources for community participation. While the majority of projects needing additional resources to enable community participation received these resources, only 56 percent of projects identified as needing additional financial resources to facilitate community engagement received such resources (see Figure 15 and Table 13 in appendix B).

**Figure 15.** Resources needed for community participation.



Those surveyed were also asked to describe the lessons that they learned about community involvement through their participation in stewardship contracts. Sixty-three percent of respondents relayed a number of lessons learned. These responses are detailed in Figure 16 and Table 14 in appendix A.

**Figure 16.** Lessons learned about community involvement.

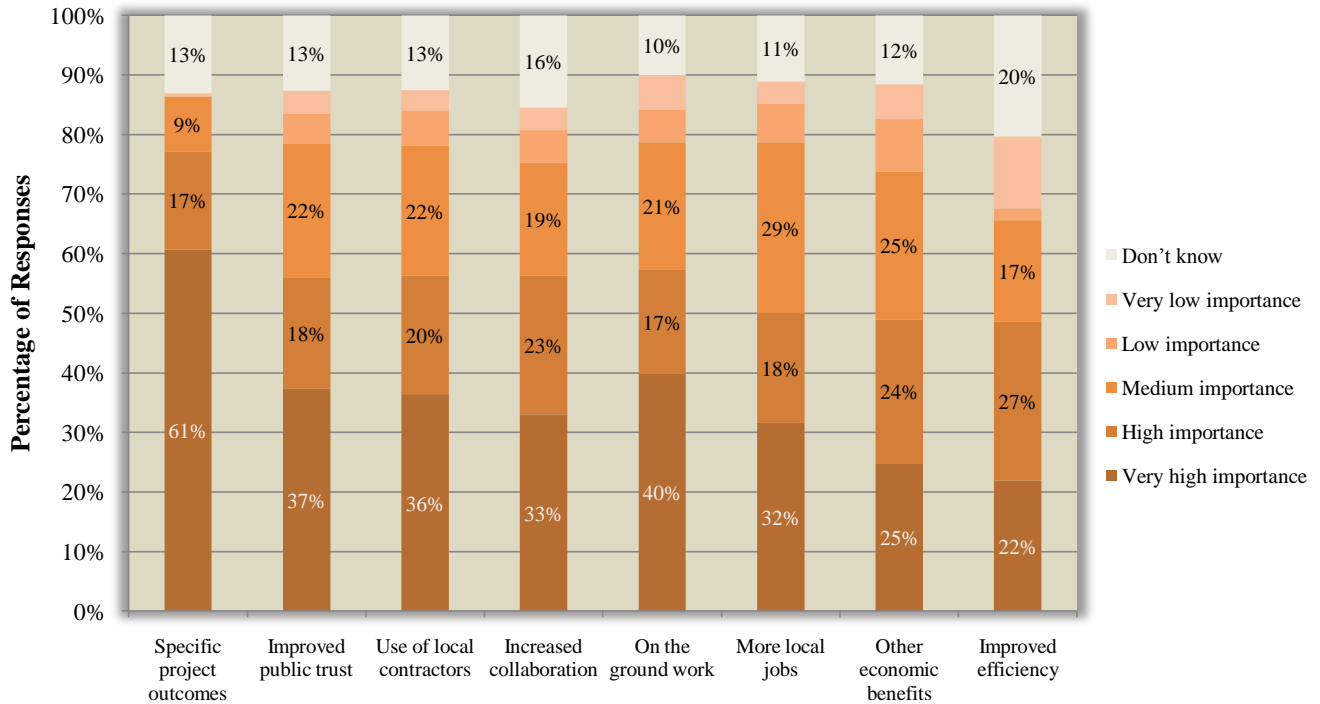


### 3.5 Local Benefits of Stewardship Contracting Projects

Survey participants were asked to rate, on a five point scale (1 = very high, 5 = very low), the importance of various benefits that accrued to communities as a result of stewardship contracts (see Figure 17 and Table 15 in appendix B).

With over 60 percent of responses, “specific project outcomes” (i.e., results on-the-ground) is again the single most frequently cited benefit and also the benefit of stewardship contracting that is of the highest importance. Other related benefits that are judged by respondents to be of very high importance include “getting work done on-the-ground” (37 percent), “increased collaboration” (40 percent), opportunities to “use local contractors,” “improved public trust” (33 percent), and opportunities to create “more local jobs” (32 percent) were all viewed as of very high importance.

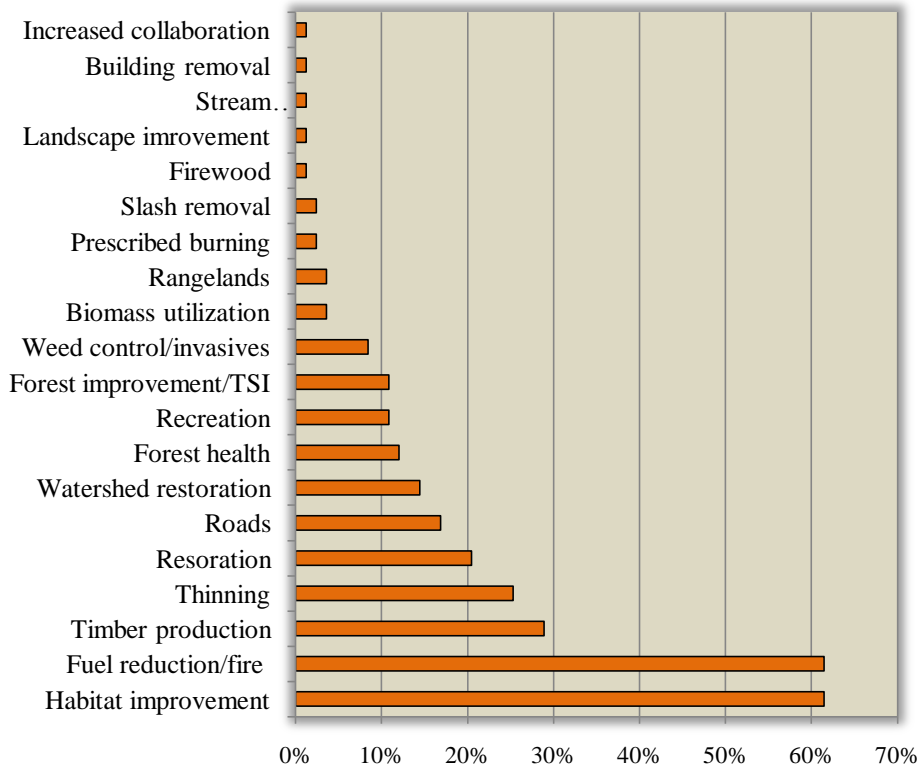
**Figure 17.** Importance of benefits to local communities from stewardship contracts.



As was the case in previous surveys, the most important local benefit to respondents—and one that is often discussed in interviews and Regional Team meetings—is the specific project outcomes that result from stewardship contracting projects. People often refer to the measurable outcomes on the ground in terms of the work that they can actually see being accomplished as a result of the contract or agreement. Note that on-the-ground work is also rated quite high.

People like this contracting authority because it gets work done and achieves measurable outcomes (see Figure 18 and Table 16 in appendix B). Figure 18 demonstrates the diversity of work that is being accomplished through stewardship contracts. The top two most frequently suggested specific outcomes that result from stewardship contracts are habitat improvement and a reduction of hazardous fuels.

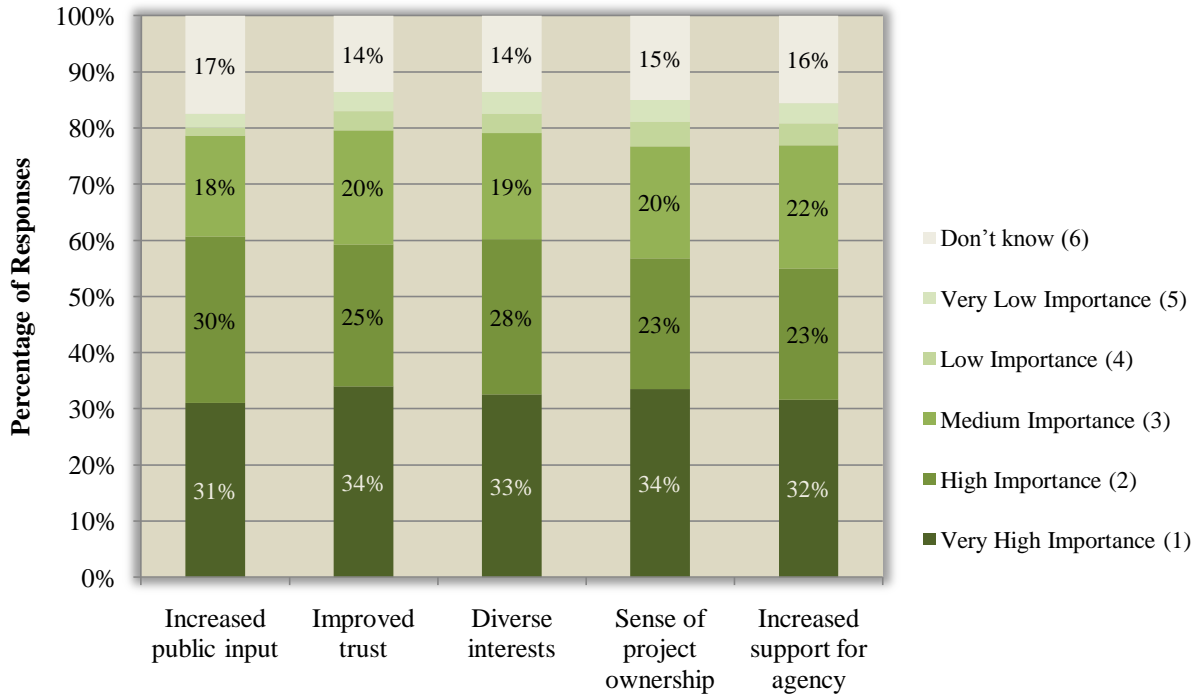
**Figure 18.** Specific project outcomes cited by respondents.



When asked to comment on the importance of community involvement in stewardship contracting, respondents indicated a number of benefits (See Figure 19 and Table 17 in appendix B). In 61 percent of responses, survey participants suggested that “increased public input” and “involvement of diverse interests” were benefits of stewardship contracting that were of “high” or “very high” importance to them. These data accentuate the importance of the collaborative benefits that can result from stewardship contracting. Other benefits cited by respondents include “increased support for the agency” (55 percent) and “fostering a sense of project ownership” (56 percent).



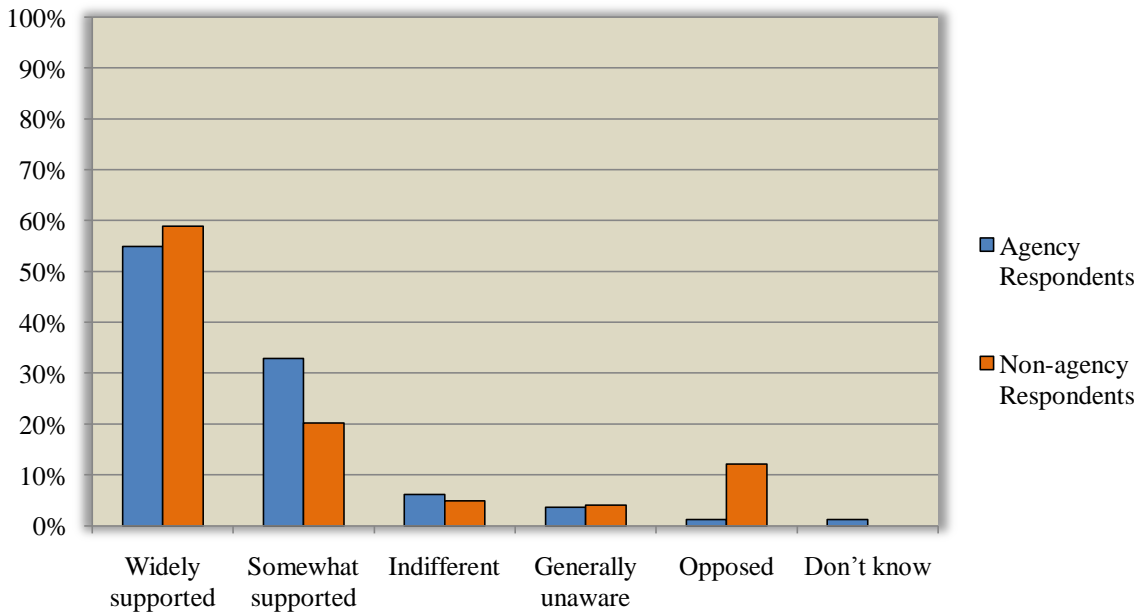
**Figure 19.** Benefits of community involvement in stewardship contracts.



### 3.6 Support for Stewardship Contracting

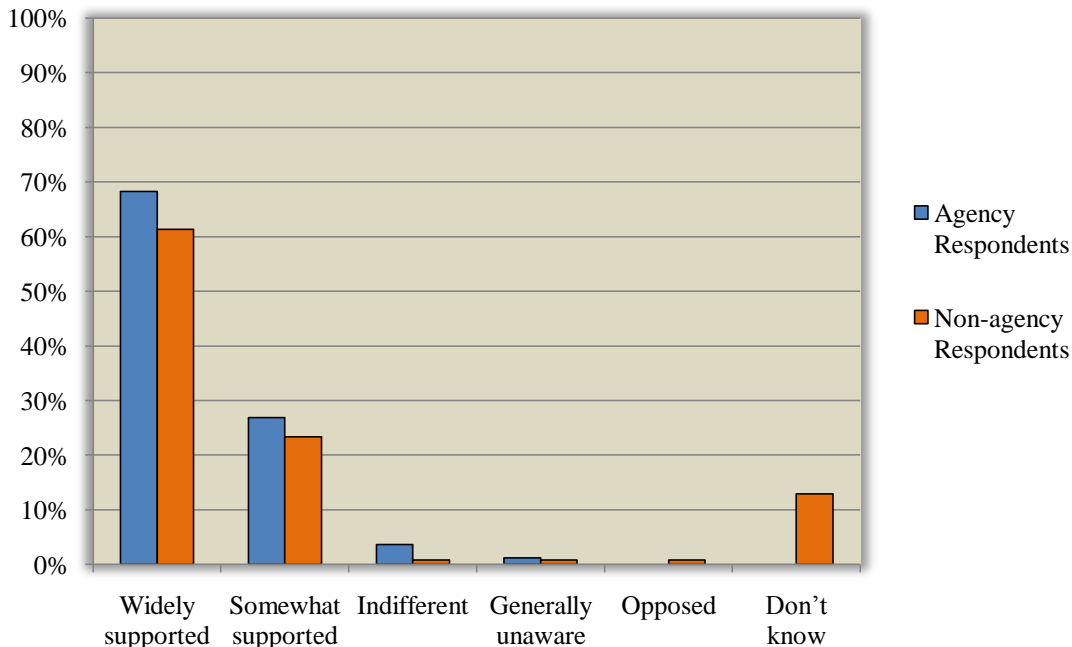
Survey participants were asked how well supported stewardship contracting projects are in their communities. Stewardship contracting is for the most part either “widely” supported or “somewhat” supported within local communities (see Figure 20 and Table 18 in appendix B).

**Figure 20.** Support for stewardship contracting 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 19 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.

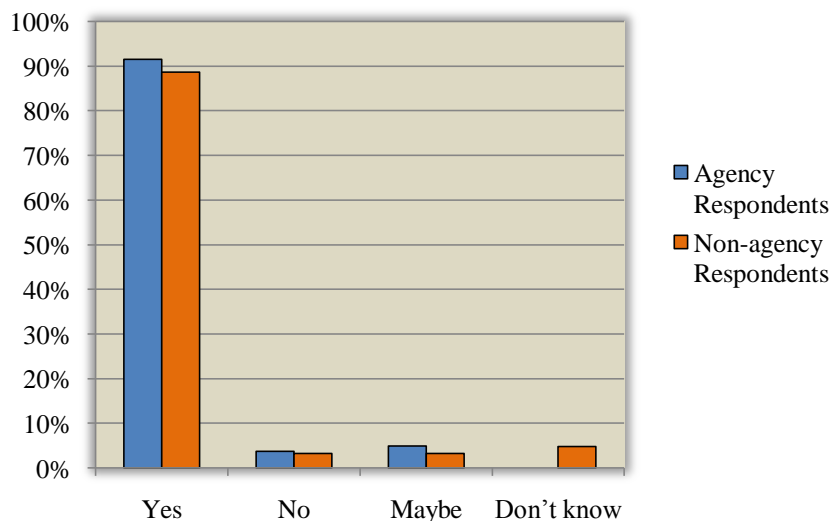
**Figure 21.** Support for stewardship contracting projects in the agency.



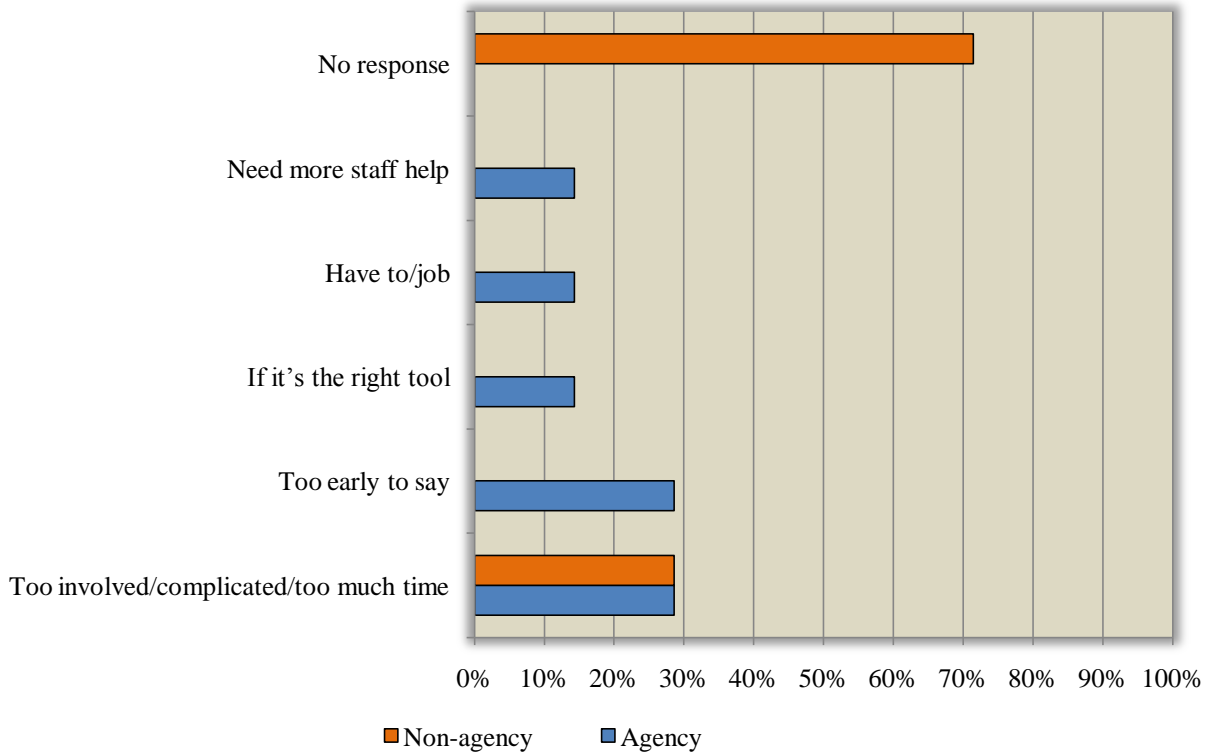
### 3.7 Interest in Continued Use of Stewardship Contracting

Survey participants both within and outside 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 20 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 21 in appendix B). People who would participate in more stewardship projects say they would most often because, “it is the best way to get work done,” “I am already doing [involved in] more [projects],” and “it is a good tool and/or a good concept” Other reasons individuals say they would participate again include, “it is worth the extra time,” “the Forest Service is a great agency,” stewardship contracts are “satisfying,” “I am a believer,” and “it meets our organization’s objectives.” For the small number of respondents who said that they would not participate again, their reasons were varied, but included “it is hard to work with the agency,” “need a broader range of projects,” and it is “too much paperwork and/or it is too complicated.”

## 4 — SUMMARY FINDINGS AND RECOMMENDATIONS

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 region-specific survey data as well as their own experiences to discuss the following three core questions:

1. What are the predominant problems in engaging communities in Forest Service 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 Forest Service stewardship contracting? BLM stewardship contracting? What fostered these successes for both agencies?
3. What are the major perceived benefits of Forest Service stewardship contracts to communities within this region?

The Regional Team Reports address these questions from a regional frame of reference. These Regional Team Reports are extremely valuable resources for agency and Congressional decision makers grappling with how best to maximize the ecological and community benefits that stewardship contracting can deliver. This section of the report lists several summary findings and recommendations. Readers are strongly urged to review the findings and recommendations of the Regional Teams in appendix A.

### 4.1 Predominant Problems with Engaging Communities in Stewardship Contracting

#### **Findings – Collaboration and Community Engagement**

Collaboration is often characterized by deliberative processes through which stakeholders debate management alternatives in an open, transparent, and inclusive manner in order to reach agreement on land management policies, forest planning, and specific proposed management actions. Given this definition, it is worth considering why stewardship contracting is often associated with collaboration. When first authorizing stewardship authorities, Congress provided a flexible tool that could be used to benefit both forest ecosystems and the communities that depend upon them. This same flexibility is controversial and some caution that if used in a situation without integrity, the tool could be abused (Nie and Fiebig 2010). Thus, many believe that the use of stewardship authorities is best served through collaboration. Unfortunately, in recent years there has been an uneven application of collaboration in the use of stewardship contracting authorities (Pinchot Institute 2009; Moseley 2010).

- **While the number of new stewardship contracts and acres awarded increased by 65 percent and 73 percent respectively over the last year, there are indications that projects are becoming less collaborative.** Over the last year, the number of agency respondents that view stewardship projects as “very collaborative” has decreased, while the number reporting that projects are only “somewhat collaborative” nearly doubled. Meanwhile, the number not knowing whether or not their projects are collaborative, or describing their projects as only “some-

what collaborative” or “not collaborative” at all, has increased to being a full half of all non-agency respondents. Overall, the frequency of non-agency involvement and the diversity of the groups engaged both decreased over the last year.

In some regions this is quite noticeable. In the Northern Rockies, for example, the involvement of environmental groups in stewardship projects decreased from 90 percent to 50 percent in just the last year. These trends may in part be explained by the American Recovery and Reinvestment Act (ARRA). Interviews and Regional Team meetings revealed that stewardship projects funded through ARRA had the desired effect of “getting the money to the ground” quickly, but may not have resulted in increased collaboration, community engagement, or public trust.

- **Collaboration in stewardship projects remains uneven.** The degree of collaboration that is reported by agency and non-agency respondents varies widely from region to region. In some places, collaborative behavior runs deep; while in others collaboration remains stagnant or is completely absent. Allocating resources to certain places that exhibit collaborative behavior via avenues like the Collaborative Forest Landscape Restoration Program (CFLRP) may motivate others to come together, but if financial and technical resources are lacking in new places, the chances of successfully facilitating collaborative work are low. Regions Six’s new Community Capacity Land Stewardship Award Program may prove to be a model for broader application and should be monitored closely as it moves ahead.
- **In many places, community engagement is conducted through passive channels, and community participation is minimal.** The most commonly cited role for communities in stewardship contracts continues to be related to their participation in the NEPA process (e.g., showing up at traditional public meetings, providing comments, and participating in one-on-one conversations with agency representatives). As stewardship projects focus more and more on the wildland urban interface (WUI), community engagement is often limited to one-on-one conversations with private landowners located adjacent to hazardous fuel reduction projects. Deliberative processes intended to facilitate broad agreement on management priorities among diverse interests across a landscape are often viewed as too onerous, requiring large inputs of time and energy.
- **Insufficient training resources, technical assistance, and financial resources are made available to effectively engage communities in stewardship projects.** Over half of respondents reported that they needed additional technical, financial, and/or training resources to effectively engage communities. Only 56 percent of projects identified as needing additional financial resources actually received such resources.
- **Agency and non-agency participants approach stewardship contracting and collaboration from different angles.** Agency unit-level management and contracting personnel tend to view stewardship contracting as just another tool—specifically, a goods-for-services funding mechanism—to achieve land management targets. Non-agency participants are more likely to view stewardship contracting in a more comprehensive manner that encompasses both the full suite of stewardship authorities and a collaborative approach intended to yield ecological and economic benefits. The vast majority of stewardship contracts and agreements are initiated by the agency, and unless community interests are acknowledged by the agency, these interests are likely to be left out of stewardship projects. Many community members and other non-agency

stakeholders remain unsure about the available space for their participation in decision making regarding land management activities.

- **Community members often become frustrated when certain activities are deemed to be of low priority for stewardship projects.** This parallels an agency trend toward a more narrow interpretation of stewardship contracting, where stewardship contracting is reduced to its goods-for-services authority used to offset the costs of vegetation management. In projects that exhibit failures in community engagement and an absence of collaboration, community members report that some of the issues that are of prime importance to them are often not considered when scoping stewardship projects. These issues often include recreation related projects—trails, signage, campground improvements, and enhancements to access points at sites of special importance to local communities. In some instances the agency may simply not effectively communicate that certain activities are not appropriate per policy.
- **There continues to be differences in perception among agency personnel regarding the appropriate way to engage communities.** Within the agency there is a spectrum of views on where and when collaboration is necessary, who it involves, and what it entails. While some agency personnel are comfortable with the idea of public engagement, they draw the line at what they perceive to be collaboration, while other agency personnel would likely perceive these same staff to be already actively collaborating with communities. Likewise, some view participation in collaborative processes as optional while others see it as their core job function. Thus, there are benefits and costs with leaving the interpretation of community engagement and collaboration with line officers. It is important to note that collaboration should not be expected everywhere, and forcing it can even prove counterproductive in some places.

## **Recommendations – Improving Collaboration and Community Engagement**

- ✓ Provide the needed funding, training, and technical assistance to enable collaborative processes and increased use of stewardship authorities. Efforts in this area should be focused, especially given the forthcoming release of the new blended Stewardship End-Results Contract. The National Wild Turkey Federation and Rocky Mountain Elk Foundation have developed stewardship contracting trainings that are intended to inform and motivate managers and community collaborators alike. These resources should be leveraged.
- ✓ When feasible, utilize existing community groups representing a broad range of local interests as a starting venue for collaboration on stewardship projects.
- ✓ Consider using readily available technologies (e.g., Skype) to facilitate the participation of geographically isolated participants.
- ✓ Enlist the participation of community organizations and other non-agency partners that are trusted by the local community to help run collaborative processes.

- ✓ Strategically align stewardship contracts with capacity building grants and technical assistance to support the development of collaborative processes and contractor capacity.
- ✓ Consider emphasizing communications/facilitation skills when hiring agency staff to help stakeholders develop stewardship projects in a collaborative manner.
- ✓ 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 that the tasks embedded in the projects make them undesirable to bidders.
- ✓ Agency human resource policy should recognize the time required to build collaborative community relationships and include this as a core responsibility of agency personnel.
- ✓ Effective participation in collaborative efforts should be recognized in agency performance reviews, nominations for awards, and other appropriate means.
- ✓ Ensure that the regional stewardship plans developed through collaborative processes and stewardship agreements are integrated into Land and Resource Management Plan revisions.

## **Findings – Unresolved Technical Barriers**

The five regional teams identified the most significant barriers associated with engaging local communities in Forest Service stewardship contracts and/or agreements and have determined that a variety of technical barriers prevent broader diffusion of stewardship contracting and limit opportunities to engage communities.

- **Monitoring is often the last priority for funding but is widely seen as an essential part of implementation.** Multiparty monitoring was very valuable in the stewardship contracting pilots and continues to be a beneficial concept that can yield important social, economic, and environmental information to non-agency and agency stakeholders alike. Respondents report that communities are involved in monitoring and providing technical information in 53 percent of projects. In these projects, information is collected and often utilized by community collaborators to inform future management decisions in an adaptive management context. Funding multiparty monitoring remains a challenge and some groups that have made a commitment to mul-

tiparty monitoring continue to struggle to fund such activities. During the pilot period, a number of projects used a portion of retained receipts to fund project-level multiparty monitoring as a part of implementation. This has not been allowed since the end of the pilot phase, yet groups pursuing multiparty monitoring as a way to build trust and evaluate the impacts of stewardship projects repeatedly have urged that this prohibition to be lifted.

- **Economic constraints and insufficient local infrastructure can limit the effectiveness of stewardship contracts to deliver community objectives.** In many places, ecosystem restoration and ecosystem management is in part dependent on the existence of market value to offset costs. While non-agency stakeholders have consistently pointed to the fact that they like stewardship contracting because they believe that it helps them achieve objectives on the ground, when markets for the “products” of ecosystem restoration and management (i.e., biomass and small diameter timber) are weak or non-existent, stewardship contracting may not deliver the outcomes communities want to see. This can lead to frustration and unwilling participants.
- **The cancellation ceiling remains a significant barrier to multiyear landscape scale projects seeking to use stewardship authorities to lower restoration costs.** The Federal Acquisition Regulations (FAR) require that the federal government obligate funds early on in the contract in the event that the federal government cancels the contract later on and needs to compensate contractors for any unamortized start-up costs incurred. Given agency budget limitations, setting aside funds to meet cancellation ceiling requirements is beyond the capacity of most management units, especially when a contract is intended to be multiyear and will involve significant up-front investment. In places that have retained sufficient wood processing infrastructure, Indefinite Delivery Indefinite Quantity (IDIQ) contracts are one approach being used to avoid the cancellation ceiling requirement.<sup>8</sup> However, this method provides only marginal assurance of long-term wood supply and jobs. In areas where significant private investment is needed to grow wood processing capacity, the cancellation ceiling presents a huge barrier, and is one of the main reasons that there are only two landscape-scale 10-year non-IDIQ stewardship contracts. The cancellation ceiling barrier is being addressed with limited success in the White Mountain Stewardship Contract (WMSC) in Arizona and the Front Range Stewardship Contract (FRSC) in Colorado, contributing to the discomfort of regional budget staff and managers alike. One potential legislative fix that has been offered up would be to require the agency to obligate funds at the time of liability (i.e., in the event the contract is cancelled) versus at the time of contract award.
- **Administrative interpretation and internal rules can limit the flexibility and effectiveness of stewardship authorities.** Past programmatic monitoring reports noted the challenges of having contracting officers from the timber and acquisition divisions work together on letting stewardship contracts. This continues to be a concern, but another, perhaps more fundamental challenge is that some Forest Service contracting officers seem disconnected from the field. Some contractors report that contracting officers appear to be either uncomfortable with or not knowledgeable about the objectives and mechanics of stewardship contracting. These contractors contend that contracting officers hold overly rigid interpretations of contract language that may limit some small businesses from bidding.

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<sup>8</sup> One example of this is in Lakeview, Oregon where a 10-year IDIQ stewardship contract does not include a cancellation ceiling. In this particular instance, upwards of \$100 million dollars of private investment has been introduced to the community.



- **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. This limits the use of stewardship contracting’s potentially more efficient, yet more controversial authorities (e.g., designation by prescription or description) that require a high degree of trust. Forest supervisors play an important role in determining whether or not stewardship contracting is used. Some of these leaders also perceive stewardship contracting as overly complex and time intensive.
- **Several factors limit would-be-contractors from bidding on stewardship contracts.** While many emphasize that a high degree of professionalism should be expected from contractors seeking work on federal public lands, factors that frustrate willing contractors include: poorly explained or understood proposal evaluation criteria, narrow timeframes between project advertisement and proposal deadlines, non transparent best value criteria, and overly complex and lengthy documentation requirements. There is a sense of optimism that the new blended Stewardship End Results Contract will make the contracting process less complex and paper work focused.
- **Budget considerations can present strong disincentives for Forest Service managers to use or support stewardship contracting.** While retained receipts can be blended with K-V funds to go towards certain land management activities, retained receipts from stewardship projects are deemed by the Forest Service to be “inappropriate” to pay for agency overhead. Some managers are therefore resistant to use and/or support stewardship contracting in an era of declining budgets because they feel that they can achieve the same outcomes on the ground using other pathways (e.g., timber sale contracts and K-V) that can help cover some staff costs. Still, many other field units report being able to get more and better work done exclusively because of stewardship contracting.
- **County governments, particularly those in areas where timber volumes and/or values are high, are faced with strong incentives to not use or support stewardship contracting.** Unlike with timber sales, county governments do not receive 25 percent of the revenue from receipts generated by stewardship contracts because those receipts are retained and are intended to go towards additional work on the ground. While counties with significant amounts of federal public land have some options for replacing those lost revenues (e.g., county payments authorized under the Secure Rural Schools Act and Payments in Lieu of Taxes) there is still a reluctance on the part of many county governments to support stewardship contracting, particularly with the Secure Rural Schools Act scheduled to expire in 2012.

## **Recommendations – resolving technical barriers**

- ✓ Multiparty monitoring should be an allowable cost, eligible to be funded with retained receipts, appropriated funds, or through some other means.
- ✓ Increase the capacity of local contractors by helping them understand the complexity of contracts (especially the ins and outs of the forthcoming Stewardship End Results Contract), the bidding process, and how to effectively manage federal contracts. If the bidding process cannot be streamlined for legal reasons, the agency and its external partners need to help potential contractors understand the logistics

of bidding. The agency should commit experienced, knowledgeable, and willing personnel to design and let contracts.

- ✓ Since conflict of interest rules are reported as a significant barrier to contractor participation in project development and design, the relevant laws, policies, and less formal agency rules should be re-visited. Any unnecessary and/or overly restrictive rules that impede effective collaborative development of stewardship projects should be removed. Field personnel may need more guidance than is currently provided in the Forest Service Handbook to enable them to apply the policies appropriately. In some instances contracting officers appear to be unwilling or unable to work with contractors who may often have important information to convey about new approaches/equipment that could be used. In these instances it may simply be that their concerns about providing a level playing field limit these contracting officers from communicating effectively with contractors.
- ✓ Circulate among field level managers a national list of contracting officers who excel in the development of stewardship contracts and are willing and able to trouble shoot problems. Ensure that these contracting officers are appropriately recognized for their effort.
- ✓ Explore opportunities for inexperienced contracting officers or those with little familiarity with stewardship contracting to “shadow” or otherwise work with more experienced individuals throughout the development of new stewardship contracts. Contracting officers should also be encouraged to visit managers in the field to gain a better understanding of what the agency is attempting to achieve with stewardship contracts. Contracting officers (and all staff working with their first stewardship contracting projects) should not only be trained in the mechanics of stewardship contracting, but also learn about the background and underlying philosophy of stewardship contracting.
- ✓ Identify or “Map” areas where agency capacity to use stewardship authorities is insufficient. This would include, among others, geographic locations with little or no experience with stewardship contracting and areas where stewardship contracts are repeatedly limited in scope and in the use of collaboration and partnerships. Such a map can be useful in prioritizing agency training resources that will need to accompany the roll out of the new blended Stewardship End Results Contract (SERC).
- ✓ Where appropriate, encourage NGOs (e.g., organizations focused on wildlife habitat and biodiversity and on community forestry) to provide technical assistance to contractors in developing their proposals. The agency should work to provide clear feedback to contractors when their proposals are unsuccessful.
- ✓ Continue to encourage contractors to create a profile in Fed Biz Ops in order for them to receive notification of projects using “stewardship” as a keyword.

- ✓ Clarify how the technical proposal, past performance, and other factors will be evaluated during the selection process and help contractors not receiving the contract understand why they did not obtain the award.

## 4.2 Successful Outcomes from Engaging Communities in Stewardship Contracting

The five regional teams identified the most significant successes associated with engaging local communities in Forest Service stewardship contracts and agreements. Listed below are several key findings and recommendations. Readers are urged to also view the findings and recommendations of the Regional Teams in appendix A.

### Findings – successes in community engagement and collaboration

- **The use of stewardship contracting has increased significantly.** In just the last year, the number of new stewardship contracts increased by 65 percent and the number of acres awarded through stewardship contracts increased by 73 percent.
- **Existing collaborative groups continue to favor stewardship contracts and agreements as a main vehicle for accomplishing collectively defined desired outcomes.** For example, the first round of the Collaborative Forest Landscape Restoration Program (CFLRP)<sup>9</sup> saw heavy reliance on stewardship contracting in project proposals. The “stewardship groups” proliferating throughout the country (especially in the Pacific Northwest and Rocky Mountain regions) have emerged at least partially out of an interest in using stewardship authorities. Similarly, wildlife and conservation NGOs have been increasingly and effectively using stewardship agreements to engage the public and leverage other resources to accomplish needed restoration work that benefits both the land and the groups’ members.
- **Stewardship contracting has become the preferred way of doing business for communities and the agency in some locations.** In places where stewardship contracting has been a way of doing business for a while, the agency and its non-agency partners often express a growing level of comfort with using stewardship authorities and a desire and willingness to take on more ambitious projects.
- **Some “stewardship groups” have made innovation commonplace.** For example, a number of collaborative groups that are focused on restoring watersheds and fish populations have combined retained receipts from stewardship contracts with the Wyden Amendment authority to undertake whole-watershed restoration activities on private lands where the work will benefit adjacent National Forests.

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<sup>9</sup> The 2009 Omnibus Public Land Management Act of 2009 (P.L. 111-11) built off the success of the CFRP to expand the concept into a Collaborative Forest Landscape Restoration Program (CFLRP), the purpose of which is to “encourage collaborative, science-based ecosystem restoration of priority forest landscapes...through a process that encourages ecological and economic sustainability, leverages national resources with local and private resources, re-establishes natural fire regimes, tracks performance, and uses of forest restoration byproducts to offset treatment costs...this fund will be used for ecological treatments contributing to significantly improving watershed conditions, creating landscapes that are more resilient to climate change, and reducing fire risk, through collaboration with stakeholders” (USDA 2010).

- **In many places the Forest Service has been able to tap into existing social networks (e.g., existing collaborative groups, Firesafe councils, etc.) to effectively engage communities.** The use of new media tools and dedicated websites for these entities has made maintaining the connections between them more fluid. In some places, it has become a little easier to pull people together to work on common projects and goals.
- **Stewardship agreements are growing in popularity and frequency of use.** Agreements are being embraced because they leverage the financial and technical resources of trusted partners, offer increased efficiencies in the achievement of on-the-ground outcomes, and enhance community engagement (usually beginning with their own membership) in the management of public lands. Agreements are particularly attractive to NGOs whose organizational mission's dovetail with agency management objectives—enhancing wildlife habitat, protecting or recovering threatened and endangered species, maintaining important cultural and recreational resources, or creating and maintaining local economic resiliency.

Some local NGOs have found that agency personnel are more willing to collaborate when a larger regional or national NGO facilitates the effort, rather than just the local group. Also, the relationship between local communities and national level NGOs can be an effective way to build trust and cohesion between the agency and local communities. Some national level NGOs have a seemingly unique ability to engage both communities of place and communities of interest. National-level wildlife conservation groups participated in over 18 percent of projects surveyed this year.

Recent years have seen the emergence of partner organizations capable of engaging communities in stewardship projects on both local and regional scales. 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. Examples of groups that have taken a lead in stewardship agreements include:

*National Wild Turkey Federation* – NWTf has 31 active stewardship contracts and/or agreements in over 22 states, representing work on over 17,000 acres, with an estimated timber value of \$2.8 million total. To date they have completed nine different projects in six states on over 3,700 acres, yielding a product value of over \$730,000 and making significant wildlife habitat gains on public lands.

*Rocky Mountain Elk Foundation* – RMEF has four regional stewardship agreements with the Forest Service, six forest wide stewardship agreements, and 18 supplemental project agreements. Adding in its BLM stewardship agreements, RMEF is doing work in four states on nearly 22,000 acres, with an estimated timber value of \$235,100. Another five agreements have been signed but have not yet begun implementation. RMEF also has completed work on 10 stewardship contracts as a subcontractor. To date, 16 projects have been completed, improving habitat for elk and other species on over 10,560 acres.

*Wild Rivers Master Stewardship Agreement* – Over more than a decade of commitment to collaboration on the Rogue River-Siskiyou National Forest built an understanding between stakeholders around the precepts of ecosystem management.

This collaboration led to a Master Stewardship Agreement, between two place-based conservation organizations—the Lomakatsi Restoration Project and the Siskiyou Project—to address various goals related to: ecological restoration of forests (i.e., the 100,000 acres of Douglas fir plantations in Late Successional Reserves) with a focus on restoring wildlife habitat, biodiversity, reducing wildfire risk, and enhancing resilience to climate change. The goal is to accomplish these on-the-ground objectives while providing restoration-based training and economic opportunities to forest workers. The Nature Conservancy is also a party to this agreement (in cooperation with the City of Ashland and Lomakatsi Restoration Project) to implement the 7,600 acre Ashland Forest Resiliency Stewardship Project to help protect the city's watershed, clean water, and abundant wildlife, including endangered species.

■ **Landscape scale projects are yielding significant and empirically valid economic, social, and ecological benefits.** Case studies include:

*White Mountain Stewardship Contract (WMSC)* – This, the first 10-year stewardship contract in the country treats an average of 7,000 acres per year. The Apache-Sitgreaves National Forests coordinates a Multi-Party Monitoring Board comprised of local governments, state agencies, business representatives, and conservation organizations. In 2009, the Nature Conservancy was funded by the Forest Service to analyze and evaluate the first five years' of ecological, economic, administrative, and social monitoring data, which culminated in a report entitled "*Evaluating the Effects of Forest Treatments: The First Five Years of the White Mountain Stewardship Project,*" garnering national attention and providing insight and lessons learned for other large forest restoration collaboratives around the country.

This monitoring report revealed: 226 direct forest industry jobs created and/or maintained, 93 indirect jobs created or maintained, an estimated \$40 million dollar return (in terms of investments, expenditures, and tax revenue) from a \$30 million dollar federal investment to date, 20 local businesses adding value to small-diameter wood (e.g., biomass energy projects), over \$13 million spent in forest communities per year by businesses purchasing wood from the project, over 45,000 acres thinned, as well as numerous measurable ecological benefits on the ground such as reduced wildfire threat, improved watershed function, and improved wildlife habitat.

*Front Range Stewardship Contract (FRSC)* – In this new 10-year project focused on reducing hazardous fuel loads on Colorado's Front Range, the contractor (West Range Reclamation) reports some early success in accessing emerging market opportunities and a decrease in their per acre treatment costs, which are now down to \$300/acre in some places. The contractor has created 52 new jobs because of the contract and is attempt to build their business and position it as the hub of a new industry focused on increasing the value of low-value wood removed through hazardous fuel reduction and forest restoration treatments. The head of the firm now spends almost 100 percent of his time in market research which has led so far to the development of 19 new markets across the country, with wood from the project being used in the

manufacturing of wood pellets, biomass energy, kitty litter, composite products, and paper products. The contractor notes that a pine distributor in Colorado even dropped a Canadian source because of the ability of the FRSC to guarantee supply.

- **Some express concern that long-term contracts concentrate economic benefits in a few businesses in a rural economy, but innovations are coming from the field that may mitigate such concerns.** When stewardship contracting was authorized, the ability to establish long-term (i.e., 10-year) contracts was thought to be necessary to stimulate landscape-scale forest management and restoration activities, especially across much of the west where forests are judged to need mechanical treatment but the value of the material produced may be significantly less than the cost of treating it. Long-term contracts are also deemed desirable because they make it possible to strategically align task orders in a flexible manner that provides administrative efficiency as well as economic and ecological benefits.<sup>10</sup> As demonstrated by the successful division of labor in the White Mountain Stewardship Contract and some of the multiple-award 10-year contracts that have occurred in the Blue Mountains of Oregon and elsewhere, there is evidence that contracts can be structured in innovative ways that distribute economic benefits to many.<sup>11</sup>

### 4.3 Perceived Benefits of Stewardship Contracting to Communities

The top perceived benefits to communities provided by stewardship contracting include, in ranked order: “specific project outcomes” and the closely related “getting work done on-the-ground,” the increased ability to “use local contractors,” “improved public trust” and related benefits associated with “increased collaboration,” the creation of “more local jobs,” as well as “other economic benefits,” and “increased efficiency.”

- **Achieving specific project outcomes and getting work done on-the-ground.** A broad diversity of specific outcomes were mentioned in surveys. The surveys reveals the top two specific outcomes mentioned are hazardous fuel reductions and habitat improvements.
- **Using local contractors, providing more local jobs, and other economic benefits.** The Regional Team reports relate many instances where real economic benefits accrued to local communities because of stewardship contracts and agreements. Some note instances where a stewardship contract provided the only economic activity in a rural community during the recession, literally keeping small contractors working. Stewardship contracting can be a job saver as well as creator, possibly enabling a sawmill to remain open, or maintain operations at full capacity, as was the case with the 10-year stewardship contract in Lakeview, Oregon.
- **Improving public trust and increasing collaborative behavior.** Of all the benefits associated with community involvement in stewardship contracts that are cited as being of “very high

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<sup>10</sup> In both the White Mountain Stewardship Contract and the Front Range Stewardship Contract the Forest Service has provided the contractors the flexibility to arrange task orders (e.g., timber and service work) in a manner that can: (1) allow contractors to respond to market signals, (2) provide the basis for an equitable distribution of work for subcontractors across the landscape over time, and (3) limit any negative ecological consequences incurred by limiting the number of entries to a particular site.

<sup>11</sup> For a more in depth discussion of different approaches to landscape-scale stewardship contracting refer to Moseley and Davis 2010.



importance” to survey respondents, the ability of stewardship contracting to improve public trust was the most often cited.

- **Increasing administrative and fiscal efficiencies.** While stewardship contracts may often (but not always) require additional upfront investments of time, increased efficiency in administering task orders is reported. This is especially the case in large projects and in locations with umbrella stewardship agreements.
- **Increasing opportunities for adaptive management and shared learning.** Many people perceive that stewardship projects offer opportunities for experimentation, learning and information sharing, and that this may result in greater economic and ecological resiliency. 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 the trust, knowledge, and confidence built through collaboration can facilitate the use of stewardship authorities (e.g., designation by description and prescription and long-term contracts) that may otherwise be too controversial to attempt, but can greatly enhance work quality, and efficiency with which work gets done on-the-ground.
- **Increasing opportunities for collaboration.** Interview respondents and Regional Team members generally prefer increased collaboration relative to other less collaborative and potentially divisive approaches. 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. A full 28 percent of agency personnel define stewardship contracting as collaboration with communities, an increase by nearly half from the previous year.

## **APPENDICES**



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## Appendix A: Regional Team Reports

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### **Northern Rockies Monitoring Team Regional Report USDA/Forest Service Stewardship End Result Contracting Fiscal Year 2010 Report**

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

- telephone interviews (conducted by the Pinchot Institute for Conservation through its regional sub-contractor, the Flathead Economic Policy Center) with agency personnel and other stakeholders involved in stewardship contracting projects in Idaho, Montana, South Dakota, and Wyoming;
- team members' personal observations of, and experiences with, stewardship contracting; and
- the October 2010 Regional Team meeting in Idaho that included a site visit to a stewardship project area and a meeting with local and tribal government officials and other participants in the local collaborative group.

Analysis of the data gathered through the FY2010 programmatic monitoring of stewardship end result contracting (SERC) in the Northern Rockies shows relatively little movement in key indicators since FY2009.

- Over 70percent of agency personnel continue to define SERC first and foremost as a funding mechanism (the exchange of goods for services), with only a third explaining it as a way to get needed work done on the ground. Less than half of non-agency respondents (roughly 42percent) see goods for services as SERC's distinguishing characteristic, and they almost always include in their definitions some aspect of forest or community benefit (restoration work completed, habitat improved, jobs created, etc.).
- Two of the three most commonly cited community roles in SERC projects are participating in the traditional (and generally reactive) activities associated with the National Environmental Policy Act (NEPA) public involvement process – providing “comments and recommendations” and “becoming informed” about proposed activities. The third community role – “representation of concerned/affected local interests” – can indicate that at least some of those who are involved exercise a more proactive, advocacy function.
- The level of non-agency involvement in individual SERC projects in the region dropped considerably from a year ago. Local government, adjacent landowners, and fire interests are the stakeholder interests most likely to be involved, although the percentage of projects in which they were reported to be active has declined. Involvement by environmental/conservation interests appears to

have declined quite substantially, from over 90percent of projects in 2009 to less than 50percent in 2010.<sup>12</sup>

- Agency personnel (33percent) are less likely than non-agency respondents (47percent) to consider that the projects in which they participated were “very collaborative,” perhaps because agency standards for what constitutes effective collaboration are higher – or maybe community members’ expectations of it are lower.
- The area of greatest agreement relates to the local benefits of on-the-ground work accomplished through the use of stewardship contracts or agreements. Agency and non-agency interviewees both highly rated the benefits of “specific project outcomes” – actually getting needed land management work done. No doubt due in part to the current high unemployment rates across the country, the value of local job creation/retention and the enhanced opportunity (through best value contracting) to encourage the use of local contractors and workers on stewardship projects also were also rated as “very high.”
- The majority of projects monitored this year continue to have a fairly limited focus, dealing primarily with hazardous fuels reduction or stand improvement (thinning) activities, frequently with some related road work (improvement, maintenance, or removal).

### **Taking a Long View**

A former federal land manager now working for a wildlife conservation organization explained the goal of stewardship end result contracting (SERC) this way:

*[It] is special legislation passed by Congress with three objectives – get work done on the ground, stimulate local economies, and provide government agencies with a new way of doing business – collaborative, working with folks in the local area to accomplish those objectives. And it includes [the use of ] both contracts and agreements.*

Since 2001 the Northern Rockies Multiparty Monitoring Team (the Team) has monitored annually the SERC activities in its area of responsibility through a combination of site visits, formal presentations, the study of both project-specific reports and region-wide programmatic monitoring data, and wide-ranging conversations with agency personnel, project contractors, local community members, interest group representatives, and other stakeholders. The Team’s members (many of whom have served continuously since its inception) have had a unique opportunity to track for a decade the evolution of the administration and use of stewardship contracts and, more recently, agreements.<sup>13</sup>

Since the use of those tools was first authorized in FY1999, the Team has seen and reported a steady loss of operational flexibility in the Forest Service’s use of stewardship contracts, along with a narrowing of focus and diminishing degree of community involvement in the types of SERC projects being pursued. There are now signs, however, of a possible reversal of that trend, with some Forests beginning to explore the untapped potential of the legislation more fully than at any time since SERC’s pilot phase (FY1999-

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<sup>12</sup> The standard interview question asks, “Who has been involved?” Some respondents consider that anyone who received a scoping letter as part of the NEPA process was “involved”, while others believe that a more substantial level of participation – attending meetings or field tours, providing comments on proposed activities, etc. – is needed if someone is to be deemed “involved”. Interviewees whose own participation began in the later stages of a project (contractors, for instance) may not be aware of all those who participated in the earlier stages.

<sup>13</sup> The authorizing legislation for Stewardship End Result Contracting projects provides for work to be accomplished “via agreement or contract as appropriate....” The terminology can become confusing. Not all stewardship *contracting* is accomplished through the use of a stewardship *contract*, but may sometimes be done through a stewardship agreement.

2003). This is occurring most noticeably through the creative and effective use of stewardship agreements.

The National Wild Turkey Federation (NWTf) and the Rocky Mountain Elk Foundation (RMEF) have played a major role in developing and facilitating the use of stewardship agreements across the country, and RMEF particularly is very active in the Northern Rockies, working with both the Forest Service and the Bureau of Land Management. Agreements are particularly attractive to non-profit groups like NWTf and RMEF whose organizational missions dovetail with one or more agency management objectives, such as enhancing wildlife habitat, protecting or recovering threatened or endangered species, maintaining important cultural or recreational resources, or creating and maintaining local economic resiliency.

Under a stewardship agreement, the agency and its partner both contribute technical and financial resources to a SERC project, with the partner often facilitating the involvement of affected communities of place and interest, obtaining grants or donations from non-agency sources to help finance a project, organizing volunteer efforts (usually starting with their own members), performing on-the-ground work, and otherwise mobilizing resources to contribute to the accomplishment of the parties' shared goal. Some agreements are for only a single project, while others may be umbrella agreements covering an entire landscape, forest, state, or region and implemented through specific operating agreements tiered to the umbrella.

In last year's report, the Team noted the Forest Service's then-newly-announced "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." That policy initiative, coupled with the August 2010 announcement of the funding of ten Collaborative Forest Landscape Restoration Projects (CFLRPs) nationwide (including one each in Idaho and Montana), has sparked renewed interest and cautious optimism about the possibility of accomplishing "all lands" multi-activity restoration efforts over large areas through the use of stewardship contracts and/or agreements and the active participation of numerous partners and/or collaborators.

Given the current economic situation and strong disagreements within the Congress about the appropriate level of federal spending, the future availability of out-year funding for CFLRP implementation is far from certain, but this year's launch of the program has raised hopes and led stakeholders in areas not covered by one of the initial CFLRPs to assess potential future opportunities in their own areas. Stewardship contracts and agreements are likely to figure prominently in their planning.

In its 2009 report, the Team acknowledged that likelihood and urged, "*Restore the operational flexibility that was provided in the enabling legislation for stewardship contracting....Flexibility and adaptability are key to the survival of stewardship contracting, and will be absolutely essential in pursuing landscape restoration across multiple ownerships.*" A non-governmental organization (NGO) representative, reflecting this year on the flexibility afforded through stewardship agreements in which he has been involved recently, provided some insight on the mutual benefits derived:

*Some of the experience we're seeing with some of the design and prep work, [the agencies are] under the gun to get it going. They're asking if we can assist with the layout and prep work. We did that on another agreement....One of the things that's coming out of this [stewardship work is that the agencies] are realizing we have the expertise they can use to*

*relieve some of their time pressures, and we also know the equipment and the contractors, so when we lay out the thing on the ground it really fits how the operators can do the work.*

Some local NGOs have found that agency personnel may be more willing to consider a larger scale project and more cooperative and adaptable in doing so when the effort is facilitated by a larger, national organization, rather than just a local collaborative group. The director of a multi-county NGO said:

*We first approached the forest supervisor with doing an agreement on a watershed basis, and they said, “No, no.” But then when we brought in the Rocky Mountain Elk Foundation, the tone changed quite a bit. It was the weight of that national organization – which is always the good thing about partnerships. That’s why we retain such a close relationship with some of the big national conservation associations. They have a bigger platform than we have. The RMEF was able to leverage things on the contracting [side of] things that we as a local home-grown [entity] couldn’t get [the agency] to do. There is tremendous power in those partnerships, especially when it comes to trying to move bureaucracy.*

Some agency personnel report recent achievements accomplished through the exercise of flexibility in the negotiation of stewardship contracts, not just agreements.

*We were fortunate to have a great contractor [and] were able to do things in this contract with the utilization of slash piles that I never had done before.*

But more often, particularly if they began using stewardship contracts during the less restrictive pilot phase, they report feeling constrained and frustrated by the current limitations. An agency interviewee offered this rueful advice:

*When you get a new program, make hay during the first three years while everybody is still figuring it out, because after that they will have tightened it down so much that you won’t recognize it any more.*

## **Recommendations**

### **1. Restore the appropriate operational flexibility that was provided in the enabling legislation for stewardship contracts.**

A new “blended” contract with a streamlined contracting process has been under development by the agency for the last year. Field staff and contractors alike are hopeful that when it becomes available it will offer some relief from the current contracting process, which is perceived to have become so dauntingly prescriptive, cumbersome, and time-consuming that it discourages use. A district ranger explained:

*I’m still a strong proponent of stewardship contracting, but I also think our challenges have gotten tougher in implementing those contracts. It’s like we were given a Leatherman multi-tool to get lots of things done and now all of the gadgets have been removed except for the screwdriver, and we already had a screwdriver in the tool box. It’s become extremely complex. With our pilot stewardship projects, the world was kind of wide open*

*as to how we implemented those, but since then we have narrowed down significantly....Overall we tend to make things tougher on ourselves.*

**2. Resolve the internal inconsistencies that complicate the administration of stewardship contracts and can cause friction among agency personnel and between contractors and contracting officers.**

The current IRTC and IRSC contracts unfortunately incorporate provisions from the agency's standard timber sale and service contract documents which do not mesh with each other and/or are at odds with the underlying philosophy of stewardship end result contracting. Hopefully the new blended contract will eliminate those inconsistencies. An agency interviewee explains the difficulties they cause:

*Timber sales and service contracts don't mesh well. The rules are different. When you have the same contractor working on the same piece of ground, there's conflict between how [different elements of the project] are administered by the [service] contracting officers and the timber sale administrators....The same contractor removing sawtimber under the timber sale side of the project is, at the same time, removing less-than-sawtimber [small diameter material] that falls under the service contract. ...The value of the wood is so low and the cost of the service side is so high that this project falls under a service CO, not the timber side. So the service CO – everything falls under his authority, but yet the timber sale administrator is still being required to do everything that he would normally do if it was a straight timber sale. It causes [agency] personnel to clash. It's also frustrating for the contractor – one guy says do one thing and another says do another.*

**3. Encourage and support the development of additional training, mentoring, and technical assistance resources (both within and outside the agency) to enable the easier and more effective use of stewardship contracts and agreements.**

RMEF and NWTF provide informed and accessible training and one-on-one help to many Forest Service personnel working through their first SERC projects. Some local and regional NGOs, conservation districts, and other concerned organizations also are offering help, but their combined efforts are insufficient to meet the growing need.

Many of the agency personnel who received intensive training and technical assistance during stewardship contracting's pilot phase have retired or moved on to other assignments. Some Forests or districts are only now negotiating their first stewardship contracts. Many have yet to explore the opportunities available through stewardship agreements. Some personnel remain resistant to the use of stewardship contracting. And far more have received no training and are simply trying to learn by doing. Said one:

*The timber [staff] people seem to get training, but others outside of that don't seem to. People need to understand how stewardship contracting works, how it can be of benefit.*

Another agency interviewee agreed:

*Training on what stewardship contracting is and how to use it – we all could use the training.*

Lack of knowledge can not only limit the use of a potentially useful management tool, but also create resistance to it. A community NGO director said,

*There's not universal knowledge about stewardship contracting in the Forest Service. The level of experience and comfort with it varies from region to region a lot. For [our local collaborative group] this was really pushing an elephant up a hill. When [our Forest's] counterparts [in an adjoining region] are so experienced with stewardship contracting, [our] having to shove it down someone's throat is very strange.*

A Team member with extensive experience in facilitating change and improving organizational effectiveness pointed out that “training is not explaining” and that the learning process involves a great deal more than simply attending a class or watching a computer-based tutorial. The four-step EDGE approach – Explain, Demonstrate, Guide (or coach), and Enable – might be more appropriate for Forest Service personnel seeking to learn and use SERC to greatest advantage. Both RMEF and NWTf have used EDGE (or their own modified version of it) to good effect, explaining stewardship contracts and agreements to local agency personnel and community members, modeling the process by serving as the prime contractor or agreement partner in an initial project, guiding or coaching the agency and community through planning, implementation, and monitoring of their first collaborative project, and leaving them with the tools and knowledge necessary to take on future projects with greater skill and confidence. That approach, if appropriately funded, could be used by either in-house or partner staff to build and maintain a core competency in SERC throughout the agency. Given the frequent changes in agency personnel that occur through new hires, assignment changes, promotions, and retirements, there will always be a need for readily available, hands-on training and technical assistance.

As a Forest Service retiree put it, “*There's a reason schools teach fourth grade every year.*”

### **Responses to Specific Forest Service Questions**

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

**A. Differences in perceptions of how communities should be engaged** – Defining the problems can be complicated when participants have varying views of what the desired result is. An agency interviewee tried to explain the challenge.

*One of the things we learned is that public involvement is not the same thing as collaboration. You can involve the public in what you're doing to a huge extent, but it doesn't necessarily make them a collaborator in the project. You have to make that commitment up front.*

An environmental organization staff member with extensive experience in collaboration was disappointed by one ranger's rejection of a possible opportunity for increased collaboration.

*Our lead staffer tried to get the district ranger to do a collaborative design for the project,*

*and he wouldn't do it. I'm not sure the [named Forest] really knows how to do collaboration. We work with them pretty well, have a pretty good relationship with them, but they don't have a very robust view or visionary view of collaboration.*

A wildlife organization representative had a situational approach:

*Collaboration will be different everywhere it is done. No one time, no one place, no one group of people works in all instances. In this [community], it was a group of people working together to get some work done on the national forest and to create some local economic activity. Just a group of people trying to accomplish that.*

Another agency representative saw no distinction between collaboration and the more traditional public involvement activities:

*Whenever we have a public meeting it's a collaborative effort. Everyone is welcome to participate.*

**B. Difficulties in forming and maintaining productive collaborative relationships** – An agency representative's positive attitude toward community members can have an enormous impact on people's perceptions of the agency as a whole. It certainly impacts the level of trust and confidence that is engendered in the community, and creates an atmosphere in which meaningful collaboration can occur. A community resident and small business owner interviewed this year wanted the agency to know what a difference the current ranger in his district is making.

*I'm going to be 100percent for Mark [last name] and what he does. He's the best district ranger we're had in here in 30 years. He's a real guy who talks to me like a real guy. He doesn't just talk at me. He [doesn't act] like he's sitting on a throne. We've had two or three [previous rangers] who were unapproachable. With them, it was, "We don't care what you think, it's [Forest Service] land." Mark makes me feel like it's our land.*

When the agency-community relationship is poor, the experience can be toxic. A local service agency representative who tried unsuccessfully to facilitate effective collaboration between his community and the Forest Service in planning and carrying out the first SERC project in his area was bitter:

*There were three stellar individuals with the Forest Service [at times during the five years of the project], but for the most part it was very unpleasant. There was no collaboration between us and the Forest Service. What we had was a subservient role to an agency that was reluctant to collaborate and relinquish their normal operating methodology, which is command and control.*

Not all relationship problems, of course, are between agency and non-agency participants. Often the greatest difficulty is in finding and building upon the common ground among different stakeholder interests. Interactions with environmental groups are reportedly the most challenging. The chairperson of one community collaborative group said:

*The whole purpose of the collaborative group is to try to keep the environmentalists from*

*suing us. Other people in the community don't have any problem with the Forest Service doing what they're doing, working on forest health and logging, etc.*

An agency project manager was not optimistic about the likely success of collaboration in the face of determined opposition, from whatever source:

*If you have someone who is opposed, and you are hoping the collaborative group can help leverage [that person's support] – if you have someone who just wants to sabotage things, you better be prepared to deal with that.*

Another agency representative was concerned about going too far in trying to find agreement:

*The [agency] approach for resolving problems with the collaborative group was to take away the issue, by making adjustments that really didn't resolve the issues and to some extent reduced the project effectiveness. For instance we dropped from the originally proposed 1,500 acres of mechanical treatment to only 800. We handled some of it by burning, but we really didn't get the level of forest health improvement we were hoping for.*

**C. Difficulties in engaging everyone who needs and/or wants to be involved** – Not all concerns were related to working with stakeholders at the table, of course. An NGO director said of her community's collaborative efforts:

*We didn't do a good enough job of taking into consideration seasonal residents. We didn't time some of our public involvement opportunities to coincide with when [seasonal] people were here. We were thinking of our timetable when we should have been thinking of [theirs].*

How best to involve contractors concerned a conservation group representative:

*One of the implementation issues [in this project] was how do you involve contractors [in the collaboration] without creating a conflict of interest so that they can't be involved in the work on the project.*

Agency personnel often reported low levels of community response to their outreach efforts. Said one:

*You can't force 'em to be interested. Depending on how you define community – in my mind, the community is the people, the landowners who live in the valley and the ones immediately adjacent – they talked to us. The rest of the valley we couldn't get [any interest] out of – just “Yeah, if you're cutting, that's a good thing.” Community support isn't a big issue here – it's more [a problem with people] outside the community – national or regional groups that are opposed.*

Another found that changing the venue and focus of community involvement activities helped:

*The only thing I was disappointed in was that when we set up our public meetings, we didn't get the turnout I expected. Then the field trips seemed to be more of a hands-on,*



*here's what we're doing [thing]. That showed us that we need to get out in the field and show people what we're going to do, and improve our presentations. Pictures are worth a thousand words.*

**D. Project restrictions/sideboards that eliminate some project activities that have broad community support** – Recreation-related projects (trails, signage, work in and around campgrounds, river access improvements, etc.) are particularly challenging because the interpretation of what is and is not a permissible activity through SERC varies from place to place. Since sporting/recreational opportunities bring so many people into the national forests, it is not surprising that activities that support or enhance that usage tend to be high on a community members' lists of priorities. When such activities are deemed ineligible, there can be a concomitant loss of interest in the SERC project as a whole by at least some of the affected community interests.

Some non-recreation-related restrictions cause confusion and frustration as well, and not only for community members. A district hydrologist reported finding the details of SERC implementation particularly daunting.

*This is the first time I have tried to use stewardship funding. One of the reasons is I've seen how hard it is....It's very difficult to deal with the sideboards attached to the money and get the projects accomplished on the ground. I've had extreme difficulties finding out how the money can be spent or not spent....The intent of asking for the stewardship funding was to contain noxious weeds before they spread further. Unfortunately I did not know all the strings tied to the funding....I found there were things we cannot do...like [we] can't get shrubs or other products from the [named] nursery because it's a Forest Service facility. There have been a lot of frustrated people trying to work on this project for several years. The [local] Ecosystem Center and the [named] School are enthusiastic about getting out and doing things and it's been frustrating that it's been this hard. It's important that the work gets done – and that [the agency interpretation of stewardship guidelines is made] clear. [Otherwise] people get frustrated and quit asking for stewardship funding.*

**E. Economic constraints and local infrastructure limitations** – Because of the close identification of SERC with the goods-for-services funding mechanism, many agency personnel feel it is not as useful to them when lumber prices are poor. With little value to exchange for planned service work, projects that would have provided additional community benefits are delayed and/or scaled back. Commenting on a project in which needed range improvements have been stalled indefinitely, a district ranger said,

*[Stewardship contracting] only works when there's a good timber market. Since the market crashed, it's hard to get people to do the work because they're waiting for the timber value to go up. That's kind of killed the project. This should have been a two- to three-year project, and here we are in Year Six and it's still not done.*

Another reported that, “low timber prices and the lack of a market for the pulp really hurt us with both timber sale contracts and stewardship contracting.” Federal “stimulus funding” provided some relief, although the combination of SERC and stimulus paperwork requirements that resulted was not well

received, as an experienced project manager explained.

*I guess [my view of stewardship contracting has changed] because we've turned out so many of these in the last year. They're really complicated, and it puts a crimp on my sale administrator. Lot of paper work to do. Part of it is because it's stimulus stuff.*

A project manager working with his district's first SERC proposal had mixed feelings:

*In some ways it was not really efficient. It still took probably five years from planning to implementation. The efficiency comes into play with the use of a service contract with embedded timber sale. If we didn't have the retained receipts (and some stimulus money) the efficiency wouldn't be there. We wouldn't have had the money to complete the work. It's a pain in the butt, but in the end the outcome is definitely worth it. It's a really good tool.*

The weak timber market has led to mill closures or indefinite shutdowns across the region, and the December 2009 closure of a major linerboard operation in Montana had a devastating effect on the market for pulpwood. Manufacturing cutback effects cascaded downward, causing further losses in logging, trucking, and other elements in the wood products industry's supply line. Biomass utilization facilities which were anticipated to take up some of the slack were slow to come on line, or failed to materialize at all, unable to compete with cheaper hydropower. Job opportunities in oil and gas development also drew workers away, and the cumulative effect was a serious depletion of the infrastructure needed to carry out SERC projects and other forest management activities. "We're down to the 'last man standing' as far as a contractor pool," said an agency forester about conditions in his area. "We're not getting much. We negotiated a stewardship agreement...and are in the middle of wrapping up our operating plan for this year, and that one contractor is the only one who bid [on the work], and it's not going quite like I hoped."

Elsewhere in the region, agency interviewees frequently reported difficulty in getting bids from smaller, local contractors. A contracting officer said:

*I think we have some work to do with our industry and contractor partners because I'm not sure we have 100 percent support from them, and I think we need that. They basically just do [SERC projects] because we tell them to. I think the contractors see it as more complicated, and they don't see any payoff to them directly....*

One local contractor explained how daunting the bid process looks from his side of the desk:

*Basically we spend a week writing these things for every project we bid on – and most of them boil down to the cheapest guy gets it anyway, so it would be easier to do a regular contract. I understand they want to keep the money in the district. I'm not a salaried person for a mill [who just works on getting contracts]. I'm out in the woods doing the work too.*

*I have to bid on six or seven to even get one, so you've invested hundreds of hours for each one. The more information you can put down, the better. When it started, we were doing two- to three-page proposals for a project. But they're government you know, and they like*

*them two or three inches thick. If you write a two- to three-page proposal you can't compete. To compete you're going to have to have a lot of information – all the details on each unit – all your technical information, how you're going to do anything, and who's going to do everything. I can copy and paste some of it (like my qualifications and experience), but I figure it still takes four or five days involved in each [proposal].*

Meanwhile, the surviving mills are having to look farther away to find jobs, but in competing for SERC projects in more distant locations some feel disadvantaged by not being perceived as “local” enough. A mill representative said:

*I think being “local” is a major consideration, and I'm not as “local” maybe as some other bidders. Also, there are differences in how different Forest Service districts make their award decisions. From the little information you get at the debriefing, I think that [not being considered “local”] is the main problem. You might have a couple of weeks invested in putting together a proposal. If people don't think they will have a chance to get a contract, you may find them not making proposals any more.*

An agency representative reported that bids were reflecting the change in the available bid pool, and not necessarily to the agency's advantage:

*The only bid we got [on a SERC project] was way too high for us, so we didn't award it. My experience has been that you get better bids if you have larger project contractors in the area. We have a relatively small timber base and no large logging companies. I think we're limited on the number of bidders we're going to get. I'd be more willing to work on more stewardship contracting projects if we had more contractors. I do think it's a good way to get a lot of projects done under one contract and get them done in a more timely manner.*

## **Recommendations**

### **4. Identify the “champions” and “sparkplugs” energizing the most effective SERC projects. Use them as mentors and coaches so that others may learn from them.**

In its 2002 monitoring report, the Team said, “The . . . projects being implemented most aggressively and with the greatest degree of community involvement, flexibility, and innovation are those with dynamic, committed Forest Service project staff members. Those individuals have excellent ‘people skills.’ They are usually good facilitators, and are not daunted by an open, participatory process. They are key to the future success of stewardship contracting, and their contributions should be acknowledged and rewarded accordingly.” That is still true today.

### **5. Whenever possible, existing community groups within which a broad range of local interests are already represented should be used as “launching pads” for SERC-related collaboration.**

Forest Service Resource Advisory Committees are one possibility, and there are often others. In a small Idaho town, for instance, the local community development group has provided significant assistance to both the Forest

Service and BLM in implementing SERC projects in their area. The group's executive director says:

*I think that by utilizing this approach [of having us do the community outreach] that the relationship between individual community members and the agency is much better, and it's because they [community members] have someone there local that they are very comfortable working with. They aren't feeling at all intimidated. If a meeting needs to happen, it happens because you have someone [the community group] who can facilitate that.*

**6. Consider using readily available technologies to enable participation by stakeholders at meetings they cannot attend in person.**

One community group based in a remote rural area reported:

*We're doing video conferencing for the [regional collaborative] meetings that actually occur in a Forest Service office about 75 miles away. We also use Skype for our board meetings so that members who aren't able to stay in the area all winter because of their health can still participate in the meetings.*

**7. When planning and implementing large landscape-scale projects, consider the use of sub-watershed scale collaborative processes.**

As one Team member explained, "Landscape-scale thinking is needed, but not landscape-scale prescriptions." This is particularly true if the planning area covers multiple public and/or private ownerships. The challenges to effective collaboration become greater as the number of potentially concerned landowners and other stakeholders increases, and even more so if long distances separate the communities within that landscape. Sub-watershed collaboratives with both a reasonable spectrum of available scientific and technical expertise and a "local" knowledge of the specific area can make a responsible judgment of the condition and needs of the place – not simply debate an issue from afar.

**8. Improve the extent, frequency, and candor with which "lessons learned" in collaboration and SERC implementation are shared among agency personnel, communities, contractors, and other stakeholders.**

Handbook Section 61.12a encourages the involvement of "timber industry representatives" in collaborative processes, but then says "contractors and timber sale purchasers shall not participate in the design of work activities...."

A regional monitoring team member says:

*I think the original goal of many of us, when stewardship contracting was first taking shape, was to allow contractors to participate in the prescription design, and for contractors and contracting officers to learn from one another for better results.*

And a contracting officer identified potential synergies that could be found to help both the agency and contractors:

*[Local contractors] may be able to help us put together packages that work more effectively in the field for a contractor, in term of the scale of things, or liabilities, or the order in which they have to do activities, or whatever. Bottom line – we have to use this tool or a lot of projects won't be able to come forward. We can learn a lot from each other.*

- 9. Funds should be made available, perhaps competitively, by region, to non-profit organizations, educational institutions, and other appropriate entities to enable them to provide training and technical assistance services to Forest Service field personnel, contractors, and others to help them effectively develop and use stewardship contracts and agreements.**

RMEF and NWTF have demonstrated the efficacy of this approach in facilitating projects that have significant elk and turkey habitat restoration/improvement components. Similar help is needed with other SERC projects.

- 10. Re-examine the administrative sideboards and restrictions placed on SERC project activities and evaluate whether they may be unduly limiting or discouraging community engagement in SERC projects.**

- 11. Implement a streamlined proposal process to complement the new blended contract.**

One possibility is to select contractors based on their experience, past performance, and financial proposal, with final contract award conditioned on the submission of acceptable unit treatment plans. That way, only the successful bidder on a project would have to invest the many costly hours of planning, writing, and (frequently) consultation with subcontractors required to prepare detailed treatment plans for all units.

- 12. Address through administrative or legislative action two persistent financial issues – cancellation ceilings and bonding requirements -- which have forestalled the effective use of SERC itself in some situations and, in other cases, limited its benefit to local and rural communities.**

A possible solution for the first problem could be the creation of a national risk-pool authority for the Forest Service to use to cover the cancellation ceiling requirements triggered when multi-year landscape-scale restoration projects reach the implementation stage.

Meanwhile, the purchasers and contractors performing the on-the-ground work need to provide payment and/or performance bonds to insure its satisfactory completion. Unfortunately, few surety companies now offer such bonds, which are considered high risk, and their underwriting standards make it impossible for many smaller, local contractors to qualify. The alternative of providing cash or a letter of credit as security also may be beyond their means. The U.S. Small Business Administration's recent proposal to extend its bond guarantee authority to cover stumpage bonds is a good first step, but a more comprehensive solution – perhaps developed with the participation of concerned states – is needed.

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

The Regional Team met in Bonners Ferry, ID this year to see and hear about SERC projects undertaken by both the Forest Service and BLM. Members were introduced to the Kootenai Valley Resource Initiative (KVRI), a unique collaborative effort begun in 2001 and “empowered/recognized through a Joint Powers

*Agreement (JPA) with the Kootenai Tribe of Idaho, the City of Bonners Ferry, and Boundary County.” KVRI’s purpose is to “develop partnerships and a collaborative approach in focusing on resource issues; build connectivity between the local community and state and federal agencies; bring key players to the table to provide a proactive forum for the community to work together in natural resource planning; provide a conduit/forum for information sharing and exchange; serve as a sounding board for community involvement.” The goal is “to restore and enhance [the Valley’s] resources and foster community involvement/development.”*

With financial support from the county and city, the Kootenai Tribe of Idaho hired a coordinator/facilitator for the KVRI effort. In addition to the three JPA partners, representation on the collaborative committee is drawn from across a wide spectrum of stakeholders including industrial landowners, business and industry, conservationists and environmentalists, smaller agricultural landowners and the Soil Conservation District, corporate agricultural interests, the Idaho Panhandle National Forest, the Idaho Fish and Game Commission, and social/cultural/historical interests. Other state and federal agencies are invited to participate, and many do. Representatives from the offices of the state’s congressional delegation also are frequent attendees at KVRI meetings. Decisions are made by consensus, which KVRI explains this way:

*Consensus should be thought of as a package agreement – often a package of compromises – that each party can live with. Reaching consensus is part of a collaborative process where decision makers are no longer advocates of one rigid position, but are cooperative negotiators. The focus is on solving a mutual problem.*

The first issue that KVRI tackled was water quality. The state Department of Environmental Quality was preparing a Total Maximum Daily Load plan for the area, and the Tribe, city, and county were able to provide valuable input into the process through KVRI. After that initial success, the fledgling collaborative took on a second major environmental concern – burbot recovery. According to a recent national newspaper article, “*Burbots were once an important food source for the Kootenai Tribe but now number less than 50 in the Idaho section of the Kootenai River....The fish had been proposed for listing as a threatened or endangered species, but in the meantime the tribe and the community plus co-managers and agencies, joined forces to develop a conservation strategy for burbot that all could agree on. This was done so that whether the species was listed or not the energy and effort from everyone to restore burbot would be in place. It’s often difficult to get agreement from a variety of interests so this was important as well.*”<sup>14</sup>

Work on grizzly bear conservation and on variable flood control at Libby Dam (including its impact on endangered white sturgeon) followed. In 2003 a wildfire burned through part of the watershed from which Bonners Ferry draws its municipal water supply. The subsequent weeks of “smoky water” for the community led KVRI to approach the Forest Service to find out how a reoccurrence might be prevented. “They educated us,” explains KVRI facilitator, Patty Perry. From agency specialists the group learned about soils and sedimentation, forest insects and diseases, fire regimes, wildlife habitat conditions, and more. Over time, and with the involvement of other concerned stakeholders, the Myrtle Creek Healthy Forests Restoration Act (HFRA) hazardous fuels reduction project was developed, and is being implemented through a stewardship contract. A stewardship contract for forest stand improvement on BLM land in the county has been completed by a local contractor, who also competed successfully for an

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<sup>14</sup> McNeel, Jack, “Kootenai Tribe aims to restore burbot”, *Indian County Today*, September 9, 2010.

additional Forest Service SERC project expected to commence operations this winter.

In 2010 KVRI formed its Forestry Subcommittee to explore the possibility of partnering with the Idaho Panhandle National Forest in a collaborative effort to seek designation and funding as a CFLRP. Starting late in the process, KVRI acknowledged that its chances of success in the 2010 funding round were not good, but knew that the experience it would gain in planning a large-scale, all lands project would better prepare it to be competitive in future rounds.

KVRI's successes in community engagement have been made possible through the high level of intergovernmental cooperation that is reflected in the JPA, strong working relationships with the Forest Service and BLM, and an inclusive, collaborative approach to addressing natural resource concerns. KVRI seeks solutions that are science-based, and economically, socially, and ecologically acceptable and sustainable. Collaboration does not always go smoothly, but KVRI participants have been willing to go the extra mile to try to find the common ground necessary to "restore and enhance" the multiple resources the community values so highly.

***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 again this year, with 83percent of respondents rating it as "high" or "very high." "Other economic benefits" were rated "high" or "very high" by 63percent of respondents, followed by "greater opportunity to use local contractors" (60percent) and more local jobs (54percent).

Clearly the environment and the economy are of significant concern to people in the Northern Rockies, and the positive impact that SERC projects have on both is recognized. The owner of a local mill (one of the largest non-government employers in its rural county) that was awarded a stewardship contract offered his experience as proof.

*I can't say if [stewardship contracting's] really good or bad. It seems to work, though. One thing that's happened – the economy has been very, very tough, and getting some of the stuff done [finding the necessary equipment and operators] was difficult – but this thing saved us. It was the only thing that kept us in business.*

**Northern Rockies  
Regional Multi-party Monitoring and Evaluation Team  
(As of October 1, 2010)**

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## **Southwest Regional Monitoring Team Report Stewardship End Result Contracting Fiscal Year 2010 Report**

### **Executive Summary**

When stewardship contracting is conducted, observers believe it helps implement land management objectives and opens the door for partnering and community engagement. In general, public attitudes toward the tool are positive. Some feel work done to restore and maintain forests, maintain roads, control weeds and improve habitat and water conditions under a stewardship contract is more acceptable than with a timber sale contract. In most of the West, federal appropriations cover the costs for much of the work once carried by markets.

In Colorado, the Front Range Long-Term Stewardship Contract, the BCAP program and the Forest Products Lab grant program has helped West Range Reclamation grow a business that they claim has already created 52 jobs and tapped 19 local and national markets. They also report cost reductions per acre in the second year of operation.

In Arizona, the White Mountain Stewardship Project has reduced overall costs by 36 percent in the last year and created 226 direct jobs through a host of small scale businesses. Economic reports for the project state \$30 million in expenditures and \$40 million in economic return thus far.

Of greatest promise for expanding the scope and impact of stewardship are agreements that allow high capacity partner groups like the Rocky Mountain Elk Foundation, the National Wild Turkey Federation and even The Nature Conservancy to become actively involved. These groups bring access to a wide range of funds and meaningfully engaged locals.

However, despite some positive trends, stewardship contracting is not growing at the rate proponents want for several reasons:

1. Consistency and predictability are paramount for a recovery of forests and businesses needed to manage forests regardless of the contracting instrument, size and quality of wood or any other factor. It usually takes three to four years for businesses to get their heads above water. They must purchase the equipment to do the work even though enough work to pay off loans may not yet exist.
2. At this juncture wood values and business viability are at an all time low due to a confluence of decades without active management, corporate exodus from rural communities, and a crippled economy.
3. Goods-for-services is a tool best applied where wood values exist and can be factored into an equation that involves forest management alongside service work, but in the west stewardship contracting is often perceived as the tool of choice for low value wood and facilitation of subsidy for treatments on a per acre basis.
4. Leadership, management and administration rarely line up in agreement over the use and objectives of stewardship contracting.

5. Collaboration is often perceived as an onerous task to be completed project by project and in addition to other collaborative processes. From the business perspective, their participation as not only the one at financial risk but also the implementer is often not as valued as the participation of adjacent landowners, environmentalists, or any other player.
6. Since the early stewardship contracting pilots merged with the ten-year legislation in 2003, agency leadership has sent mixed messages about when and how to use stewardship. Contracting officers, managers and bidders often see use of the tool as fraught with unnecessary complexity and at times micromanagement without resolution of underlying issues. Similar words as these from a contracting officer, are often echoed:

*I still want to deal with stewardship from the administration side but am pretty tired of it on the prep side. It has been a frustrating program from the very beginning. We got the authority and have been scrambling ever since trying to figure out what it means and what we can do. And the rules change all the time. And now we are getting into Agreements and the Agreements folks are in the same boat as the Procurement folks were 8 years ago - they don't understand stewardship and don't understand the timber removal part of it.*

7. Stewardship legislation unwittingly caused a collision between existing laws, rules and regulations and forced a shot-gun wedding between contracting officers from timber and procurement.
8. Counties do not support a program that reduces funding for the 25 percent fund.

Decision makers are charged with weighing the benefits and challenges of stewardship contracting. In three years, stewardship contracting will either be extended, expire or made permanent. Consideration for best scenarios must include the public health and safety, cost to the government and tax payer, ability to revive business as well as ecosystem restoration and maintenance long-term. The Congress will surely consider the implications of receipts increasing and remaining under the purview of local managers and communities versus them.

In preparation for reauthorization in 2013, these key recommendations are suggested:

- Ask that each contract of size report economic data from a reliable source and then analyze that information regionally and nationally.
- Ask the skilled, supportive contracting officers to jointly host a training each year.
- Allow a small, set percentage of receipts be directed by a multi-party monitoring group for project evaluation including economic results or allow the costs for evaluation to be considered as part of the bid package.
- Remove all “black-box” perception from bid selection. Clarify how technical proposal, past performance and any other factor will be evaluated. Do not allow misapplied or conflicting rules to eliminate potential bidders.
- Encourage all known contractors to set up a profile at Fed Biz Ops that sorts for Stewardship Contracting.
- Prepare an honest assessment of the pros, cons and over arching learning from stewardship contracting since 1999.

## **Southwestern Region Overview**

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 (Forest Service) and Bureau of Land Management (BLM) assess their progress and report back to Congress. This report synthesizes the findings for 2010, based on survey of a 25 percent random sample of all projects (17 = Forest Service, 8 = BLM) representing CO, KS, NE, UT, NV, AZ, NM), and input from the Rocky Mountain/Southwestern Regional Stewardship Contracting Team gathering.

This year’s regional meeting occurred in Fort Collins, Colorado hosted by the Arapahoe-Roosevelt National Forest. The group visited work on the Canyon Lakes Ranger District in lodge pole pine that is part of the Front Range Long-Term Stewardship Contract.

Stewardship contracting was revived in the late 90s, in part, as a method to transcend the conflict over public land management to get much needed forest restoration and maintenance work completed. It embodies the notion that land management objectives collaboratively developed close to the ground are good for people and resources. Some believe, including representatives from agency, conservation and industry, it is a euphemism for timber sale absent the return of receipts to the treasury. Corner stone authorities include retained receipts, trading goods for services, best value contractor selection and up to ten year contracts.

Stewardship contracting has some powerful cheerleaders including members of Congress, Forest Service Chiefs, wildlife conservation groups like National Wild Turkey Federation, Rocky Mountain Elk Foundation and the vocal “community forestry” contingent strongest in the west but national in scope. Yet in spite of steady increases, use of the tool and associated authorities continues to fall short of some internal and external expectations. In 2007, 14.5 percent of all timber sold was under a stewardship contract or agreement. In 2010, the percentage was up to 22.6. Stewardship contracting represents about a fourth of all BLM volume (roughly 17 MMBF of 62 MMBF).

National-level Forest Service leadership is emphasizing stewardship contracting over the timber sale tool while the BLM leadership is taking a lead from behind approach. The President’s [FY 2011 budget proposal for the Forest Service](#) includes a new \$694 million Integrated Resource Restoration line item with associated language that includes: “*timber removal will occur predominately within the context of larger restoration objectives, most usually through the use of stewardship contracts or agreements.*” A Forest Service 2011 target of 600,000 acres under stewardship contracts was floated in association with the President’s budget, which exceeds more than the total acres under stewardship contracts over the last 11 years. Internally, a team has worked diligently to produce a single blended stewardship contract in hopes of making stewardship contracting more appealing to managers.

According to the Forest Service Washington Office Stewardship Contracting coordinator, the “single blended vegetation management” contract developed early this year still awaits response from the Office of General Council regarding a series of class deviation requests within the new contract. The Washington Office reports that the blended contract is simpler and shorter but does not replace any existing contract. The hope is that once approved, the blended contract will become a tool of choice for those managers who have shied away from stewardship contracting due to the perception that it is overly complex.

After the field response to stewardship contracting targets was lukewarm for several years and a recent General Accounting Office report suggested that BLM needed a strategy to initiate more long-term stewardship contracts, BLM leadership shifted focus to agreements with partner groups that can bring both social and financial capital to the table.

BLM now has nine large agreements after creating a simpler, more straight-forward process for “disposing” of low-value wood with an embedded contract. They have just issued a third iteration of their template for contracts and agreements. The agreements are advertised and awarded using a best value approach.

BLM project size has increased from an average of 100 acres per project in 2003 to 2000 acre average currently. In 2010, BLM set a modest target of 41 contracts yet awarded 76 and doubled their acres under contract to 31,000 more than 2009.

### **Legislation to make Stewardship Contracting permanent**

Both agencies hope to see stewardship contracting authority made permanent by 2013 when the current legislation is set to expire. So far the only legislation addressing stewardship contracting has been the National Forest Insect and Disease Emergency Act of 2009 (H.R.4398) and companion Senate (S. 2798) version introduced by Senator Mark Udall (D-CO) and Representative John Salazar (D-CO). As of September 27, 2010, S. 2798 is on the Senate Legislative Calendar. H.R. 4398 was referred to the House Subcommittee on Department Operations, Oversight, Nutrition and Forestry this past June. Neither bill is expected to go anywhere soon because of the associated scoring with the Congressional Budget Office, i.e. the costs are judged to be high.

Language specific to stewardship contracting includes:

*Extends permanently the authority under which the Forest Service may enter into such contracts with private persons and entities to perform services to achieve land management goals for the national forests that meet local and rural communities' needs. Bars the Forest Service from obligating funds to cover the costs of canceling Forest Service multiyear stewardship end result contracts until the date on which they are canceled.*

However, the USDA Under Secretary of Natural Resources testified on March 23, 2010 that he did not believe the provisions in S. 2798 to address cancellation ceiling requirements were necessary or desirable.

### **Primary factors impacting Stewardship Contracting**

In spite of disappointment overall with the growth of stewardship contracting from a high-level policy perspective, those attending the Regional Team meeting and many of the managers and partners interviewed through the programmatic monitoring process perceive stewardship contracting as successful. The Regional Team suggests that stewardship contracts have improved the land where implemented because the tool allowed more work to get done than would have occurred otherwise, and encouraged additional partners to engage.

Our research into how and why some locales have embraced stewardship contracting and enjoyed success while so many others continue to pass over the opportunities the authorities present has revealed several common threads.

### **Attitude is the difference maker**

Attitude is unequivocally the number one factor. It begins with the leadership level and can be traced all the way to sale administrators and contracting officers. A positive, receptive attitude internally magnetizes good partners ranging from the drivers of public opinion to the people who do the work. Throughout the southeast and increasingly west of the Mississippi, the National Wild Turkey Federation (NWTF) and Rocky Mountain Elk Foundation (RMEF) have taken a positive attitude toward stewardship contracting and having embraced the concept are elevating and expanding the impacts of stewardship contracting.

For both agencies and contractors, once a stewardship contract is successfully completed comfort levels and attitudes improve. Attitudes toward management among the broader public have become more receptive after many have seen firsthand the devastation of fire, insect/disease and a loss of industry to economically manage forests as well as produce products and jobs.

For BLM, states increasing the use of stewardship contracting have State Directors who sign MOUs with partner groups, willing contracting officers, active statewide stewardship coordinators and younger managers with little to no experience using a timber sale contract.

Uncooperative contracting officers have been a prevailing complaint for years. This usually stems from a lack of understanding about the origins and objectives of stewardship contracting and a request for something additional to a workload. Where a contracting officer allows and managers take time to explain the objectives, the result is a contract that works within the rules and regulations. Some have learned that acquisition contracting officers must be lured to the field before they grasp the purpose of stewardship contracting; most never leave the office while a timber contracting officer is in the field regularly. BLM Oregon has awarded 36 stewardship contracts with the help of a “*great contracting officer and center for excellence.*”

The number one complaint made by contractors holding stewardship contracts is that contracting officers are unyielding in interpretation of “the contract” and often show little understanding of the objectives and low value of the wood versus the costs of the service work. For example, a Utah based company was forced to secure a 90-day \$55,000 bond on service work that took 10-days to complete. The contracting officer was unwilling to allow the bond to revert back even after local field staff verified the work complete. In such lean times, small companies cannot afford to have their capital unnecessarily tied up.

Another very small operator said:

*They lack common sense. We could have saved time and money if they would have let us access the project area by an existing road but they claimed it had been taken off the map, so it no longer existed in their minds. We had to build a road around several places right beside the existing road that they had just built to put in bike path then decided to make a wet land but still road.*

### **Bundling and retained receipts make a difference on the land and in communities**

The ability to bundle a host of activities makes stewardship contracting very useful. Prior to stewardship contracting, many of the restoration and maintenance activities were dependent on selling wood product, sending the money back to Washington, and then separately redistributing through such funds as the 1908 Act for 25percent fund, the 10percent road and trail fund, K-V in 1933 then expanded in 1976, salvage sale fund in 1976, purchaser road credits (not a receipt but calculated in 25percent payment).

K-V eligible funds come back to a Forest at 40 cents on the dollar. Those funds can be used to pay staff but work must be implemented through a separate contracting instrument and on the same piece of ground. Retained receipts, where they exist, allow for 100 percent going back to the ground. And where no receipts exist, the ability to trade a perceived good for a desired service can reduce subsidy for work on the land. Most of the contracts attempt to at least break even. BLM reports that only Montana has accumulated any real receipts (\$100,000), but as states have registered small receipt pools the Office of Management and Budget has begun to question them.

### **It is tough to revive lost businesses**

The forest and wood products economy has been sliding downward since the late 1990s, draining the west of its most cost-effective management tool: sawmills and associated loggers, truckers and other corollary business. As most small to large sawmills closed, wood removal had to be appraised to increasingly distant locations. Receipts shrank as product values declined and what was left began going to pay truck drivers and diesel fuel distributors. The result is an emergency management approach in response to wild fire, insect and disease.

A contractor commented: *“There was always a sawmill in Northern Colorado but government stopped pretty much all timber sales so lost everything; majority of forest ended up with over mature lodge pole. When beetle started had all sorts of food and just went wild.”*

A replacement of subsidized biomass removal with markets does not appear to be close at hand. In September the Western Wood Products Association posted 2009 as the worst year for production in modern history. Statistics are compiled through a survey of the 170 mills still operating in the continental west. For the 12 western states, mills only produced 10.39 billion board feet of lumber in 2009, the lowest annual volume since Western Wood Products Association began compiling industry statistics in the late 1940s.

Since 2005, output from western lumber mills has fallen by some 46 percent. The previous modern day low was in 1982, when 13.7 billion board feet of lumber was produced at western mills. The low was attributed to the lack of home building in the U.S. - 554,000 houses were built in 2009, a 39 percent decline from the previous year. It was the lowest annual total since 1945, when just 326,000 houses were built. Low demand translated into even lower prices for western lumber products. The estimated wholesale value of the 2009 production was \$2.69 billion, down 26 percent from 2008. Five years ago, western mills produced 19.3 billion board feet of lumber valued at \$7.7 billion.

### **A marriage between various federal laws and regulations is fraught with pitfalls**

The authorities granted to both agencies have collided at points with the various guiding rules,

regulations and even other laws, e.g. federal acquisition regulations (FAR), timber sale regulations, the National Forest Management Act (NFMA), the Mineral Materials Act, etc. The FAR guide both the sale of products and purchase of services for BLM. The sale of products (timber) is guided by NFMA for the Forest Service while the FAR dictates services.

Examples of policy complications include:

- The Bureau of Land Management operates under the Mineral Materials Act. It sets limits on how much material can be sold without advertising, whereas the Forest Service operates under NFMA. Deviation from NFMA is specifically addressed in stewardship contracting legislation but not the Mineral Materials Act.
- Conflicting interpretations of small business rules hamstrung Region 2 during preparation of their stewardship contracts. BLM has eliminated small business set asides for stewardship contracts.
- The FAR requires operators do 50percent of all work and thus precludes use of subcontractors in some cases.
- BLM struggled with how work was being coded because their contracting officers often have little understanding of forestry work.

### **Stewardship contracting was not designed as the tool of choice for low value material but that's what many perceive**

Many managers and partners in the west have come to perceive stewardship contracting as the tool by which the federal government facilitates the subsidization of removing low value material, which represents the bulk of what they are directed to manage. Most of the people interviewed whether federal manager or a partner, describe stewardship contracting as a method by which the government combines whatever value they can assign to a tree with appropriated funds and exchanges the package for a business to remove the wood product and conduct other service work. This in part explains why stewardship contracting is not used as much in the eastern half of the country.

The Forest Service reports that many still do not fully understand the purpose of stewardship contracting, believing it is a tool to use when a timber sale will not work or they think stewardship contracting is just too complex to mess around with. The Washington Office of the Forest Service could have contributed to some of the misconceptions according to comments from some managers:

*The first project we tried early on had a large analysis area; did multiple things. We retained receipts in order to support some other project areas. We got slapped by the WO. It was too much value in their minds for a stewardship contract. We still do stewardship contracting in the bark beetle areas but it's more functional and way less noble; very restrictive now. We don't come close to realizing potential of stewardship contracting because of the value issue.*

*It's just a glorified service contract with embedded timber sale.*

*Philosophically a good idea but we don't have any value here. What we do is service contracts and call them stewardship contracts.*

*I like concept of trading goods for services; real bonus in my mind. Like some of the*

*contracting elements i.e. estimating volume, contractors getting credits and salvage rights. But, stewardship is way over managed; too much reporting and micromanagement. Concept was there to go forth and do good, reduce government costs by moving marginal material. Supposed to make easier, but made harder.*

Service Contractors – business models based on profit from the payment for service work versus the sale of wood product – often feel stewardship contracting is a way to hang on till the proverbial doctor arrives. One said:

*Stewardship contracting is a good thing with the way the economy is. Keeps our crew running and the roads and campgrounds open for the public. We used to have to buy a timber sale and then sell the wood to a mill. There's no sawmill now. Without what we get paid for service, we'd be out of work altogether.*

Experienced managers primarily believe that restoration at the scale desired on public lands will require an active timber sale program that includes stewardship contracting but it will take a consistent budgetary commitment. In recent years, the budget has been flat and full of ear marks. Budgets comprised of many special projects make it hard for agencies to maintain staffing structure across the landscape. For example, both the White Mountain Stewardship Contract and the new Colorado Front Range project require the bulk of appropriated budget funds available to their respective states and regions.

In addition, some Regional Team participants expressed that the high level of government subsidization associated with these large projects further depresses already low wood prices for surrounding landowners like the state of Colorado and even bordering state's public lands like Utah.

### **Technical Issues and Topics**

Partners continue to look for creative approaches to stewardship contracting including an option to trade other “goods” such as gravel and pilot a 20-year contract. With the emphasis on wood to energy, some are looking to source wood to power plants which desire longer-term, fixed contracts. Pilot proposals for a limited number of these extra long contracts are being batted around. While this may accelerate contracts for biomass to energy and strengthen fledgling companies like West Range Reclamation, other businesses are concerned that long stewardship contracts with large volumes will reduce traditional timber sale offerings and drive them out of business.

The Forest Service revised handbook will authorize Regional Foresters to delegate approval authority for stewardship contracting to Forest Supervisors. The BLM currently allows each state director to delegate to the district manager level.

The cancellation ceiling rule continues to confound and confuse managers seeking long-term stewardship contracts. The rule requires that the federal government obligate funds to repay the stewardship contractor their capital investment costs should the government cancel the contract. The costs of obligating the cancellation ceiling are beyond the financial capabilities of most national forests or BLM districts. The single blended contracting team sought to clarify methods used to calculate a cancellation ceiling; the analysis continues.



Some have suggested the creation of a centralized revolving fund in both the Forest Service and BLM, which could be used to cover cancellation ceiling requirements.

The latent issue of payments to states has yet to be addressed, but will hopefully be resolved separate from stewardship contracting being reauthorized. Contracts awarded under stewardship contracting authority are not subject to the 25percent fund. As a result the BLM has excluded all of their O&C lands because counties get 50percent of those revenues.

Debate continues over the use of receipts to fund multi-party monitoring and evaluation process. Some argue that evaluating impacts cannot be done through casual, volunteer observance. Managers cannot decide what approach to take next if they have no real data indicating the success or failure of their initial efforts. The agency stance is that units are already funded to do monitoring, but community participants feel otherwise.

According to the community monitoring board for the White Mountain project, *“this is a huge issue that continues to come up and the reality of the situation is that not enough money has been identified for monitoring.”* They want to answer the hard questions such as how to strategically impact the landscape.

Recommendations include allowing for a small percentage of receipts to carry out project evaluation, allow evaluation as part of the bid package criteria or coordinate capacity at a national level for monitoring using satellite imagery, modeling, etc.

### **Business and Stewardship Contracting**

Stewardship contracting and a slate of other government sponsored programs are putting the training wheels on a new industry to manage forests, especially in the west. While the situation with the Colorado project illustrates the inequities this creates – West Reclamation is paid to do work, received a Forest Products Lab Woody Biomass Grant to purchase some equipment, and benefits from \$400,000 in Biomass Crop Assistance Program (BCAP) payments – multiple government funded approaches may be needed for a time given the state of both the forest and economy.

Most agree there is a role for government, but the question quickly becomes how much of a role, and for how long. Some argue that the federal government basically tossed aside its primary management tool when they stopped actively managing. For the last decade, special programs and earmarks have attempted to collaboratively clean-up forests ravaged by fire, insect/disease, or neglect. The bill is paid with federal appropriations.

In Colorado, the Forest Service is experimenting with a large investment approach, in terms of stewardship contracts; although the Region continues to manage a number of smaller stewardship contracts too. The Front Range Long-Term Stewardship Contract establishes a 4,000 acre/year minimum for management and encompasses public land south of Colorado Springs to the Wyoming border and is based on a long-standing collaborative effort that identified 1.5 million acres at risk for fire. The impetus to create a 10-year contract came after the largest fire season in history (2002). The Hayman Fire burned 137,000 acres, including 19 linear miles in one day, and 133 homes. The cost of recovery is at \$120 million and growing.

Partners include the Front Range Roundtable, Colorado Bark Beetle Cooperative, Counties, The Nature

Conservancy, Community Wildfire Protection Plan efforts, and roundtables. These groups helped get broad agreement for work. The stewardship contract was awarded with no criticism or appeal. Colorado also received a CFLRP grant which includes a monitoring component.

The project took three years to develop – on top of work load, multi-forest, no real template, cancellation ceiling issues – and planners considered economic feasibility, ecological sustainability and social acceptability. In order to advertise the project, the Forest Service Washington Office had to approve a \$500,000 cancellation ceiling. They held the project for over a year hoping for a legislative fix that never came. The Colorado State Forest Service offered to put up the cancellation ceiling but this idea was rejected. The project was never considered a direct tie to a new sawmill in the state because at best the project would only provide a small percentage of what a mill might need.

During the Regional Team meeting site visit to a part of the Front Range project, some suggested that at the beginning of the 10<sup>th</sup> year the \$500,000 should be used to pay that year's work or else the forest would not have access to that pool.

West Range Reclamation, reports early success with access to capital, emerging markets and a lowering of per acre costs to \$300/acre in some places. *“The guaranteed supply has opened doors. A pine distributor in Colorado dropped a Canadian source because of my ability to guarantee product; John Deere is working with me too,”* said the contractor.

The contract has allowed West Range Reclamation to create 52 new jobs and they are shipping to 19 markets as far away as Washington State and Texas, and close to home in New Mexico and Colorado. The wood they harvest is providing mulch for landscaping and playgrounds, chips, post and poles, shavings for animal bedding, kitty litter, and pellets. They manufacture colored mulch and playground material as a result of a Forest Products Lab grant. This development helped him put wood in a market that had previously gone to a burn pile. Testing with local power plants is under way for co-firing wood chips with coal.

West Range Reclamation suggests that the Region provided a good RFP and has been flexible to work with. The contractor spent an entire month looking at task orders before bidding, saying: *“This is our wood basket, life line. I must know what's in it. Most of my time is spent on market research now.”*

Criticism from other businesses across the entire region rests mostly on the lack of common sense applied not just to stewardship contracting but to public land management on the whole. They tend to be practical people who want to create jobs, a product and restore forests. When projects do not provide a mix of product, the bid process is excessively complex and contracting officers fail to understand contract objectives, they feel frustrated.

A New Mexico mill owner that has survived and probably represents the sentiments of many long-standing business people says, *“We need consistent, reliable material, and a balance between the small stuff and saw logs. They have switched us over to small wood mostly. That forced us to buy new machinery and a whole new way of doing business. It's on a wing and a prayer when we go to the bank and promise the USFS is going to keep wood coming.”*

In Colorado one logger said, *“She's [forester] doing a good job but she is very frustrated. Negative part*

*of this is they could get it done cheaper if would add a bit more quality timber, not more than 10percent would make a huge difference. Why do they only give us the undesirable wood that has no market? I end up with a lot of firewood stacked up all around my place.”*

In both Colorado and Arizona where one large contract allows one business to control the majority of wood flow, the term “wood czar” is becoming popular. Defenders claim that in both cases, the business had to invest millions to fully conduct the work and capture all possible market outlets.

*On the flipside, the really small guys are feeling a pinch during this transition time. One said, “We sell what firewood we can. Pellets in Kremmling and Walden were great. Then [the Front Range stewardship contractor] got the big contract; cut a deal with them and plugged them full. So they don’t need us now. What the state needs is more wood outlets but that’s probably slow in coming.”*

The concern is that government has trended toward chasing the new without factoring in the few businesses that have hung on over the last two decades. A Regional Team representative said, “*Be careful not to unnecessarily hurt business. It’s easier to save the living than revive the dead.*”

The contract is not the problem for industry according to some representing forest industry. The primary complaint heard from this sector relates to the bid process, with one suggesting that bidding “*requires a master’s level thesis to participate.*” Then there is a sense that bids go into a subjective black box with no real explanation for how decisions were made, which makes the best-value decision criteria opaque. It has led to mistrust of the evaluation process. Those with any experience acknowledge that the highest bidder usually gets the work. The land management agencies need to ensure that proposal evaluation criteria include: technical proposal (ecological impact, community benefit, and utilization plan), past performance (including payment of prevailing wages, skill level of workers, and safety record on the job), and key personnel, and that these factors are weighted equal to or greater than price.

In the interview process, small contractors complain that they cannot keep up with all the advertisements through Fed Biz Ops. The BLM and Forest Service mostly no longer send direct notices. Businesses can register in Fed Biz Ops to receive notifications when a project comes out. They should contact a Procurement Technician to help set-up a profile to search for the keyword "stewardship."

Emerging woody biomass-based markets are fragile and whether they live or die connects directly to the long-term costs agencies incur for treating the land. The Bureau of Land Management in Nevada has worked aggressively to keep stewardship contracting growing. An emerging pellet market previously helped inch per-acre prices down by providing an outlet for wood, but it crashed this past summer. Prices bid on Nevada contracts have dropped slightly from \$650 an acre to \$450, but this is perceived as a sign of desperation on the part of service contractors because no new markets have emerged.

Both Colorado and Arizona are seeing a slow and fragile building back of business alongside stewardship contracting. It takes an economy of scale for a business like Arizona’s Future Forests or Colorado’s West Range Reclamation to hire enough people and buy enough equipment to fully mechanize and utilize material. So far what has evolved in both states fits the local capacity and long-term needs of the forest. In both instances it was all worked out in a collaborative environment.

As one team member said, “*We are rebuilding an industry based on low-value, and in some cases never*

*before valued wood product. It takes a lot of vertical integration to survive – trucking, saw mill, loggers, pellet mill, real estate even.”*

Most agree that consistency and scale are imperative to encouraging the private investment at multiple levels necessary to rebuild markets. It takes three to four years for these businesses to get their heads above water. They must purchase the equipment to do the work long before there’s enough work to pay off those loans.

The bellwether of stewardship contracting continues to be the White Mountain Stewardship Contract.<sup>15</sup> Their goal is to complete forest restoration work across 150,000 acres on the Apache-Sitgreaves National Forest, while providing local jobs and building local industry and capacity in order to reduce costs. In five years, costs have come down by 36 percent and 226 direct jobs have been created.

The partners of Future Forest LLC feel stuck in the middle with pressure coming from the Forest Service to lower costs per acre faster and the businesses taking the wood wanting the material for little or nothing. Their profit margins in these first few years have been low to negative.

A comment from one of the monitoring team partners reveals the slippery slope created when private business transactions get too engaged with government run collaboration: *“We had the Eagar power plant. They needed \$12 to \$13 a ton. The wood czar wouldn’t sell for less than \$18 a ton. Do we know that it took [name] this much to remove that wood. Others are doing it in Snowflake paying \$40 a ton to get the wood and now buying it from [name].”*

Others from the White Mountain Industry Association respond by stating that if landscape level restoration is carried out by one large contract it will necessarily create what some might term a wood czar. The issue is sensitive and is something that needs careful consideration nationally and regionally.

*“The land management agency issuing these contracts must understand the implications and then support both the decision and successful bidder,”* said a representative from the White Mountain Industry Association. They emphasized that the selected contractor must be given freedom to make business decisions regarding the wood once it is harvested. *“Just because a contract is funded by federal dollars does not give ‘collaborators’ a right to dictate where wood should be sent or how much is paid for it,”* they explained.

On the other hand, in defense of the project another partner pointed out that *“The government spent \$30 million over 6 years and got \$40 million in economic benefits - all jobs, fuel, maintenance, tax, purchases. That does not include what they paid to [name].”*

Future Forest LLC partners believe that the agency and perhaps watchers have been too impatient for progress. The economy has been a huge drag on gains. During the same period since the project started, the wood products industry lost 400,000 jobs. The small, sustainable business increases are phenomenal all things considered. Some say public money has been wasted in the haste for documenting progress. For example, an Eagar based woody biomass power plant came online but soon closed. It purportedly

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<sup>15</sup> For more information on the White Mountain Stewardship Contract see: <http://www.fs.fed.us/r3/asnf/stewardship/multi-party-monitoring.shtml>

ran only at about 12percent efficiency. The Forest Service lost \$500,000 in grant money and Arizona Power lost about \$9 million.

Future Forest LLC partners also claim that the majority of partners feel the effort has been successful. They shrug off the handful of competitors that complain they control the wood market. Several watching the process from close range lament the decline in internal attitude toward the project and Future Forest Partners in recent years since key Forest Service leaders left the Region. Once again, everything rises and falls on leadership.

### **Collaboration**

The 2009 Pinchot report criticized agency collaboration saying, *“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.”*

The best stewardship contracting stories involve places where entire districts and line officers encouraged meaningful outreach and shared decision space. Where leadership understands the benefits of collaboration and how to make it work, real community benefits are realized and products that respond to local markets and conditions are forth coming. Yet positive results are being realized and the stewardship contract is preserved even in places that do not have a long history of broad partnership.

Analysis of stewardship contracting may overlook the fact that many people who genuinely care about public lands but are not paid to “collaborate” voluntarily represent user groups and provide their input though either a planning process (NEPA or Forest Plan), a landscape level initiative, Community Wildfire Protection Plans or some other broad forum. It is both unreasonable and unrealistic to expect collaboration on a project by project basis. Stewardship contracting can facilitate the ultimate delivery of objectives identified through the various processes.

Non-professionals whether land manager, environmentalist or forest product business do not care about what contracting tool is used to achieve the objectives they desire. People living and working in communities want to see common sense land management, products and jobs where possible, less government subsidy of land treatments and no out-of-control fire.

As pointed out at the Regional Team meeting, “collaboration fatigue” is rampant throughout the west, especially when collaboration is required on multiple projects, Forest Plans take 10 to 15 years to complete and diameter limits prevail long after the science has refuted their value. A community partner interviewed this year said, “We are still stalled over diameter limits. It’s been over ten years now.”

Even professional environmentalists have begun to express frustration with a never ending process such as this U.S. Fish and Wildlife Service representative who said, “Why are there so many hurdles to going forward? We have a diverse group of industry and special interest groups that push for stewardship contracting but I am not sure why we are still sitting back ten years later. It’s a lot of work for not much progress.”

A collaboration weary manager said:

*Well it was a WUI project in a campground area. Some fairly big trees had bugs. We marked them to get the objective and some value. Environmentalists didn't like having larger trees removed but they were buggy. Forest Supervisor made us unmark trees and lost value, no bid. It's a continual battle with leadership. They don't understand what it takes to get something done and how long and hard we've worked to build partners. Our work is on the bottom of the pile. They cut our funding year after year.*

A community member interviewed in Colorado said, *"We manage by crisis in this culture. No one got going till they saw red needles and dead trees. It's our responsibility, not just the Forest Service."*

In addition, the Regional Team added that the policy not the law requires collaboration. Line officers get to decide if and when collaboration has occurred. Over the last decade, it has been repeatedly affirmed that most people inside and outside the agencies prefer flexibility in all aspects of stewardship contracting from collaboration to implementation.

Both agencies have begun to focus more on agreements which bring the most effective collaborators into the process of outreach, understanding and implementation. The most prominent and successful partners are RMEF and NWTF. This sentiment echoed by both agency managers gets more popular each year: *"We learned that we need to have more of a cooperative effort with a middleman like RMEF, NWTF and other conservation groups. It's a more transparent process and they have lots of resources."*

Partnerships with conservation groups that have members actively engaged are bringing two important elements to stewardship contracting. First, they increase meaningful collaboration because their members are often already in-tune with public land conditions and trends. Their chapters are made up of outdoor enthusiasts at a very local, very connected level. They've watched public lands decline as a result of hands-off management. Second, these groups leverage federal dollars and even attract millions in private funds.

They often bring up to ten additional contributing sources. The NWTF brought in \$4 million in grants for restoration work in just the last quarter. They know how to bundle the interests, and thus funds, of a variety of sources e.g. Marathon Oil just donated \$400,000 to a watershed restoration project in Wyoming. In Mississippi, Southern Company has a special interest in Red-Cockaded Woodpeckers and Long Leaf pine restoration.

Success breeds success. Some of the BLM units received awards from RMEF in front of their leadership, which encouraged all levels of management.

## Regional Team Meeting Participants

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## **Pacific West Regional Stewardship Contracting Multiparty Monitoring Team Fiscal Year 2010 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, 22 USFS projects and 6 BLM projects were selected for review. Regarding the USFS projects, we spoke to 23 agency representatives, 17 community members, 6 contractors and other 13 collaborators. For the 6 selected BLM projects, we spoke to 6 agency people, 2 community representatives, 5 contractors and 1 other partner.

This year's surveys showed a high level of support for stewardship contracting in general and a high level of support for reauthorization of the authority. While our interviews were aimed at answering the structured questions posed by this programmatic monitoring program, trends in answers to the open ended questions on the interview led us to further examine reauthorization of stewardship authority, the trend toward longer and larger contracts and some internal business rules/administrative procedures with the Pacific Regional Team.<sup>16</sup> Additional information and recommendations regarding these topics are offered in an appendix at the end of this regional summary report.

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 the Pacific West 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?**

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<sup>16</sup> Our Regional Team meeting was held in Medford, OR this year. We have held meetings in Portland, OR and in Redding, CA in years past.



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

A large percentage of projects, while reporting diverse participation, also reported missing stakeholders in their collaborative process. Strategies for initiating participation were offered at our regional team meeting and are detailed below.

Sustaining collaboration given the long processes involved and the amount of energy and commitment it takes to be good partners is a challenge. In particular, those partners who are not subsidized to participate have a hard time sustaining their involvement. Many of our regional team members have been working in formal collaborative groups for a number of years and they offered suggestions for how to sustain collaboration.

**Identified Barriers and Team Recommendations**

1. ***Barrier:*** Perception that stewardship contracting takes money away from County Payments.
  - ***Recommendation:*** The interplay between the potential reauthorization of stewardship contracting and county payments will be politically charged. Making a case for stewardship contracting as a useful tool will need to include answers to questions about timber revenues, local benefits and outside match dollars.
2. ***Barrier:*** Collaborations are often too reliant on volunteers.
  - ***Recommendation:*** Build staff capacity or contract for facilitation and other critical functions.
3. ***Barrier:*** Agency capacities to engage in stewardship and collaborations are often inadequate due to turnover, shrinking budgets etc.
  - ***Recommendation:*** Create performance measures associated with stewardship and collaboration to institutionalize the practice.
4. ***Barrier:*** Scaling costs.
  - ***Recommendation:*** Use weight scale instead of volume.
5. ***Barrier:*** High cost of marking projects.
  - ***Recommendation:*** As trust is built between stakeholders DXP can be used. To avoid conflicts, demonstrate first.
6. ***Barrier:*** The growth of longstanding collaborative groups has been positive in many respects, but in some cases agency representatives and stakeholders are over extended trying to participate in numerous groups.
  - ***Recommendation:*** Setting realistic expectations and using existing forums could streamline participation for some stakeholders. Improvements

in communications could also allow varying levels of participation. For example, if a website is maintained that gives updates on the status of projects, participants can check for key meetings and stay abreast of the current situation without much effort.

7. **Barrier:** The timing of the NEPA process often doesn't align with the collaborative's process.
  - **Recommendation:** Begin collaboration early and invest adequately. Explain the NEPA process to your stakeholders.
8. **Barrier:** Sustaining collaboration can be hard as groups and participants tend to fatigue over time.
  - **Recommendation:** Publicize successes, celebrate positive outcomes and demonstrate your program through the use of field tours. This will encourage new participation and may rejuvenate current partners. Also, having a paid staff person can go a long way to taking the work load off the group and can serve as an "institutional memory."
9. **Barrier:** Retained receipts can only be expended in certain ways. Facilitation and monitoring are not allowable.
  - **Recommendations:** Review and revise appropriate activities to be funded through retained receipts. Add monitoring and facilitation to the activities allowable.

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

Several of our regional team members shared case studies during our meeting detailing the collaborative groups they've developed. Their successful strategies for engaging and sustaining collaboration are detailed below.

### **Identified Successes and Recommendations**

1. **Success:** Agencies have used existing community meetings and networks as forums to give presentations on stewardship contracts.
  - **Recommendation:** Many rural communities have informal, but effective communications hubs and networks. By learning about where your community already gathers and using that forum to introduce people to stewardship contracting, you can consolidate meetings and make new connections.
2. **Success:** Sometimes, especially in areas where agencies and the communities don't have a high level of trust, a non-agency stakeholder is more successful at eliciting initial participation.

- **Recommendation:** When a neutral or trusted party makes the invitation, it can set the right tone for the collaboration. Personal invitations go a long way toward building relationships.
3. **Success:** Existing collaborations, whether formal or informal, including organizations like fire safe councils, can be the hub for initiating collaboration around stewardship contracting.
    - **Recommendation:** By utilizing existing groups you don't over tax the group members with yet another meeting. When stewardship is relevant to the concerns of the original group, you maximize your effectiveness.
  4. **Success:** Use of a dedicated website with information about the projects and program of work for smooth easy communications.
    - **Recommendation:** Some of the long standing collaborative groups have found that a website housing information about their meetings, purpose, and specific projects can bring in new members, be a place to share successes and monitoring data, as well as serve as a newsletter or update if stakeholders miss a meeting.
  5. **Success:** Investments in training and contractor capacity building.
    - **Recommendation:** By growing not only community capacity to collaborate, but local contractor capacity to perform the kind of work being offered, a stable system is built. Contractors that understand the collaborative nature of the projects and multiple desired outcomes will be more successful in the long-term.
  6. **Success:** Produce official agreements (sideboards, MOU's and other written documents to guide the collaborative process). Work within a defined zone of agreement.
    - **Recommendation:** When groups begin by building a shared vision and layout ground rules for how they will operate, they are better able to sustain collaboration. These documents can guide groups through serious conflicts.
  7. **Success:** Develop a long-term strategy.
    - **Recommendation:** Collaborating around larger-scale and longer-term outcomes have been very effective for many of our regional team members. A real sense of ownership is developed and projects employing any of the agency authorities may be used to implement projects. In forests where this is working well, the community and the agencies see the collaborative group as a major asset and the reason they are able to get work done effectively.

- 8. **Success:** Shared successes.
  - **Recommendation:** Document and publicize the positive actions of the group. Use the media to reach new audiences and invite new participation. Celebrate the on-the ground work that has been accomplished with field tours and events.
  
- 9. **Success:** Cultivation of internal agency champions.
  - **Recommendation:** When the lead agency person is enthusiastic and committed to the process of collaborating it makes all the difference. Find agency personnel who believe in the process of collaboration and work with them.
  
- 10. **Success:** Multi-party monitoring that feeds into adaptive management.
  - **Recommendation:** In areas where monitoring has been prioritized and funded through appropriated dollars, collaboratives are using the monitoring programs to help guide their future decision making. Allocate funds for monitoring and change policies to allow retained receipts to be used for monitoring.

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

Interview respondents reported specific project outcomes as well as local jobs and the ability to use local contractors as the most beneficial aspects of Stewardship Contracting. Listed below are the interviewee responses in order of prevalence:

**USFS Projects Perceived Community Benefits:**

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

**BLM Projects Perceived Community Benefits:**

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

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

**USFS Agency Benefits:**

- Increased public input
- Improved trust
- Increased support for the agency
- Representation of diverse interests
- Project ownership

**BLM Agency Benefits:**

- Increased public input
- Improved trust
- Representation of diverse interests
- Increased support for the agency
- Project ownership

## Perceived Benefits and Recommendations

1. **Perceived Benefit:** Stewardship agreements yield significant matching funds and allow experimentation with innovative treatments.
  - **Recommendation:** Encourage the use of stewardship agreements, where appropriate, to maximize the effectiveness of federal dollars by combining them with partner matching funds and in-kind support. Where contractors, agencies, and collaborative groups have built trust, use stewardships as opportunities to innovate treatment methods.
2. **Perceived Benefit:** Expanding scope beyond federal lands: using the Wyden amendment and public assistance grants can allow investment in whole landscapes across ownership and management boundaries.
  - **Recommendation:** Consider investments in private lands adjacent to the public lands where the collaborative's goals will be served. For example, investments in private lands in headwaters will serve fish habitat goals in downstream public lands.
3. **Perceived Benefit:** Stewardship can advance the practice of restoration. Contractor skills are built and equipment investments can be made.
  - **Recommendation:** Stewardships can create niche markets for local contractors. Because of the multiple objectives within projects, they are opportunities for contractors to practice restoration and build a wide repertoire of related skills. Work closely with local contractors to understand their limitations and current capacity. Support their transition to working in a restoration driven system.
4. **Perceived Benefit:** Stewardships can build local capacity (business and NGO's) to partner with the agencies.
  - **Recommendation:** Stewardships are great opportunities for non-profits and other businesses to partner with agencies. Encourage partnerships that utilize the strengths of partners and agencies to maximum benefit of the community and the land. Reach out to partners who are being underutilized and work to be flexible.
5. **Perceived Benefit:** Stewardships help maintain industry capacity to support restoration.
  - **Recommendation:** Stewardships can help sustain the industrial systems that make restoration work possible. Communicate with industry partners and make sure they are at the collaborative table.
6. **Perceived Benefit:** A reduction in appeals and litigation.
  - **Recommendation:** Where collaborations are robust, agencies have seen a significant reduction in litigation. Many of these collaborations were started with stewardship contracting. If there is not a robust collaborative process where you are working, begin to develop one.
7. **Perceived Benefit:** Ecosystem management objectives are accomplished.
  - **Recommendation:** Stewardships can yield a variety of ecosystem management objectives. Encourage broad participation in project design and consider how ad-

justments to project design or implementation could accomplish a wider variety of objectives.

8. **Perceived Benefit:** Stewardship contracting spurs the development of high capacity collaborative groups that in many cases expand their focus from stewardship projects to landscape scale management strategies, advising the agencies on projects of all types.
  - **Recommendation:** Utilize the infrastructure collaborative groups build to inform long-term and large-scale land management plans.

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## Appendix

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The three topics covered in this appendix were discussed at the Pacific West's Regional Team meeting. After each of these issues were consistently identified in open ended interview questions as topics warranting further discussion, they were added to the regional team meeting agenda.

### STEWARDSHIP AUTHORITY REAUTHORIZATION

While there is broad support for reauthorization of stewardship authorities, many regional team members and interviewees felt that there are changes that could be made to the authorities that would better serve the intentions of stewardship contracting:

- Revise the acceptable uses of retained receipts to include monitoring, facilitation and project design. Allow for wider geographic distribution of retained receipts.
- Some suggested that streamlining contracting processes and making stewardship authorities permanent would be beneficial.
- There are varying opinions on payments to counties as it relates to stewardship. While some people suggest increasing merchantable material and giving counties a cut, others favor keeping stewardship and county payments separate.
- Some of our team members suggested clarifying the relationship between stewardship authorities, Wyden authority, and public assistance grants. Make the relationship explicit and clarify NEPA requirements for Wyden agreements (i.e., what level of environmental analysis is legally required for projects implemented off-forest using Wyden authority and paid for with retained receipts from stewardship projects).
- Establishing uniform stewardship agreement standards for the Forest Service and BLM was suggested.
- Establish a definition of "local" or a process to define local.
- No part of IRSC or IRTC is included in SBA set-aside program: best value criteria- local benefit may not be adequate in some locales.
- There is a need to develop specific product disposal methods/guidance to facilitate flexibility in stewardship contracting.
- Keep all of the agency's tools – expand the use and flexibility of the tools available.

Additional comments about how to provide input on reauthorization were offered. Team members noted that efforts to reauthorize county payments and stewardship contracting should

be coordinated. Working with the Rural Voices for Conservation Coalition (RVCC) on these issues was suggested. Additional recommendations included:

- Providing information and studies that show the community benefits of stewardship contracting.
- Providing information about the fiscal impact of stewardship contracting that takes into account all the costs and benefits.
- Providing case studies which highlight successes and needed changes to the authority.
- Emphasizing stewardship's ability to make contentious projects possible, work on marginal lands, and achieve a variety of ecosystem health objectives.

### **THE TREND TOWARD LONGER AND LARGER CONTRACTS**

The push for landscape-scale treatments along with industry investment thresholds have created an interest in longer and larger stewardship contracts. Ten-year contracts are seldom used, but there are some stakeholders interested in expanding the authority to include 20-year contracts. While 20-year contracts may help redevelop industry capacity in places where it has been lost, there are concerns that longer contracts would limit competition, present problems with cancellation ceilings, and NEPA shelf life. Some alternatives that may accomplish the goals of longer contracts include:

- Developing a clause for contract extension.
- Re-instituting and re-crafting the concept of sustained yield units.

### **INTERNAL BUSINESS RULES/ADMINISTRATIVE PROCEDURES**

There are some business rules and administrative procedures which our team and interviewees identified that, if addressed, could improve stewardship contracting practice.

- The loss of categorical exclusion 10 (1,000 acre fuels) has made it difficult for the USFS to complete NEPA on many projects – the loss of BLM's categorical exclusion allowing them to streamline fuels and grazing projects has similarly made planning more difficult.
- Issues with regulations bonding, and tree marking rules (government vs. private marking) should be clarified.
- There is a need for stewardship performance measures that reward the efforts of agencies to collaborate.
- There are some contracting officers who won't allow multiple award contracts. There may be a training need, or more investigation into the reasons for not allowing multiple award contracts.
- The timing of funds obligation can be a problem. For example, obligating funds to task orders ahead of time may alleviate the issue created when a task order is about to be issued and no funds are available to obligate.
- We've heard feedback that the 10-year bidding process is excessively complicated.
- The BLM State Director must sign stewardship contracts. This person does not have to sign sales or service contracts, just stewardships. Many team members and interviewees believe this is an unnecessary step.
- Revising the bidding process so that there is a combination of oral bidding and proposals might be constructed to get both the best value and the best prices for products and services.

- Rate-redetermination procedures should be examined to ensure they are responsive to the current market conditions and fair to all parties.
- Clarify differences between agreements and contracts in terms of developing prescriptions and non-work items.

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If you have questions about any of the issues outlined in this report, please contact us at [wrtc@hayfork.net](mailto:wrtc@hayfork.net) or 530.628.4206



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## **Eastern Region Stewardship End Result Contracting Multiparty Monitoring Team Fiscal Year 2010 Report**

In preparing this report the Eastern Region Monitoring Team considered information from a number of sources including, but not limited to:

- telephone interviews conducted by the Pinchot Institute for Conservation (through its regional partner, the Flathead Economic Policy Center) with Forest Service personnel, community members, contractors, non-government organizations (NGOs), and other project participants in a stratified random sample of existing stewardship contracting projects in the region;
- team members' own personal observations of and experiences with stewardship contracting; and
- a November, 2010, team meeting on the Allegheny National Forest which included a site visit to a stewardship project area and discussions with USDA/Forest Service and Commonwealth of Pennsylvania Game Commission personnel.

### **The view from the field**

**Defining Stewardship End Result Contracting (SERC)** – Analysis of the data gathered through the FY2010 programmatic monitoring of SERC in the Eastern Region shows some evolution in how agency and non-agency participants view SERC. This year only 50percent of the Forest Service personnel interviewed defined SERC primarily as a funding mechanism (the exchange of goods for services), a significant drop from the 72.9percent who explained it that way in 2009. Among non-agency interviewees, 23.5percent considered “goods for services” an important characteristic of SERC, up somewhat from 17.6percent in 2009. Here’s how some interviewees explained it:

*Essentially it's a formal agreement/contract that enables the exchange of goods for services. (Agency respondent)*

*A person does work in return for timber materials or something returned. There's not a direct transfer of dollars and center. (Community member)*

“Getting work done on the ground” remained SERC’s primary defining factor for non-agency respondents – mentioned by 41.2percent (the same percentage as last year). Among Forest Service respondents, it was cited by 50percent of those interviewed, up dramatically from only 18.2percent in 2009.

*It's a way...to complete projects using non-traditional forms...in which the value of the timber cut is directly reinvested in the project area to complete associated restoration work. (Agency)*

*It's basically supposed to be a cooperative effort between the Forest Service and*

*the contractor to accomplish a common goal.* (Local government official)

“Community involvement and benefits” was seen as an important element of SERC this year by 58.3percent of agency respondents compared with 45.5percent who expressed that opinion in 2009. The non-agency respondents citing “community involvement and benefits,” however, declined from 35.3percent in 2009 to 23.5percent this year. The involvement of the public is generally viewed as being accomplished through “partnership” or “collaboration”:

*[SERC is] our attempt at getting more community involvement and more community collaboration up-front on these projects....* (Agency)

*Generally I speak of a stewardship contract as a tool that's available for the Forest Service...to involve the public and expand capability to get more work on the ground and that is responsive to the needs of the local community and ecological needs. Partnership, better products, and more work done.* (NGO)

**Defining the community's role** – Two of the three most commonly cited community roles in SERC projects are the traditional activities associated with the National Environmental Policy Act (NEPA) public involvement process – providing “comments and recommendations” and “becoming informed” about proposed or planned activities. “Comments and recommendations” was identified as a community role in 83.3percent of the projects studied this year, up from 66.7percent in 2009. “Becoming informed” was cited in 58.3percent of projects, down from 66.7percent in 2009. The third major community role – “representation of concerned/affected local interests” – can include some stakeholders' exercise of a more proactive, advocacy function – and its frequency remained unchanged at 58.3percent.

The overall level of non-agency involvement in individual SERC projects surveyed has increased very little over that reported in 2009, although there were some shifts in the degree of involvement of particular stakeholder categories. Environmental/conservation interests, state agencies, project contractors, and recreation interests were those most likely to be involved in 2010. Environmental/conservation interests' engagement has increased substantially, being reported in 83.3percent of projects this year as compared with only 41.7percent in 2009. Involvement by wildlife and fisheries groups is up from 16.6percent in 2009 to 50percent in 2010. Meanwhile, participation by community business interests dropped from 75percent of projects in 2009 to 50percent in 2010.<sup>17</sup>

**Defining collaboration** – The authorizing legislation for SERC does not specifically mention collaboration, but the *Forest Service Handbook* defines it as “a process through which parties who see different aspects of a problem constructively explore their

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<sup>17</sup> The standard interview question asks, “Who has been involved?” Some respondents consider that anyone who received a scoping letter as part of the NEPA process was “involved,” while others believe that a more substantial level of participation – attending meetings or field tours, providing comments on proposed activities, etc. – is needed if someone is to be deemed “involved.” Interviewees whose own participation began in the later stages of a project (contractors, for instance) may not be aware of all those who participated in the earlier stages.

differences and search for solutions that go beyond what any one group could envision alone.”<sup>18</sup> Community members and other stakeholders generally appear to have a fairly high level of expectation for collaboration or partnerships:

*[It's] working together with the different organizations, user groups, the Forest Service, and the forest products industry – everybody working together. ...Right now we're the pioneers, but in the future, there's going to be more of this. Why don't we have groups all working together? Everybody wins. (Community member and outdoor recreation group leader)*

*Partnershiping is a new movement for us. We have a committee that meets with the ranger from the local district and the supervisor's office, and they go over things with us...I'm a firm believer in partnership, and you accomplish more and it creates a closer bond between local entities and groups and such. (Local government official)*

*In all the [SERC] projects I've worked on...the three elements that I think are the most important are that (1) the collaboration is truly an extension of the partnership, and (2) it has to be done in that sense, and (3) the Forest Service has to be sincere about getting the partners or the community of interest to the table and participating in deciding on the outcome they want.... When [that] does occur, the projects that come out of it better respond to the community interest. There's not only an increased flow of timber, but a better mix of products and services that meet the community needs. Because it responds to the community, the Forest Service gains a tremendous amount of support for the agency. The community sees more work – the opportunity to do more work – and a positive impact on the community. (NGO)*

Clearly those expectations are not being met. Only 11.8percent of the non-agency participants in SERC projects in the Eastern Region considered the projects they were involved in as “very collaborative,” while 23.5percent deemed them “somewhat” collaborative and 17.7percent “not collaborative.” The greatest number (47percent) said they didn't know if the project was collaborative or not. Forest Service field personnel were somewhat more generous in their assessments, with 16.6percent rating their projects “very collaborative,” 58.3percent as “somewhat collaborative,” and 16.7percent as “not collaborative.” The remaining 8.3percent “don't know.”

Some stakeholders perceived a definite unwillingness of agency personnel to solicit or accept input from outside the agency.

*I've lived in this town my whole life. The job's 14 miles away. No one I talked to in town knew about it. The whole show is being run by the federal government. (Contractor)*

*I tried to point [out the habitat needs of a particular bird species] to the powers to be at the National Forest here...and try to educate people who have a plan in front of them – and they don't pay attention if they have a plan in front of them, to*

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<sup>18</sup> Forest Service Handbook, 2409.19, Chapter 60, Section 60.5, 10/21/08.

*put it nicely.* (Community member/agreement participant)

*I've been well aware of the stewardship program since its inception, and I see it being implemented differently in different areas of the country....In [named state] it's being driven by the Forest Service rather than the outside interests. I've told this to the Forest Service, but they still drive the program by not bringing in outside participants at the design level. [Other interests] might want to do [for instance] fuels reduction and combine it with habitat restoration at the landscape scale. But here it's strictly the Forest Service saying we want to do this site prep or we want to build these outhouses, so how do we combine that with the exchange of timber.* (Community member)

Some of the disconnect is certainly due to considerable differences in opinion among Forest Service and non-agency participants about what collaboration is or should be. Even within the agency, the respondents' definitions run a wide gamut:

*Basically two parties come together and come up with some ideas and work together to get that vision on the ground.* (Agency)

*Collaboration was working to improve understanding of what goods for services is all about and trying to garner interest in it.* (Agency)

*I think the only outreach was just the NEPA process, but I don't think it was specific to the units that were put into the stewardship project.* (Agency)

*[Collaboration is] working with all your partners and ensuring that their interests are addressed and they are listened to and they have a part of it. Forest planning and management is an act of perennial compromise, placing the agency squarely between those who want to squeeze the forests tight with affection and those who want to wring them out with greed. You need to involve the public upfront. If they don't like something, stop and take the time to educate them.* (Agency)

*[For] the most part we have not seen the need to have a sit-down meeting with a bunch of people and say, "This is the area, and what would you like to see done?" We tend to go out with a project in a NEPA proposal and then take suggestions and add them to our proposal.* (Agency)

*[It's] sharing specific knowledge of the resource. Concerned users literally took us out and said, "We want to show you something." They had very specific, site-based information as well as some proposals for a specific vegetation management technique that they thought could be applied here. [Through collaboration we] become better integrated with our neighbors on this landscape we share, and we find our issues are not so very far apart, our values are not so very far apart, and we can reach better conclusions.* (Agency)

**Addressing operational and capacity issues** – The Eastern Region's lateness in adopting the use of SERC (interviewees still often refer to it as a "new" tool) could have been expected to make it easier for agency personnel to integrate it into their overall program of work when they finally did begin to use it. Theoretically at least, many of the

operational “bugs” would have been worked out by then, policies and procedures would be well formulated and understood and appropriate training and technical assistance resources would be in place. That does not seem to have happened, and a considerable amount of “wheel reinvention” is occurring.

**A. Training and technical assistance** – Agency respondents report needing more help than is readily available in-house to help them understand SERC and learn how to use it appropriately:

*It's very difficult still to implement or get a contract together, between the turnover rate we have now with experienced people in contracting and procurement and with the lack of help from the regional office. They don't have a lot of experience with it, and we don't have the feedback we'd like to have from them. (Agency)*

*I had one day of training in agreements. It was just too much in one day. I'm wading through all of these agreements now and learning [by doing] ...I'm working with the [timber management assistant], and we're working though the last of the documents and trying to keep plodding forward.... We don't know what we're doing, but we're going to try. (Agency)*

*[I would do another agreement] after you shorten the process. The financial plan – I'd never seen anything like that! There's not a lot out there in terms of information [for project managers] because it's changing so fast. There are new forms. I did the financial plan according to the last instructions we had, and then they said, no, you have to change it again. (Agency)*

*This is a constructive criticism, but I think I can speak for us here – we need to learn how to transfer the good public/tribal/community partnership skills that some of us have to more of our staff. We just have some people who are very good at this and some who aren't, who haven't had time to grow those skills, and this is a good tool to grow them with. (Agency)*

**B. Contracts** -- Forests and districts report seeing the potential advantages of using SERC, but struggle with the process and mechanics of developing, offering, evaluating, awarding, and managing Integrated Resource Timber Contracts (IRTCs) and Integrated Resource Service Contracts (IRSCs). In this year's interviews, best value contracting was rarely mentioned.

*I think there's a place for stewardship contracting, I honestly do, because of the internal funding mechanism that provides us an option that we don't have with anything else. In that way stewardship contracting works, but the contracting logistics are awkward.... (Agency)*

*[SERC is] a great thing. It needs to be streamlined more. We're putting too many things in it and making it very, very hard to do projects and that will scare some people away. [The contracting process is] much, much worse than it needs to be. Looking at what older projects had to do before, it's much worse [than those were]. We have gone too far. We have to protect the government and the*

*money and so forth, but our process is far too elaborate. If I didn't have [the regional stewardship coordinator] close by, I don't think I could do it. We're straining at mosquitoes rather than swallowing the damn elephant. (Agency)*

*This was the first advertised stewardship contract for this forest. The others were all single-source negotiations. [On this one], we got competitive bids, and a local contractor won the contract. It did change my view, because we were able to get a better deal for us during competitive bidding. (Agency)*

*It's a tool that we should have and should try to use at times....I think it's a lot more beneficial to smaller businesses.... In the past we've had a certain select few purchasers buy our timber sales, and now with it being a little different type of a contract, it's allowed smaller contractors to get involved. I think what helps the most is the way the money has to be obligated to the project. The purchaser normally would have to put 20percent down, and they don't have to put anything down with stewardship, and I think that helps with the way the economy is now. (Agency)*

*The biggest initial challenge for some of our contractors is getting a grasp of this new tool and all the contractual language and expectations that it brings – different from the conventional contracts....People like the sound of a new blended contract, anything that can make the fiduciary responsibilities and paperwork clearer. It will be welcome. (Agency)*

**C. Contractors** – As staff begin developing projects using SERC, a number have encountered resistance from the contracting community. Multi-activity projects seem to be particularly daunting for potential offerors:

*Sometimes [SERC is] made so complicated and so difficult that you may get a contractor that tries to bid, but finds there's so much variety of things to do in the project that he or she could not get the equipment together to do all of it. When a project is so diverse, it's really tough for those folks. (NGO)*

*The big thing that we noticed with our IRTCs was the proposals themselves weren't really well developed. The [wildlife NGO] offered to help those [contractors] put their proposals together. I don't know how many people took them up on their offers. We need to provide more feedback to the proposers to give them a sense of what we're looking for – almost like a template. (Agency)*

*It would be a lot more positive if we could get contractors involved and get them to learn what this is. It's not a regular timber sale. It's a stewardship contract. I'd like to be clearer about what some of the benefits are. It would be more positive if people knew what it's about. It's not as intimidating and complex as a lot of us thought it would be. (Agency)*

*I think the biggest lesson that I learned was the importance of getting the potential contractors together to introduce the project and the concept of stewardship contracting, because our typical contractors are timber sale purchasers, and some of them are already leery of federal contracts because our timber contracts are 90 pages long [while] state and county projects are five*

*pages, and the stewardship contract is more convoluted than the timber contract. We need to provide a clear message as to what's expected in the bid forms, the technical proposal, [and] make sure they have enough copies of everything that's required, and just that they understand. If they aren't going to bid, the project is going to go uncompleted. I had a couple of meetings and site visits to make sure we had a viable contract. That was more important to me than any community collaboration. We don't want to lose sight of how important it is to collaborate with the contractors. (Agency)*

Entrepreneurial contractors who have taken the leap are generally positive about the experience, although they acknowledge approaching SERC with some trepidation:

*It was the first one I ever bid on and won. It was definitely an education. I'm not against [SERC projects] or scared of them. I do think it makes it more challenging to purchase the timber, though. (Contractor)*

*It's been a good experience.... I would like to see more of these projects. There were questions that they asked [in the request for proposals] that weren't easy to put a response to on a piece of paper. So it was in my best interest to talk to the agency people and learn more, and it was good to go out on the ground with someone from the agency. I grilled her for every bit of information I could get, asked all the stupid questions I had – and it turned out that things that I thought were going to be complicated really weren't. (Contractor)*

**D. Agreements** – The National Wild Turkey Federation (NWTf) and the Rocky Mountain Elk Foundation (RMEF) have played a major role in developing and facilitating the use of stewardship contracts and agreements<sup>19</sup> across the country, and NWTf particularly is very active in the Eastern Region. Agreements are attractive to non-profit groups like NWTf and RMEF whose organizational missions dovetail with one or more agency management objectives, such as enhancing wildlife habitat, protecting or recovering threatened or endangered species, maintaining important cultural or recreational resources, or creating and maintaining local economic resiliency.

Under a stewardship agreement, the agency and its partner both contribute resources to a SERC project, with the partner often facilitating the involvement of affected communities of place and interest, obtaining grants or donations from non-agency sources to help finance a project, organizing volunteer efforts (usually starting with their own members), performing on-the-ground work, and otherwise mobilizing resources to contribute to the accomplishment of the parties' shared goal. Some agreements are for only a single project, while others may be umbrella agreements covering an entire landscape, forest, state, or region and implemented through specific operating agreements tiered to the umbrella.

Agreements provide much valued flexibility, leverage scarce Forest Service resources,

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<sup>19</sup> The authorizing legislation for Stewardship End Result Contracting projects provides for work to be accomplished “via agreement or contract as appropriate...” The terminology can be confusing. Not all stewardship *contracting* is accomplished through the use of a stewardship *contract*, but may also be done through a stewardship agreement.

and often come with significant training and technical assistance support from the agreement partner. There are growing concerns about increasing administrative complexity, however.

*[This project's using] an agreement. There's a tremendous amount of flexibility. They are able to leverage a lot of other partners to get a lot of work done on the ground. As long as it's restorative on the ground and meets the requirements of stewardship, it's a great tool. It's almost overwhelming. There's an infinite amount that could be done on the ground...because of the value of our timber. (Agency)*

*I was on board with stewardship contracting [from the beginning], but I'm not on board with all the paperwork. I've been sending out the supplemental project agreement, and it's 45 pages long. [It's] become a several hundred page package required to get something done on the ground. (Agency)*

*Before I became directly involved in [this agreement], I thought it could become complex – and it did. (Agency)*

*It seems to be a far more efficient way to get work done, rather than through the normal government channels.... If you have the [named NGO] as the contractor, they are able to go wherever they want to go to purchase supplies (seed, fertilizer, etc.). They bought it all locally, and they bought it and paid for it almost instantaneously.... It's really efficient working with the [NGO] on this. (State agency)*

However, a good tool can be overused. An agency manager cautioned that, while having an agreement with a SERC-savvy national NGO is a good way to introduce local contractors to stewardship projects, at some point as a matter of professional pride they will want to compete directly for stewardship contracts.

**Seeking solutions for persistent financial issues** – Two financial issues have the potential to negatively impact the use of SERC. Neither is unique to the Eastern Region, but both need to be addressed satisfactorily if SERC is to achieve the desired level of support within the agency and with forest-dependent counties. The matters at issue are described briefly in the *Forest Service Handbook*:<sup>20</sup>

In accordance with [the applicable law], the value of services received, payments made, or resources provided under a stewardship contract must not be considered to be monies received from the National Forest System for the purpose of calculating payments to States.... Allocation of monies collected through receipts from products removed for the trading [of] goods for services is based upon the following priorities:

1. Paying for the service work within the [IRTC] and [IRSC] contract.
2. Additional collections for the Knutson-Vanderburg [sic] fund (CWKV), brush disposal fund (BDBD) and cooperative work (CWFS).
3. Reimbursement of any salvage sale fund (SSF) expenditures incurred in preparing the project.
4. Retained receipts to be applied to other stewardship projects....

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<sup>20</sup> FSH 2409.19, Chapter 60, Section 67 “Revenues from Stewardship Contracting”, 10/21/08.



5. Any remaining receipts are excess receipts to be returned to the U. S. Department of Treasury.

**A. The Knutson-Vandenberg (K-V) Trust Fund** was created by Congress in 1930 to:

collect a portion of timber sales revenue to pay for the reforestation of areas from which timber is cut. ...The act was amended in 1976 to allow the Forest Service to use these funds for other timber sales area improvement activities, such as creating wildlife habitat. It was amended again in 2005 to authorize expenditures within the entire Forest Service region in which the timber sales occurred.<sup>21</sup>

Under the provisions of SERC's authorizing legislation, K-V collections cannot be made from the revenue/goods generated by a stewardship project except when that revenue is greater than the costs of the services provided by the contractor. The Forest Service calls that overage "residual receipts," and provides for its allocation according to the priority outlined in the *Handbook* (see above), which may include K-V. Agency policy is that it is "inappropriate" to use stewardship contracts or retained receipts<sup>22</sup> for Forest Service overhead costs or salaries for stewardship contract design, preparation, or administration.<sup>23</sup>

At a time when Forest Service budgets are already tight, the perception that SERC is not paying its fair share of K-V (a significant portion of which can be used to cover related agency overhead costs, including salaries) causes some employees' hackles to rise.

*We have a salvage fund and some restoration funds and other things, and anything we put into stewardship takes away from those funds, and those funds can go to pay salaries. Stewardship doesn't cover our overhead. The broadbrush approach that the DC office takes to stewardship – I'm not sure if that's a wise move, because there are other ways to get the work done if agency salaries are covered.... I'm afraid that if we go a lot more to stewardship...[and] don't put money into K-V and salvage, those funds will dry up, and we won't have money to pay for salaries. (Agency)*

*I'm not so sure why there's such a strong emphasis on [SERC], because it's really gouging our K-V funding mechanism...across the board in the agency.... A traditional way to pay for our work has been through K-V funding. [SERC] is generally an overall hindrance to the agency's program management. The one single big advantage I see to [SERC] is the use of retained receipts...in another location, not necessarily in the sale area. Traditionally, we always went where the good timber was – to pay for our work so we could collect the K-V funds. Stewardship allows us to go to areas where it normally wouldn't support us for getting work done, so we can get work done in areas with poor timber or no timber, and for me that's a big plus. But still overall, if I didn't have to use it, I*

<sup>21</sup> United States Government Accountability Office, *Federal Timber Sales*, GAO-07-764, Washington, DC, June 2007.

<sup>22</sup> Residual receipts available for transfer to another stewardship contract.

<sup>23</sup> FSH 2409.19, Chapter 60, Section 61.21

wouldn't. (Agency)

**B. Payments to states** – The 25 Percent Fund Act of 1908 required the Forest Service to distribute 25percent of the gross receipts from the sale of products from a national forest to the state in which the forest is located, which then allocates the funds to its forest counties. SERC's authorizing legislation provides that the product values of stewardship contracts are not considered "receipts," and hence are not subject to the 25percent payment requirement. The steep decline in federal timber sales beginning in the 1980s drastically reduced most states' 25percent Fund income, leading to the passage of the Secure Rural Schools and Community Self-Determination Act of 2000, which provided direct funding to the states from the U.S. Treasury, usually at a considerably higher level than would have been received through the 25percent fund. Forest counties could choose to opt out of the Secure Schools program and continue to receive their share of the 25percent fund payments, but only about 15 percent of the eligible counties in the country did so. Those counties, whose timber receipts have generally remained high, are predominantly in the Eastern Region, most of them in the Great Lakes States. The Secure Schools payment program will be expiring in 2012, and if it is not renewed or replaced, all eligible states/counties will again be reliant on the 25percent Fund payments. At that point, the fact that SERC does not contribute to that fund will be a very contentious matter.

*Concerns were raised [at a public meeting] about the potential impact on the 25percent Fund payments to that county. We still have pretty good [timber] sales and contributions to the 25percent Fund. We're still able to meet our timber targets, and we still get local timber organizations as well as some of the counties asking if we won't increase our offer of timber to be sold in the area.* (Agency)

*Stewardship [is] a new concept to this area....We've only been exposed to it for the last couple of years. There are a couple projects that have been completed, and they've worked out, and I think that's a positive. The one concern that's been mentioned....I've heard that the money that comes back to the local townships and counties for road work, that amount might have been lowered because of stewardship.... We're in the trial process to see how it will really work.... It does have a good positive role and image. ...[It's] very important that we have the Secure Rural Schools program in place and also the PILT [Payment in Lieu of Taxes] payments that come down to us....[They] are very important means of our financially supporting our services in the area. Without those, I'm sure the school system would be in bad shape, if it would even be open today....* (Local government official)

## **Responses to Specific Forest Service Questions**

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

**A. Differences in perceptions of how communities should be engaged** – These are reflected in the many different definitions of collaboration (see above) provided by this year’s interviewees.

**B. Difficulties in engaging everyone who needs and/or wants to be involved** – Agency personnel often report low levels of community response to their outreach efforts. One district ranger tried to get community members into a collaborative mode, by asking “What would you like to see accomplished?” – and was met with silence. “As long as we’re improving the forest condition,” he says, “95 percent of the local community supports us” – and apparently feels no immediate need to become more actively engaged. Some stakeholders are reluctant to participate because they are “still suspicious that we’re using [SERC] as a cover for cutting more timber.” Others are interested in being involved but lack time or don’t think their participation would make a difference.

**C. Difficulties in forming and maintaining productive collaborative relationships** -- An agency representative’s positive attitude toward community members can have an enormous impact on people’s perceptions of the agency as a whole. It certainly impacts the level of trust and confidence that is engendered in the community, and creates an atmosphere in which meaningful collaboration can occur. If an agency-community relationship is poor, the experience can be toxic.

Not all relationship problems, of course, are between agency and non-agency participants. Often the greatest difficulty is in finding and building upon the common ground which exists among the various non-agency stakeholder interests. A SERC-experienced agency official advises, “*Who collaborates and stays involved depends on the landscape and who cares about it.*” And he cautions, “*I could cite some examples where collaboration got off to a good start, but [they] took it for granted, and it didn’t grow. It’s a growth opportunity. It’s a cultural change opportunity.*” Taking advantage of that opportunity requires careful tending of the collaborative relationship.

A team member said “*there are some groups that will stay involved – your ‘permanent partners’ – such as colleges or universities, state agencies, [wildlife groups] and their local chapters – but not the ‘body politic’.*”

Differing timeframes and priorities can complicate relationships. Regarding local elected officials, an agency manager said, “*It’s complex. They don’t think long-term. They don’t understand that we need to sustain both the forest and the timber industry. If there’s no [forest] regeneration, [the industry’s] gone. They [local officials] only think of the loss of the 25percent money for the next year.*”

**D. Project restrictions/sideboards that eliminate some project activities that have broad community support** – Recreation-related projects (trails, signage, work in and around campgrounds, river access improvements, etc.) are particularly challenging because the agency interpretation of what is and is not a permissible activity through SERC varies from office to office, and sometimes from manager to manager. Since

sporting/recreational opportunities bring so many people into the national forests in the Eastern Region, it is not surprising that activities that support or enhance recreational uses tend to be high on community members' lists of priorities. When such activities are deemed ineligible, there can be a concomitant loss of interest in the SERC project as a whole by at least some of the affected community interests.

**E. Economic constraints and local infrastructure limitations** – Because of the close identification of SERC with the goods for services funding mechanism, many agency personnel in the western part of the country feel SERC is not useful to them when lumber prices are poor and product values are insufficient to cover desired service work. In the Eastern Region, however, there is a different perception. A project manager explained:

*I think stewardship is good if it's used in the right location. I don't know if our forest is necessarily the right location, because we have an active timber sale program. We haven't had any trouble selling sales....If you don't have a timber market, I can see it. We here don't fit that bill. We do what we can for stewardship, but it's kind of reluctantly used here, because we don't need to do stewardship to provide jobs and maintain a timber industry.*

But not everyone agrees that the local Eastern industry infrastructure is adequate to handle the needed forest restoration work.

*When a project is so diverse, it's really tough for those folks.... For years the timber companies were big into road building, and it was always the same people who did it – built the roads and harvested the timber. Then the road building dried up, and they got rid of the equipment....Now they wish they had that equipment back, but they can't afford to buy it in this day and age. And then you throw in the wildlife equipment. On one project a contractor described to me, you have to find a way to chew up old material that's sitting on the site....He doesn't have that kind of equipment, and he doesn't think there's enough money in the project to enable him to make a dollar on it if he did bid it. (NGO)*

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

SERC restoration projects on highly visible sites intensively used by community members for a variety of activities are powerful attention getters. Community members are likely to take a proprietary interest in them and feel they have a stake in ensuring a desirable outcome. The manager of a project in the Upper Midwest says:

*[We sought] early input [on] the need for this work to be accomplished as well as what the work actually might comprise and what some of the issues would be – kind of “lay of the land”-type issues that folks knew about and could help us with. In the development stage we had a lot of involvement with the user group that would have the most significant use of this trail....and there was good coor-*

*dination with the [state] Department of Natural Resources specialist....Some trail relocation was needed. There are difficult soil conditions, so the question is how do we build a trail that's sustainable that does not produce sedimentation?*

*We did some work with would-be contractors who were not used to doing trail work... acquainting the would-be service providers with the idea that "this is the kind of work that, with the skills and equipment you have, might be more up your alley than you think." We created some of the initial awareness of [SERC] for them. They came back and told us what they did or didn't have in the way of equipment to help us better match the project expectations with the market for contract services.*

*This trail is an important component of local tourism, ATV/motorized-based; that's why the local communities were anxious to have this work done....Over the years we've evolved our relationship with local communities – how the big public landowner is part of their neighborhood. As a result of this project, some of the local community, particularly one user group, has a stronger sense of ownership, influence, and control in things that matter*

The president of the trail users group also was pleased with the community involvement:

*It's a good example of how early involvement with community groups – from [initially] sharing a sense of need [all the way through] to project implementation -- not only improves the recreation resource but also lays the groundwork for a trusting environment to develop future projects. When you get people involved like that they have pride in what they've done and respect for what they've done. They'll monitor it when they're in the area and not destroy anything. Most people won't destroy what they've put together.*

*We're the group that has to maintain this [trail], and it's just hard to maintain. So by working with the Forest Service, the forest industry, and forest users we can have a better trail. [We'll eliminate] water problems and erosion problem....*

*[The project will] have significant benefits to the community. This trail is the main north/south connector between [two different] trails. Currently we have to use the shoulder of highway roads [to make the connection], which is very dangerous. Without [the new, re-routed connection], the [related] tourism [would be] gone. [The route] would be dead-ended. Single-use projects are going to be harder and harder to do on public lands, so we're going to have to have stewardship through collaborative efforts for multiple uses*

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Another project in the region is restoring a large grassland area that's part of a larger tract with significant heritage features. In addition to having numerous wildlife values, the area (considered "a local icon") is a popular year-round recreational site that offers (depending upon the season) opportunities for hiking, biking, cross-country skiing, hunting, and birdwatching. Unfortunately, the prized grassland habitat was being lost to non-native species and encroaching woody vegetation.

Initially offered as an IRTC, the restoration project was not attractive to local bidders because of the timing, minimum bid requirements, unfamiliar proposal format for submitting an offer, and the need to couple product removal with a variety of work activities that contractors were not accustomed to performing. A national wildlife organization offered to help, working with a local collaborative group that has significant industry participation among the various communities of interest involved. Efforts were made to redesign the project to improve its attractiveness to local bidders, but it still failed to sell. To move the much-needed work forward, and to help the community become more comfortable with the concept of stewardship contracting, the project was finally launched through a supplemental project agreement tiered to the Forest Service's regional master agreement with the wildlife organization. The timber harvest was contracted to two local purchasers. The state game commission and local chapters of the wildlife organization partnered on the habitat work, which is now well underway. The community is watching closely, and so far the work is receiving high marks.

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

Specific project outcomes – the actual restoration work being done – topped the list of local benefits again this year, with 79.3percent of respondents rating it “high” or “very high.” Both “greater opportunity to use local contractors” and “more on the ground work accomplished by local contractors” were rated “high” or “very high” by 51.7percent of respondents.

*Stewardship contracting is a very powerful tool that increases our capacity to get more work done, including in areas we haven't been able to get to before because of the lack of [financial resources] .... We need to plan how we are going to use retained receipts [most effectively] to meet the objectives of the new Forest Plan.*  
(Agency)

There is a need to better quantify the economic, social, and environmental benefits of SERC so that both the agency and communities can make better informed decisions about such matters as the trade-offs between using SERC and traditional timber sale contracting, the prioritization of SERC project locations and activities, and the most effective short- and long-term investment of available resources.

### **Recommendations**

#### **1. Restore the appropriate operational flexibility that was provided in the enabling legislation for stewardship contracts.**

A new “blended” contract with a streamlined contracting process has been under development by the agency for the last year. Field staff and contractors alike are hopeful that when it becomes available it will offer some relief from the current contracting process, which is perceived to have become so dauntingly prescriptive, cumbersome, and time-consuming that it discourages use.

One team member suggested that separation of the timber sale and service contracting functions might be another option. At least two Forest Service regions have accomplished that through “delivered log contracting,” in which a service contract and one or more timber sale contracts are negotiated separately but nearly simultaneously. The agency estimates the amount and type of merchantable product expected to be removed during the accomplishment of the service work, and interested purchasers can bid on all or a portion of the estimated product volume. Bidders specify what product they want, the amount of product desired, and their desired specifications (length, top diameter, etc.). Timber sale bids are evaluated and awarded according to which bid (or combination of bids) would provide the best utilization of material and return for the government. The service contractor is selected in a separate best value process focused on achieving the desired future condition on-the-ground. If the agency has used tree marking or designation by description, that guides the cutting. If the designation is by prescription, then the service contractor makes cutting decisions based on his/her judgment of how best to achieve the prescribed and desired end result. Once trees are cut, they are sorted and processed to meet the specifications of the purchaser(s) and delivered to the purchaser(s) by the service contractor, who is paid for the hauling.

**2. Encourage and support the development of additional training, mentoring, and technical assistance resources (both within and outside the agency) to enable the easier and more effective use of stewardship contracts and agreements.**

Lack of knowledge not only can limit the use of a potentially useful management tool, but also create resistance to it. The NWTF and RMEF provide informed and accessible training and one-on-one help to many Forest Service personnel working through their first SERC projects. Some local and regional NGOs, conservation districts, and other concerned organizations also are offering help, but their combined efforts are insufficient to meet the growing need.

“Training is not explaining,” and the learning process involves a great deal more than simply attending a class or watching a computer-based tutorial. The four-step EDGE approach – Explain, Demonstrate, Guide (or coach), and Enable – might be appropriate for Forest Service personnel seeking to learn to use SERC to greater advantage. Both NWTF and RMEF have used EDGE-similar concepts to good effect, explaining stewardship contracts and agreements to local agency personnel and community members, modeling the process by serving as the prime contractor or agreement partner in an initial project, guiding or coaching the agency and community through planning, implementation, and monitoring of their first collaborative project, and leaving them with the tools and knowledge necessary to take on future projects with greater skill and confidence. That approach, if appropriately funded, could be used by either in-house or partner staff to build and maintain a core competency in SERC throughout the agency. Given the frequent changes in agency personnel that occur through new hires, assignment changes, promotions, and retirements, there will always be a need for readily available, hands-on training, technical assistance, peer-to-peer exchange visits, and in-house and/or partner mentoring.

As the team facilitator put it, “*There’s a reason schools teach fourth grade every year.*”

- 3. Identify the “champions” and “sparkplugs” energizing the most effective SERC projects. Use them as mentors and coaches so that others may learn from them, and reward them for their efforts.**

The SERC projects being implemented most aggressively and with the greatest degree of community involvement, flexibility, and innovation are those with dynamic, committed agency project staff. Those individuals have excellent ‘people skills. They are usually good facilitators, and are not daunted by an open, participatory process. They are key to the future success of SERC, and their contributions should be acknowledged, built upon, and rewarded accordingly.

- 4. Whenever possible, existing community groups within which a broad range of local interests are already represented should be used as “launching pads” for SERC-related collaboration.**
- 5. Use SERC agreements, where appropriate, to increase participation opportunities, enhance operational flexibility, and leverage additional financial and technical resources.**
- 6. Improve the extent, frequency, and candor with which “lessons learned” in collaboration and SERC implementation are shared among agency personnel, communities, contractors, and other stakeholders.**

“*A problem with the Forest Service is that the different divisions don’t talk with each other,*” said an agency official. Better and more frequent communication both internally and externally can greatly strengthen SERC projects and the collaborative relationships upon which they depend.

- 7. Funds should be made available, perhaps competitively, by state or region, to non-profit organizations, educational institutions, and other appropriate entities to enable them to provide training and technical assistance services to Forest Service field personnel, contractors, and others to help them effectively develop and use stewardship contracts and agreements.**

NWTF and REMF have demonstrated the efficacy of this approach in facilitating projects that have significant wild turkey and elk habitat restoration/improvement components. Similar help is needed with other kinds of SERC projects.

- 8. Re-examine the administrative sideboards and restrictions placed on SERC project activities and evaluate whether they may be unduly limiting or discouraging community engagement in SERC projects.**

Heritage and recreational activities are of particular concern. Proposals for such activities have



frequently been rejected by the regional office, even when they may be of particular interest or benefit to the affected communities.

**9. Implement a streamlined proposal process to complement the new blended contract.**

One possibility would be to select contractors based on their experience, past performance, and financial proposal, with final contract award conditioned on the submission of acceptable unit treatment plans. That way, only the successful bidder on a project would have to invest the many costly hours of planning, writing, and (frequently) consultation with subcontractors required to prepare detailed treatment plans for all units.

**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.

**11. 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.

**12. Develop and implement a monitoring program with metrics that can quantify the environmental, economic, and social benefits of SERC projects to communities.**

An agency participant in the regional team meeting was frustrated by the lack of data available to use in addressing some of the concerns most frequently raised:

*We need to make a case about the economic benefits [of SERC] versus traditional timber contracts – [losses to] the 25 percent Fund versus local jobs [being created]. The story needs to be told.*

A broad range of stakeholder interests should be substantively involved in designing, carrying out, and evaluating the results of relevant socio-economic and environmental monitoring of SERC. The 2013 expiration of the current SERC authorization is drawing closer, and during congressional consideration of re-authorization, questions will certainly be asked about how communities, the agency, and the environment are affected by existing provisions related to the 25percent Fund, K-V deposits, the exchange of goods for services, and other matters. Having pertinent and credible monitoring data available to inform the discussion is essential.

**Eastern Region**  
**Stewardship Contracting Multiparty Monitoring Team Members**  
**As of 10/1/10**

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Additionally, substantial helpful information and suggestions were provided by Allegheny National Forest personnel during the 2010 regional team meeting and/or the associated field tour.

\* Participated in the 2010 regional team meeting and/or provided comments for the report.

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**2010 Southeast Regional Team Meeting  
Ozark National Forest – Russellville, AR  
October 5 & 6**

**Executive Summary**

Land managers and their partners in the southeast see stewardship contracting as an option but not the first tool of choice. Stewardship contracting has taken hold in places where wildlife biologists, conservation organizations, and line officers with an appreciation for the role markets and industry play in conservation, see an opportunity to tackle often backlogged habitat improvement work.

While the number and scope of stewardship contracts is much smaller than throughout the west, the returns are much higher because a fairly strong remnant of industry remains engaged in management of public lands and perceptions are positive. The timber sale and active management in general has not suffered the stigma environmentalists and thus the public has imposed on them in many places. Collaboration is highly functional and long-standing, at least in Arkansas.

On the Ozark National Forest's Bearcat Hollow project, a stewardship agreement with the National Wild Turkey Federation was a natural extension of partnering and collaborating around ecosystem needs for years. They did not need stewardship contracting to manage the land or attract collaborators. It was more about exploring opportunities to build on their existing success, which seems to be a theme where stewardship contracting is being applied beyond the pilots in the southeast.

Agreements are the growth area. They allow high capacity partners like the Rocky Mountain Elk Foundation, the National Wild Turkey Federation, and The Nature Conservancy to play an increasingly large role in the total package. These partners provide access to funds, meaningfully engaged locals, training of sub-contractors, and facilitation of tangible habitat improvement. For federal and state biologists this is a dream come true, but some traditional managers steeped in the rules and regulations that govern the sale and procurement of goods and services fear this approach limits competition and defers federal responsibility.

In three years, stewardship contracting authorities will either be extended, expire or made permanent. Consideration for best scenarios must include the public health and safety, cost to the government and tax payer, ability to revive business as well as ecosystem restoration and long-term maintenance. Congress will surely consider the implications of receipts increasing and remaining under the purview of local managers and communities versus them.

In preparation for reauthorization in 2013, these key recommendations are suggested:

- Foster regional training or mentoring between skilled, supportive contracting officers, managers and partners with those new to stewardship.

- Continue to experiment with the agreement as a method for leveraging funds and strengthening partnerships.
- Allow a small, set percentage of receipts to be directed by a multi-party monitoring group for project evaluation including economic results or allow the costs for evaluation to be considered as part of the bid package.
- Remove “black-box” perception from bid selection. Clarify how technical proposal, past performance and any other factor will be evaluated. Do not allow misapplied or conflicting rules to eliminate potential bidders.
- Encourage all known contractors to set up a profile at Fed Biz Ops that sorts for stewardship contracting opportunities.
- Prepare a cost-benefit analysis and overarching learning from stewardship contracting since 1999 as well as a national comparison of the timber sale and stewardship contract as land management tools. \*See rough numbers from the Arkansas Bearcat Hollow project below.

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 (Forest Service) and Bureau of Land Management (BLM) assess their progress and report back to Congress. This regional report synthesizes the findings for 2010 based on survey of a 25 percent random sample of all projects in the ten southeastern states encompassing Forest Service Region 8 (12 projects) and input from an annual gathering of a Southeastern Regional Stewardship Contracting Team.

### **The Arkansas Story and East versus West Perspective of Stewardship Contracting**

This year’s meeting occurred in Russellville, Arkansas hosted by the Ozark National Forest. The group visited work similar to that occurring within the Bearcat Hollow Stewardship Agreement boundaries on the Little Piney Ranger District. The Ozark has an on-going 60,000 acre oak ecosystem restoration effort. The group engaged in a lively debate over the pros and cons of stewardship contracting. As pressure mounts to move toward the use of stewardship contracting and away from the traditional timber sale and other tools, eastern managers and partners want to highlight the differences between east and west and emphasize that one size does not fit all.

The Arkansas story begins in 1992, before reintroduction of stewardship contracting, with a forest-wide watershed analysis that revealed a need for more fire and thinning in the ecosystem. Neither the 1986 forest plan nor current NEPA supported the landscape level needs identified.

About that time controversy over the management of public lands, especially in the west, coincided with a rough economic transition from natural resource values towards amenity values. There was growing sentiment from some interests that timber extraction, especially extraction for commercial enterprise, was not in the broad national public interest. Appeals and litigation became a common strategy for halting timber management on federal public lands, which eventually led to a near shut down of public land management agencies.

Simultaneously, Washington, DC leaders made trade with foreign nations and corporate

movement attractive. In combination, trade and public land management policy created a massive exodus of corporations from rural America, again hitting the west hardest, with most of the remaining “Mom and Pops” over a twenty-year period suffering a slow and painful death from a convoluted knot of restricted wood supply, misguided public perception, forest health crises, and foreign competition.

In Arkansas, anti-multiple use groups were gearing up to halt management through the court system and media. One forester said, “*We were getting killed just to get ten-acres of woodpecker habitat accomplished.*”

Fortunately, the right leadership existed inside the Forest Service, Arkansas Game and Fish, The Nature Conservancy, Bibler Brothers Lumber, and a number of other organizations. Their response to the conflict coming from the outside was to take collaboration to a scale “*that couldn't be stopped with a postage stamp.*” It came natural to them because they had been “spiting and whittling” all along - identifying needs with “neighbors” and consistently implementing a multiple-use prescription on the land.

The Arkansas forest plan based on adaptive ecosystem management survived two trips to the Supreme Court. The plan steeped heavily in good science and real collaboration warded off detractors leaving space for the birth of landscape restoration and relationships strong enough to fight the next battle – the Red Oak Borer.

Arkansas managers and scientists were not alone. Managers across the country suddenly found themselves faced with escalating insect and disease populations.

The Arkansas partners were already on a roll and huddled in 1998 to form an oak ecosystem restoration coalition leading to a push for Ranger Districts to think at a landscape level. The prescription involved more fire on the land, thinning hardwood stands to a 60 to 80 basal range and a three-cycle approach to restoration. The partners invested a lot of upfront time and money into public awareness and education as well as intensive plot monitoring. The results have been public support, an expanded partnership with their sites on larger scale landscape restoration and the appearance of plant species not seen in those ecosystems for 100 years.

This partnership claims the secret to success involves first a clear goal with a focused set of objectives and a core group of decision makers with ownership. From there, anything is possible. This enabled them to approach the public and appellants with confidence and facts. The partnership cleared 60,000 acres of oak restoration through NEPA without appeal and is now focused on a 320,000 acre area. “*Its linear beginning with identifying what a healthy system looks like, and then we pay for it with the products that come out of the plan. When it's done this way the communities engage and support it,*” said one partner.

The work is predominantly completed with timber sale contracts and K-V funds for service work. Stewardship contracting was not considered as an option early on because it appeared extremely complex and the system they had in place worked. Partners were already leveraging dollars and capacity through the Fire Learning Networks and

foundations such as Doris Duke and National Forest Foundation.

Throughout the southeast, most line officers have simply not yet perceived that the benefits of stewardship contracting outweigh the costs. They are predominantly getting the job done with existing tools. The Eastern forester does not see stewardship contracting as a replacement for the existing tools ever. The book keeping for volume is the same. In their minds, the only difference is more time in setting up contracts, retained receipts, and less money going to the 25 percent fund for counties.

The growth in stewardship contracting is coming from forests where strong leaders and partners share a vision for the land and have jointly realized success. With this foundation in place, delving into or expanding stewardship contracting becomes a logical next step, like in Arkansas.

The Bearcat Hollow Stewardship Agreement came about because a former Ranger on the Little Piney Ranger District saw the potential in both stewardship contracting and the local wildlife biologist. The biologist took up the challenge and welcomed the help of National Wild Turkey Federation (NWTf) partners.

National Wild Turkey Federation partnered with Bibler Brothers Lumber to complete the first 500 acres of restoration that generated receipts for more burning, weed control and other service work. Representatives from Bibler Brothers Lumber attribute the healthy condition of the land and industry in Arkansas to willingness on the part of all concerned to work together with the big picture in mind, saying, *“It’s important not to use a broad brush with stewardship contracting or anything else because each region and sub-region is different with different conditions on the ground.”*

One benefit of stewardship contracting on the Ozark National Forest is more open doors for the core partners to educate and engage people. Audubon is now on board. The Arkansas Wildlife Conservation Fund is heavily involved. Their members and eight other partner groups tackled a 23 acre intensive wildlife improvement plot in two days this fall.

The Arkansas partners are clear that what they have done and are doing is right. They have no doubt that the work will continue using the full array of tools available to them at any given time. For them like most managers in the east, stewardship contracting is just one option and a healthy debate continues around its pros and cons.

Part of the debate includes a tinge of resentment toward the west. Many managers east of the Mississippi believe the western conditions are driving all management toward stewardship contracting. As one Forest Service participant said, *“It’s the only way they can manage anything because of litigation and a culture against forestry.”* These factors coupled with the loss of industry and poor forest conditions make for limited choices on western forests.

It is true that many western players have come to perceive stewardship contracting as the

tool by which the federal government facilitates the subsidization of removing small trees with little to no current value. When western federal and state managers are asked to define stewardship contracting, the answer is often that the government combines whatever value they can assign to a tree with appropriated dollars, and possibly subsidies like the Biomass Crop Assistance Program so a business will remove or pile the wood, do the road work and other service work identified.

The tipping point may have been the President's [FY 2011 budget proposal for the Forest Service](#) including a new \$694 million Integrated Resource Restoration line item with associated language saying "*timber removal will occur predominately within the context of larger restoration objectives, most usually through the use of stewardship contracts or agreements.*" A Forest Service 2011 target of 600,000 acres under stewardship contracting was floated in association with the President's budget, which exceeds more than the total acres under stewardship contracting over the last 11 years. In 2009, the Forest Service Chief testified before Congress that stewardship contracting was a tool of choice over the timber sale. He's walked that statement back a bit since. Internally, a team has worked diligently to produce a single blended contract in hopes of making stewardship contracting more appealing to managers.

Many managers believe that restoration at the scale desired on public lands will require all the tools - timber sales, stewardship contracts, service-type contracts, etc. This necessarily means a consistent budgetary commitment. In recent years the budget has been basically flat but full of "special projects" like the new Collaborative Forest Landscape Restoration program (CFLRP), which authorizes \$40 million each year 2009 – 2019 through the Forest Restoration Title of the Omnibus Public Land Management Act of 2009 (P.L. 111-11). The CFLRP is another way to redistribute budgets and this prevents the agency from maintaining consistent staffing structures across the landscape.

### **Stewardship Contracting Growth Steady**

Stewardship contracting has some powerful cheerleaders including members of Congress, Forest Service Chiefs, wildlife conservation groups like NWTF, Rocky Mountain Elk Foundation (RMEF) and the vocal "community forestry" contingent strongest in the west but national in scope. Yet in spite of steady increases, use of the tool and associated authorities continues to fall short of some internal and external expectations. In 2007, 14.5 percent of all timber sold was under a stewardship contract or agreement. In 2010, the percentage was up to 22.6.

Speculation as to why stewardship contracting has grown slowly ranges from bad attitudes, lack of understanding and complexity of implementation to a belief that it is a tool for when a timber sale will not work. There is also the fact that behind the philosophy remains the same old contracts, laws and regulations that have developed layer upon layer since 1905. Some go so far as to say, including representatives from the agency, conservation groups, and forest industry, that stewardship contracting is simply a convoluted way to appease detractors of the timber sale while achieving the same results. Some see the entire stewardship contracting exercise as part of a changing business model for the agency marked by sharing more decision space.

According to Forest Service Washington Office Stewardship Contracting staff, the “single blended vegetation management” contract developed early this year, while still awaiting response from the Office of General Council regarding a series of class or rule deviation requests, will not replace the timber contract. It will be simpler and shorter.

## **Technical Pros and Cons of Stewardship Contracting**

### **Pros**

- Access to 100 percent of receipts allows bundling a host of activities across an entire forest and even adjacent forest. Traditionally, K-V funds come back to a forest at 40 cents on the dollar. Those funds can be used to pay staff but work must be implemented through a separate contracting instrument and on the same piece of ground. Stewardship contracts are not constrained in this manner.
- Expanded authorities allow for creative packaging of projects and selection of contractors most fit for the job and positioned locally where possible.
- Decentralized decision making once projects are approved and rolling energizes strong managers and partners.
- The concept and authorities magnet creative leadership and partnering.

*“We received more positive comments than ever imagined as we increased stewardship contracting and done more work to improve the habitat. It’s a phenomenal tool when it works; allows forests to be sustainable from financial stand point,”* said a manager from a South Carolina forest.

### **Cons**

- Retained receipts cannot be used to pay for personnel or monitoring and evaluation work.
- Counties accustomed to getting 25 percent of timber receipts are cut out.
- The packaging of the contract is still complicated requiring Districts to engage two different contracting officers.
- Contracting officers are uncooperative when they lack understanding of the origins and objectives of stewardship contracting and feel their workloads are being multiplied. Where contracting officers allow and managers take time to explain the objectives, the result is a contract that works within the rules and regulations.
- More than a few field managers in both the southeast and southwest say that the Washington Office discouraged the use of stewardship contracting in places with “valuable” timber and even chastised those retaining high levels of receipts.

## **Three Reasons Why Managers are Going Slow: History, Bureaucracy, Fair Competition**

### **History**

A conservative use of stewardship contracting reflects traditional agency attitudes toward business and markets as well as trained accountability for the strict rules governing the sale and procurement of goods. This is in line with how the Washington Office has



promoted stewardship contracting as well as language in the legislation. Most of the professionals working in timber management or contracting were trained that everything originating from the public estate must be assigned a value. Timber sales were the perfected vehicle for moving wood products from the public domain into the market place. Service contracts were used to procure services. The rules of the game were straight forward and followed tried and true free market principles until the 1990s. After that, things began to get murky for public agency employees. There was pressure to use an “experimental tool” called stewardship contracting that through a temporary piece of legislation inserted in an appropriations bill mixed, matched and even contradicted existing contracts and authorities.

### **Bureaucracy**

The Washington office basically pushed the concept out the door with little more than the bare bones knowing that early adaptors would highlight the snags. It took eight years for templates to appear and the official handbook language just came out last year. The “dos and don’ts” have been a moving target and transmitted mostly by word of mouth. The regional offices, Albuquerque finance center, and contracting zones have been wild cards, all either facilitating or confounding progress based on individual personalities and interpretations.

For some, the lack of hard and fast direction provided freedom to experiment but for others it created discomfort, especially when they ran into walls and ended up with defaulted or unending projects that sucked time and resources with little reward. Others have shied away from stewardship contracting after being reprimanded by regional audit teams for mistakes made along the way, in some cases for failure to complete reports that did not even exist when they initiated the stewardship contract.

The sentiments of those responsible for carrying out the rules are best summed up by this statement: *“Somebody forgot to tell the Washington office that the dance has not changed out in the field. We still have to follow all the rules for selling timber or we go to jail.”*

On counterpoint, leadership might ask, “How do we as an agency move beyond the need to provide pages and pages of how to and develop a culture of learning and growth?”

### **Fair Competition**

Some are concerned that too much growth in stewardship contracting will limit competition by putting excessive power in the hands of partners holding agreements like NWTF or through complex projects out of reach for the majority of local businesses as well as a bid process they call “a hairball and a half.”

The bid and selection process for stewardship contracting might take a bidder weeks to prepare a proposal, yet when it is all said and done they have no idea why they lost the bid. It’s too black box for some. It creates an unfair competition where winners and losers get picked not based on price of bid but subjective process. *“These guys don’t understand the mushy parts stewardship contracting introduces. They understand when the other guy beats them with a lower bid and they can compete with that,”* a manager

reflected.

In much of the Southeast most local businesses are “Mom and Pop.” They are set-up to do one aspect of the work e.g. cut logs, ties or pallets and sell them. A small operator may have \$1 million in equipment to fell, bunch and haul trees. Sub-contracting the other types of work associated with stewardship contracting is not in their repertoire.

NWTF through the agreement can act as a general contractor matching up the right people to each component and presumably the agreement builds in flexibility and the ability to work together as issues arise. But, some worry that the Agreement could eventually encompass large segments of the forest and in effect eliminate competition.

NWTF tempers this concern saying their role is temporary. As qualified businesses grow, they will step back.

### **Collaboration is Strong due to Attitudes and Wildlife Conservation Advocates**

In the southeast managers and partners agree that collaboration is often misunderstood and does not mean consensus. Early on, Region 8 held an onerous interpretation of the collaboration component and discouraged some, but communication has improved over the last two years.

Individual personalities determine the approach and outcomes of involving others in the decision making process, but in general collaboration in the south lines up with the culture. It begins with informal conversations perhaps about a particular hillside, a give and take over time ensues and ultimately, the line officer makes a decision hoping that all interests are represented but knowing that some will not be happy.

Unequivocally, the most vocal proponents of stewardship contracting and leaders in collaboration are wildlife biologists and wildlife advocacy groups. The NWTF continues to grow its involvement with forests throughout the southeast attributable to a growing reputation of success among Forest Service managers and regional partners as well as knowledgeable and well grounded staff biologists. NWTF just entered a second stewardship agreement with the Chickasawhay Ranger District in Mississippi, the Oakmulgee Ranger District in Alabama, and four Ranger Districts in Louisiana are considering joining agreements.

The agenda for these groups is simple and based on a user or tax payer perspective. Stewardship contracting is a pathway for achieving the habitat work backlogged over the last twenty years due to shrinking management and budgets. The retained receipt provision puts 100 percent of the money quickly and directly into a wide range of work on-the-ground.

Their position as a non-profit multiple-use conservation organization gives them access to a wide range of funding sources. They often bring up to ten additional contributing sources. The NWTF brought in \$4 million in grants for restoration work in just the last quarter. They know how to bundle the interests and thus funds of a variety of sources e.g.

Marathon Oil just donated \$400K to a watershed restoration project in Wyoming. In Mississippi, Southern Company has a special interest in Red-Cockaded Woodpeckers and long Leaf Pine restoration.

Membership in these groups tends to be comprised of outdoor enthusiasts with extensive roots in the communities surrounded by forests. They often know the woods as well as managers and care deeply about both nature and economy. The result is a different approach to multi-party monitoring and collaboration in general. The presence of these groups neutralizes opponents who have little standing in the face of documented results on-the-ground.

Broad brush analysis of collaboration may overlook the fact that many people who genuinely care about public lands, but are not paid to “collaborate,” voluntarily represent user groups and provide their input through either a planning process (NEPA or Forest Plan), a landscape level initiative, Community Wildfire Protection Plans, or some other broad forum. The tool is less important than the desired outcomes - common sense land management, products and jobs where possible, less government subsidy of land treatments and no out-of-control fire. It is both unreasonable and unrealistic to expect collaboration on a project by project basis. Stewardship contracting can facilitate the ultimate delivery of objectives identified through the various processes with the wildlife advocacy groups representing a wide swath of local populations.

#### **The Bottom Line: A Passion for Delivering Desired Conditions**

The Arkansas folks engaged in a thoughtful and fair debate grounded in how to most efficiently and effectively implement their collaboratively built forest plan. They are unencumbered by concern for diameter limits or a rehash of fire regimes or questions about whether or not bidders exist. Therefore, they can evaluate all the tools on merit.

The Arkansas National Forests have for years annually accomplished what they promised. They appear to be trusted by multiple and diverse partners. Collaborative forest management was a way of business long before the stewardship contracting project. The local industry can go to the bank with the Forest Service annual offering list. They claim to make real business decisions based on that trust.

During the regional session, someone posed the question, “*If you’ve got \$1000 to treat 100 acres, are you better off using the timber sale or a stewardship contract.*” A back and forth ensued on the 25 percent to counties, the cost of setting up the agreement, partner contributions, K-V, etc. The wildlife biologist and stewardship contracting lead for the Bearcat Hollow stewardship project provided some answers. He roughly figured that the agreement with NWTF netted \$52,000. The forest generated more income off the salvage wood through NWTF and the service work cost 28 percent less than comparable traditional contracts. He also factors in an additional \$50,000 a year in partner funds, increased ownership, decreased administration and positive media coverage. With stewardship, he says that partners become “true partners” not just cheerleaders. They have a tangible investment in the work.

He acknowledged, *“It takes a lot of time to have a vision. I worked till midnight often; it’s not an easy path but we have a passion for delivering those habitats. Once somebody learns how to do this, it gets easier even though stewardship contracting is not as defined as the other contracts. Whatever the tool, it just takes people who want to go the extra mile and see that forest plan implemented.”*

Attitude is unequivocally the number one factor in stewardship contracting success. It begins with leadership and can be traced all the way to sale administrators and contracting officers. A positive, receptive attitude internally magnetizes good partners ranging from the drivers of public opinion to the people who do the work. For example, a forest industry representative emphatically said, *“Stewardship Contracting is a tool we would like to see kept in the tool box, but we never want to see it become the only tool.”*

### **Stewardship Contracting Technical Updates**

Many hope to see stewardship contracting authority made permanent by 2013 when the current legislation is set to expire. So far the only legislation addressing stewardship contracting has been the National Forest Insect and Disease Emergency Act of 2009 (H.R.4398) and companion Senate (S. 2798) version introduced by Senator Mark Udall (D-CO) and Representative John Salazar (D-CO). As of September 27, S. 2798 is on the Senate Legislative Calendar. H.R. 4398 was referred to the House Subcommittee on Department Operations, Oversight, Nutrition and Forestry this past June. Neither bill is expected to go anywhere soon because of the associated scoring of the bills by the Congressional Budget Office i.e. the costs are high.

Language specific to stewardship contracting includes:

*Extends permanently the authority under which the Forest Service may enter into such contracts with private persons and entities to perform services to achieve land management goals for the national forests that meet local and rural communities' needs. Bars the Forest Service from obligating funds to cover the costs of canceling Forest Service multiyear stewardship end result contracts until the date on which they are canceled.*

Partners continue to look for creative approaches to stewardship contracting including an option to trade other “goods” such as gravel, hay, forage and pilot a 20-year contract. With the emphasis on wood to energy, some are looking to source wood to power plants which desire longer-term, fixed contracts. Pilots for a limited number of these extra long contracts are being batted around. The legislation says “timber and other forest products” leading some to believe that other things besides wood can be included, yet the Forest Service Handbook contradicts this. Stewardship contracting innovators want to explore the full range of opportunities.

The Forest Service revised handbook will authorize Regional Foresters to delegate approval authority for stewardship contracting to Forest Supervisors.

The cancellation ceiling rule continues to confound and confuse managers seeking long-

term stewardship contracts. The rule requires that the federal government obligate funds to repay the stewardship contractor his capital investment costs should the government cancel the contract. The costs of obligating the cancellation ceiling are beyond the financial capabilities of most national forests or BLM districts. The single blended contracting team sought to clarify methods used to calculate a cancellation ceiling; the analysis continues. Some have suggested the creation of a centralized revolving fund in both the Forest Service and BLM.

Debate continues over the use of receipts to fund multi-party monitoring and evaluation process. Some argue that evaluating impacts cannot be done through casual, volunteer observance. Managers cannot decide best what approach to take next if they have no real data indicating the success or failure of their initial efforts. Agency stance is that units are already funded to do monitoring. Two suggestions include allowing for a small percentage of receipts to carry out project evaluation or allow evaluation as part of the bid package criteria.

## **Southeast Regional Team Meeting Participants**

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## Appendix B: Data Tables

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

	Total Respondents (n=206)	Agency Respondents (n=82)	Non-agency Respondents (n=124)
Getting work done	50.00% (103)	41.46% (34)	55.65% (69)
Goods for services	41.26% (85)	51.22% (42)	34.68% (43)
Contracting mechanism	24.76% (51)	34.15% (28)	18.55% (23)
Community collaboration/benefits	21.84% (45)	28.05% (23)	17.74% (22)
Positive/valuable tool	11.65% (24)	10.98% (9)	12.10% (15)
Top down/mandated	1.94% (4)	3.66% (3)	0.81% (1)
Don't know	5.34% (11)	-	8.87% (11)

\*Respondents were allowed to provide more than one response.

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

	Total Respondents (n=206)	Agency Respondents (n=82)	Non-agency Respondents (n=124)
Yes	33.50% (69)	47.56% (39)	24.19% (30)
No	61.65% (127)	48.78% (40)	70.16% (87)
Maybe	1.94% (4)	3.66% (3)	0.81% (1)
Don't know	2.91% (6)	0.00% (0)	4.84% (6)

**Table 3.** How respondent's views changed.

	Total Respondents (n=69)	Agency Respondents	Non-agency Respondents
More positive/encouraged	33.33% (23)	25.64%(10)	43.33%(13)
More complicated/more work	24.64% (17)	28.21% (11)	20.0% (6)
Understand it better	20.29% (14)	20.51% (8)	20.0% (6)
Less optimistic	10.14% (7)	5.13% (2)	16.67% (5)
Required by agency	8.70% (6)	15.38% (6)	-
Way to get work done	5.80% (4)	10.26% (4)	-
Less bureaucracy	4.35% (3)	7.69% (3)	-
Local benefits/collaboration	2.90% (2)	2.56% (1)	3.33% (1)



**Table 4.** Entity which initiated the stewardship contracting project.

	<b>Total Respondents (n=83)</b>
Agency	39.76% (33)
Non-agency	2.41% (2)
Joint	3.61% (3)
Agency or non-agency	7.23% (6)
Agency or joint	33.73% (28)
Non-agency or joint	6.02% (5)
Agency vs. joint vs. non-agency	4.82% (4)
Don't know	2.41% (2)

**Table 5.** Outreach methods used to involve local communities (n=83).\*

	<b>Frequency of use (%)</b>
Personal contacts	89.16% (74)
Direct mail	83.13 % (69)
Traditional public meetings	74.70% (62)
Field tours	73.49% (61)
Presentations to existing groups	63.86% (53)
Email	57.83% (48)
Collaborative process meetings	56.63% (47)
Media	54.22% (45)
Presentations to other organizations	34.94% (29)
Other	12.05% (10)

\*Respondents were allowed to provide more than one response.

**Table 6.** Amount of time entities participate in projects at various scales. (n=83)\*

	-----Scale of Governance -----				
	% Involvement	% Local	% State	% Regional	% National
Forest Service	98.80% (82)	100% (82)	13.41% (11)	32.93% (27)	2.44% (2)
Project contractors	85.54% (71)	100% (71)	11.27% (8)	8.45% (6)	5.63% (4)
State agencies	74.70% (62)	90.16% (55)	48.39% (30)	20.97% (13)	0.00% (0)
Local government	71.08% (59)	100.00% (59)	3.39% (2)	-	-
Adjacent landowners	71.08% (59)	100.00% (59)	1.69% (1)	5.08% (3)	-
Environmental interests	68.67% (57)	100.00% (57)	31.58% (18)	22.81% (13)	14.04% (8)
Community business interests	62.65% (52)	100.00% (52)	1.92% (1)	1.92% (1)	-
Recreation interests	57.83% (48)	93.75% (47)	8.33% (4)	8.33% (4)	-
Wildlife and fisheries interests	57.83% (48)	100.00% (48)	29.17% (14)	14.58% (7)	18.75% (9)
Fire interests	49.40% (41)	95.12% (39)	14.63% (6)	9.76% (4)	4.88% (2)
Other federal agencies	39.76% (33)	84.85% (28)	33.33% (11)	21.21% (7)	-
Education interests	34.94% (29)	96.55% (28)	31.03% (9)	3.45% (1)	-
Tribal interests	31.33% (26)	96.15% (25)	11.54% (3)	3.85% (1)	3.85% (1)
Right to access groups	18.07% (15)	100.00% (15)	6.67% (1)	6.67% (1)	-
BLM	12.05% (10)	100.00% (10)	20.00% (2)	-	10.00% (1)
Other	30.12% (25)	100.00% (25)	20.00% (5)	4.00% (1)	28.00% (7)

\*Respondents were allowed to provide more than one response.

**Table 7.** Definition of local community.\*

	<b>Total Respondents (n=206)</b>	<b>Agency Respondents (n=110)</b>	<b>Non-agency Respondents (n=147)</b>
Counties around the forest	34% (72)	42% (34)	31% (38)
Communities/towns around the forest	25% (51)	31% (25)	21% (26)
State/large region of state	14% (28)	9.8% (8)	16% (20)
Adjacent landowners/neighbors	10% (21)	7.3% (6)	12% (15)
Watershed/valley	5% (11)	6.1% (5)	5% (6)
Environmental groups	4.8% (10)	7.3% (6)	3% (4)
Forest users	3.8% (8)	3.7% (3)	4% (5)
Local government	3.4% (7)	6.1% (5)	2% (2)
Collaborative group	3.4% (7)	1.2% (1)	5% (6)
National forest	2.9% (6)	2.4% (2)	3% (4)
People affected	2.9% (6)	5% (4)	2% (2)
Communities of interest	1.5% (3)	3.7% (3)	-
Tribes	1.5% (3)	1.2% (1)	2% (2)
Broad audience	1.5% (3)	3.7% (3)	-
Contractors	1% (2)	-	2% (2)
Ranchers	0.5% (1)	-	1% (1)
No answer	9% (18)	5% (4)	11% (14)

\*Respondents were allowed to provide more than one response.

**Table 8.** Frequency of the different roles local communities play in stewardship projects. (n=83).\*

	%
Comments and recommendations	86.75% (72)
Becoming informed	78.31% (65)
Representation of other interests	73.49% (61)
Implementation	69.88% (58)
Planning and design	65.06% (54)
Public outreach and education	61.45% (51)
Development of alternatives	53.01% (44)
Technical information	53.01% (44)
Monitoring	53.01% (44)
Funding	48.19% (40)
NEPA analysis	42.17% (35)
Other	1.2% (1)

**Table 9.** How respondents personally first became involved in stewardship contracts.

	Total Respondents (n=206)	Agency Respondents (n=82)	Non-agency Respondents (n=124)
Job	36.41% (75)	67.10% (55)	16.13% (20)
Approached by the USFS	16.02% (33)	4.88% (4)	23.39% (29)
Due to role in community/organization	12.14% (25)	3.66% (3)	17.74% (22)
Bid on the work	11.17% (23)	1.22% (1)	17.74% (22)
To solve a problem	5.34% (11)	8.54% (7)	3.23% (4)
Was told to	4.85% (10)	10.98% (9)	0.81% (1)
Due to previous experience	4.85% (10)	1.22% (1)	7.26% (9)
Long term relationship with the agency	2.43% (5)	1.22% (1)	3.23% (4)
Community pressure	1.46% (3)	1.22% (1)	1.61% (2)
Live there/own property	0.97% (2)	-	1.61% (2)
No answer	1.46% (3)	-	2.42% (3)
Other	2.91% (6)	-	4.84% (6)

**Table 10.** Why respondents became involved in stewardship projects.

	<b>Total Respondents (n=206)</b>	<b>Agency Respondents (n=82)</b>	<b>Non-agency Respondents (n=124)</b>
Job	42.72% (88)	81.71% (67)	16.94% (21)
Bid on the project	22.33% (46)	7.32% (6)	32.26% (40)
Invited by agency	13.11% (27)	1.22% (1)	20.97% (26)
A problem to solve	6.80% (14)	3.66% (3)	8.87% (11)
Told to	3.88% (8)	1.22% (1)	5.65% (7)
Due to role in community	2.43% (5)	-	4.03% (5)
Live there/have property	2.43% (5)	2.44% (2)	2.42% (3)
Volunteered	1.46% (3)	-	2.42% (3)
Public meeting/press release	0.97% (2)	-	1.61% (2)
Previous experience	1.94% (4)	2.44% (2)	1.61% (2)
Community pressure	1.94% (4)	-	3.23% (4)

**Table 11.** Respondent's definition of collaboration.

	<b>Total Respondents (n=206)</b>	<b>Agency Respondents</b>	<b>Non-agency Respondents</b>
Working with others	35.44% (73)	39.02% (32)	33.01% (41)
Achieving common goals	15.53% (32)	20.73% (17)	12.10% (15)
Increased involvement/decision making	14.08% (29)	8.54% (7)	17.74% (22)
Diverse people and interests	12.62% (26)	9.76% (8)	12.90% (16)
Gathering public comments/input	9.22% (19)	18.29% (15)	3.23% (4)
Partnerships	5.83% (12)	2.44% (2)	8.10% (10)
Public involvement	5.83% (12)	9.76% (8)	3.23% (4)
Talking/discussion	4.37% (9)	3.66% (3)	4.84% (6)
Meetings	1.94% (4)	1.22% (1)	2.42% (3)
Long term relationships	1.94% (4)	1.22% (1)	2.42% (3)
Keeping public informed	1.46% (3)	3.66% (3)	0.00% (0)
Don't know/no answer	26.21% (54)	20.73% (17)	29.84% (37)

\*Participants were allowed to provide more than one response.

**Table 12.** Degree to which projects are collaborative.

	<b>Total Respondents (n=206)</b>	<b>Agency Respondents</b>	<b>Non-agency Respondents</b>
Very collaborative (1)	37.86% (78)	24.39% (20)	46.77% (58)
Very Collaborative (2)	12.62% (26)	17.07% (14)	9.68% (12)
Somewhat collaborative (3)	26.70% (55)	40.24% (33)	17.74% (22)
Not collaborative (4)	5.83% (12)	4.88% (4)	6.45% (8)
Not collaborative (5)	6.80% (14)	8.54% (7)	5.65% (7)
Don't know (6)	10.19% (21)	4.88% (4)	13.71% (17)

\* 1=Very collaborative, 5=Not at all collaborative.

**Table 13.** Resources needed for community participation (n=49).

	<b>Percentage of respondents need- ing resources</b>	<b>Percentage of res- pondents needing resources that sub- sequently received them</b>
Financial	55%	31%
Training	55%	47%
Technical	49%	41%
In kind	33%	31%

**Table 14.** Lessons Learned about community involvement (n=129).

	<b>Total Res-pondents</b>	<b>Agency Res-pondents</b>	<b>Non-agency Respondents</b>
Start early	27% (35)	38% (20)	21% (15)
Do it more/critical to success	11% (14)	13% (7)	10% (7)
Lets us show what we are doing/build support	10% (13)	15% (8)	7% (5)
Be honest and respectful	9% (12)	9% (5)	10% (7)
Takes a long time/hard work	9% (11)	6% (3)	11% (8)
Builds trust	7% (9)	8% (4)	7% (5)
It works/very positive	7% (9)	4% (2)	10% (7)
Existing long term relationships help	5% (7)	4% (2)	7% (5)
Doesn't always work/solve problems	5% (6)	4% (2)	5% (4)
Needs to be ongoing	4% (5)	-	7% (5)
Variable depending on attitude of agency	4% (5)	-	7% (5)
Need to engage more local contractors	4% (5)	9% (5)	-
High risk	3% (4)	2% (1)	4% (3)
Each project is different	2% (3)	-	4% (3)
Helps to have multiple project objectives	2% (3)	6% (3)	-
Facilitation is important	2% (3)	2% (1)	3% (2)
Community support increases as project develops	2% (2)	-	3% (2)
Use common sense	2% (2)	2% (1)	1% (1)
Only done to appease environmentalists	2% (2)	-	3% (2)
Be inclusive	2% (2)	-	3% (2)
Need to educate people	2% (2)	-	3% (2)
Keep pushing	1% (1)	2% (1)	-
Use media more	1% (1)	2% (1)	-
Raises legal questions	1% (1)	2% (1)	-
Training needed	1% (1)	2% (1)	-

**Table 15.** Importance of benefits to local communities from stewardship contracts.\*

<b>Benefits to local com-munities from steward-ship contracts (n=206)</b>	<b>Very high</b>	<b>High</b>	<b>Medium</b>	<b>Low</b>	<b>Very low</b>	<b>Don't know</b>	<b>Mean</b>
Specific project outcomes	60.68% (125)	16.50% (34)	9.22% (19)	0.00% (0)	0.49% (1)	13.11% (27)	1.42
On the ground work	36.89% (76)	18.45% (38)	22.33% (46)	4.95% (10)	3.88% (8)	13.59% (28)	2.07
Use of local contractors	36.41% (75)	19.90% (41)	21.84% (45)	5.94% (12)	3.40% (7)	12.62% (26)	2.08
Improved public transit	33.01% (68)	23.30% (48)	18.93% (39)	5.45% (11)	3.88% (8)	15.53% (32)	2.1
Increased collaboration	39.81% (82)	17.48% (36)	21.36% (44)	5.45% (11)	5.83% (12)	10.19% (21)	2.11
More local jobs	31.55% (65)	18.45% (38)	28.64% (59)	6.44% (13)	3.88% (8)	11.17% (23)	2.24
Other economic benefits	24.76% (51)	24.27% (50)	24.76% (51)	8.91% (18)	5.83% (12)	11.65% (24)	2.4
Improved efficiency	21.84% (45)	26.70% (55)	16.99% (35)	1.98% (4)	12.14% (25)	20.39% (42)	2.45

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

**Table 16.** Specific project outcomes (n=17).

Habitat improvement	61% (51)
Fuel reduction/fire	61% (51)
Timber production	29% (24)
Thinning	25% (21)
Restoration	20% (17)
Roads	17% (14)
Watershed restoration	14% (12)
Forest health	12% (10)
Recreation	11% (9)
Forest improvement/TSI	11% (9)
Weed control/invasives	8% (7)
Biomass utilization	4% (3)
Rangelands	4% (3)
Prescribed burning	2% (2)
Slash removal	2% (2)
Firewood	1% (1)
Landscape improvement	1% (1)
Stream stabilization/riparian improvement	1% (1)
Building removal	1% (1)
Increased collaboration	1% (1)

**Table 17.** Benefits of community involvement in stewardship contracts (n=40).\*

	<b>Very high importance</b>	<b>High importance</b>	<b>Medium importance</b>	<b>Low importance</b>	<b>Very low importance</b>	<b>Don't know</b>	<b>Mean</b>
Increased public input	31.07% (64)	29.61% (61)	17.96% (37)	1.46% (3)	2.43% (5)	17.48% (36)	1.96
Improved trust	33.98% (70)	25.24% (52)	20.39% (42)	3.40% (7)	3.40% (7)	13.59% (28)	2.04
Diverse interests	32.52% (67)	27.67% (57)	18.93% (39)	3.40% (7)	3.88% (8)	13.59% (28)	2.06
Sense of project ownership	33.50% (69)	23.30% (48)	19.90% (41)	4.37% (9)	3.88% (8)	15.05% (31)	2.08
Increased support for agency	31.55% (65)	23.30% (48)	21.84% (45)	3.88% (8)	3.88% (8)	15.53% (32)	2.11

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

**Table 18.** Support for stewardship contracting in local communities (n=206).

	<b>Total Respondents (n=206)</b>	<b>Agency Respondents</b>	<b>Non-agency Respondents</b>
Widely supported	57.28% (118)	54.88% (45)	58.87% (73)
Somewhat supported	25.24% (52)	32.93% (27)	20.16% (25)
Indifferent	5.34% (11)	6.10% (5)	4.84% (6)
Generally unaware	3.88% (8)	3.66% (3)	4.03% (5)
Opposed	7.77% (16)	1.22% (1)	12.10% (15)
Don't know	0.49% (1)	1.22% (1)	-

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

**Table 19.** Support for stewardship contracting projects in the agency.

	<b>Total Respondents (n=206)</b>	<b>Agency Respondents</b>	<b>Non-agency Respondents</b>
Widely supported	64.08% (132)	68.29% (56)	61.29% (76)
Somewhat supported	24.76% (51)	26.83% (22)	23.39% (29)
Indifferent	1.94% (4)	3.66% (3)	0.81% (1)
Generally unaware	0.97% (2)	1.22% (1)	0.81% (1)
Opposed	0.49% (1)	0.00% (0)	0.81% (1)
Don't know	7.77% (16)	0.00% (0)	12.90% (16)

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

**Table 20.** Respondent interest in participating in another stewardship project.

	<b>Total Respondents (n=206)</b>	<b>Agency Respondents</b>	<b>Non-agency Respondents</b>
Yes	89.8% (185)	91% (75)	88.7% (110)
No	3.4% (7)	3.7% (3)	3.2% (4)
Maybe	3.9% (8)	4.9% (4)	3.2% (4)
Don't know	2.9% (6)	0	4.8% (6)



**Table 21.** Reasons respondents would/would not participate in another stewardship contracting project.

	<b>Total Respondents</b>	<b>Total Agency Respondents</b>	<b>Total Non-agency Respondents</b>
Best way to get work done	20% (37)	21.33% (16)	19.09% (21)
Already doing more	17.83% (33)	17.33% (13)	18.18% (20)
Great tool/good concept	14.05% (26)	17.33% (13)	11.81% (13)
To get work/business	7.56% (14)	1.33% (1)	11.81% (13)
Community benefits/collaboration	7.03% (13)	5.33% (4)	8.18% (9)
If it's the right tool for the project	4.86% (9)	4% (3)	5.45% (6)
They get easier	2.70% (5)	5.33% (4)	0.9% (1)
Stewardship contracts work	2.70% (5)	4% (3)	1.81% (2)
Just getting started	2.16% (4)	-	3.63% (4)
It is part of my job	2.16% (4)	4% (3)	0.90% (1)
Too much paperwork/too complicated	2.16% (4)	1.33% (1)	2.72% (3)
Other	5.40% (10)	9.33% (7)	2.72% (3)

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## Appendix C: Survey Questionnaire

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### **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:
  - State agency
  - NGO \_\_\_\_\_
  - \_\_\_\_\_

### **FY\_\_\_\_\_ PROGRAMMATIC MONITORING:**

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

**Participants:** When Congress authorized the Forest Service (FS) and the Bureau of Land Management (BLM) 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 and the Bureau of Land Management. 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 Forest Service's and Bureau of Land Management's reports 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, the Pinchot Institute 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? Please check all that apply.**

- A new contracting mechanism
- Goods for services
- A way to get work done on the ground
- Collaboration with local communities
- Benefits to local communities
- Other. Please specify. \_\_\_\_\_

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

- Yes     No     Maybe     Don't know

**If yes, how has it changed? Please check all that apply.**

- |   |  |
|---|--|
| <input type="checkbox"/> Perceive stewardship contracting to be more complicated    | <input type="checkbox"/> Stewardship contracting is too bureaucratic             |
| <input type="checkbox"/> More positive and encouraged about stewardship contracting | <input type="checkbox"/> Believe stewardship contracting is way to get work done |
| <input type="checkbox"/> Less optimistic about stewardship contracting              | <input type="checkbox"/> Perceive local benefits                                 |
| <input type="checkbox"/> Positive about community collaboration                     | <input type="checkbox"/> Didn't know anything before                             |
| <input type="checkbox"/> Understand it better                                       | <input type="checkbox"/> Other. Please specify. _____                            |
| <input type="checkbox"/> View stewardship contracting as required by the agency     |  |

***I want to ask about community involvement in your project.***

**2. Who initiated the project?**  Agency     Non-agency     Joint     Don't know

3. Who has been involved? \_\_\_\_\_

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

4a. 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"/>
Participation in NEPA process.	<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: (Please specify) _____	<input type="checkbox"/>

4b. What did you use as a definition of “local community” when you answered this question?

- |  |  |
|--|--|
| <input type="checkbox"/> Counties/Parishes around the forest | <input type="checkbox"/> Tribal nations                      |
| <input type="checkbox"/> Communities/towns around the forest | <input type="checkbox"/> Other agencies                      |
| <input type="checkbox"/> Whole state/large region of state   | <input type="checkbox"/> All affected people/areas           |
| <input type="checkbox"/> Adjacent landowners/neighbors       | <input type="checkbox"/> Other: <i>Please specify.</i> _____ |
| <input type="checkbox"/> Forest users                        |  |

5. What outreach efforts are being/have been used specifically by the Forest Service, BLM, or others to get people involved in the project? *Please check all that apply.*

- |  |  |
|--|--|
| <input type="checkbox"/> Traditional public meetings                 | <input type="checkbox"/> Field tours   |
| <input type="checkbox"/> Collaborative process meetings              | <input type="checkbox"/> Presentations to existing community groups                                |
| <input type="checkbox"/> Direct mail                                 | <input type="checkbox"/> Presentations to other organizations other than existing community groups |
| <input type="checkbox"/> Email                                       | <input type="checkbox"/> New Collaborative Group   |
| <input type="checkbox"/> Personal contacts                           | <input type="checkbox"/> Other: Please specify. _____  |
| <input type="checkbox"/> Media (newspaper, radio, television)        |  |
| <input type="checkbox"/> Discussions with local government           |  |
| <input type="checkbox"/> Workshops                                   |  |
| <input type="checkbox"/> Meetings with existing collaborative groups |  |

6a. To what degree would you consider community involvement in the \_\_\_\_\_ stewardship contracting project to be collaborative?

- |                          |                          |                          |                          |                          |                          |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Very Collaborative       |                          | Somewhat Collaborative   |                          | Not Collaborative        | Don't Know               |

6b. How did you define collaborative when you were answering this question?

- |  |  |
|--|--|
| <input type="checkbox"/> Working with others                     | <input type="checkbox"/> Developing, establishing, or building Long-term relationships |
| <input type="checkbox"/> Achieving a common goal                 | <input type="checkbox"/> Including diverse people and interests                        |
| <input type="checkbox"/> Commenting on a proposed project        | <input type="checkbox"/> Having meetings   |
| <input type="checkbox"/> Working with other agencies             | <input type="checkbox"/> Other: <i>Please specify.</i> _____                           |
| <input type="checkbox"/> Increased level of public participation |  |

7. What were the reasons you personally decided to become involved with this project (what were the circumstances)? *Please check all that apply.*

- |  |   |
|--|---|
| <input type="checkbox"/> Part of your job responsibilities                                 | <input type="checkbox"/> Live near the project                                    |
| <input type="checkbox"/> Interested in accomplishing work on the ground                    | <input type="checkbox"/> Own property near the project                            |
| <input type="checkbox"/> Initiated the project   | <input type="checkbox"/> A business opportunity                                   |
| <input type="checkbox"/> Contacted to bid on the project                                   | <input type="checkbox"/> Interested in collaboration                              |
| <input type="checkbox"/> Due to experiences with previous stewardship contracting projects | <input type="checkbox"/> Interested in using /trying stewardship contracting tool |
| <input type="checkbox"/> Due to your role in the community                                 | <input type="checkbox"/> There was a problem to solve                             |
|  | <input type="checkbox"/> Other: <i>Please specify.</i> _____                      |

8a. 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>At what scale should these individuals or interest be involved?</i>				<i>Why should they be involved? See list below for options - Include all that apply.</i>
		Local	State	Regional	National	
USDA Forest Service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Bureau of Land Management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other Federal agencies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Tribal interests	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
State agencies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Local government interests	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Community business interests	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental/conservation groups	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Fire interests/organizations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Adjacent landowners and residents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Recreation interests/users	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Educators/educational interests	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Wildlife and fisheries groups	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Right to access groups	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Project contractors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other: (Please specify) _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<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. Are there resources that community members needed to facilitate their participation in the project?

- Yes
- No
- Don't know

If yes, please check the appropriate boxes in the table below:

	Check if needed	Check if received	From whom	For what specific purpose
Financial	<input type="checkbox"/>	<input type="checkbox"/>		
Training	<input type="checkbox"/>	<input type="checkbox"/>		
In-kind time, services, facilities	<input type="checkbox"/>	<input type="checkbox"/>		
Technical	<input type="checkbox"/>	<input type="checkbox"/>		
Other (Please describe)	<input type="checkbox"/>	<input type="checkbox"/>		

10. Please rate the local benefits of the \_\_\_\_\_ stewardship contracting project on a scale of 1-5 with 1 being very high and 5 being very low.

	Very High				Very Low	Don't Know
	1	2	3	4	5	
Economic benefits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
More local jobs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
More on-the-ground work accomplished	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Greater opportunity to use local contractors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other: please specify _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increased collaboration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improved efficiency and effectiveness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improved public trust	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Specific project outcomes (Please identify & rate each)						
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other: Please describe _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

11. Please rate the benefits of community involvement in the \_\_\_\_\_ stewardship contracting project on a scale of 1-5 with 1 being very high and 5 being very low.

	Very High				Very Low	Don't Know
	1	2	3	4	5	
Broader understanding and consideration of diverse interests	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improved trust	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increased opportunity for public input	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improved sense of project ownership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increased support for the agency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other: <i>Please describe</i> _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

12. What level of support do you believe this stewardship contracting project is/was in the community?

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

13. What level of support do you believe this stewardship contracting project is/was in the agency [*Forest Service and/or BLM*]?

- Widely supported
- Somewhat supported
- Indifferent
- Somewhat opposed
- Widely opposed
- Generally unaware
- 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  Maybe  
*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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## Appendix D: References

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