

**FOREST SERVICE IMPLEMENTATION
OF STEWARDSHIP CONTRACTING PILOT PROJECTS
DURING FY 1999**

A Report to the Appropriations Committees of the U.S. House and Senate

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Pursuant to the requirements of subsection (g) of Section 347 of title III of Section 101(e)
of division A of Public Law 105-277

June 2000

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PREFACE

Section 347 of the FY 1999 Omnibus Appropriations Act (P.L. 105-277) authorizes the Forest Service to implement up to 28 stewardship contracting pilot projects, 9 of which are to be in Region 1 (Northern). The legislation also sets-forth several new administrative processes and procedures that the Agency may test while implementing these pilot projects. The legislative language indicates that the Agency was granted these new authorities for essentially two reasons: 1) to help achieve land management goals on the national forests, and 2) to help meet the needs of local and rural communities.

Subsection (g) of Section 347 mandates that the Forest Service report annually to the Appropriations Committees of the U.S. House and Senate. The legislative language indicates that these reports are to provide project-level information on: 1) the status of efforts to develop, execute, and administer the pilot projects; 2) the specific accomplishments that have resulted; and 3) the roles being played by local communities in developing and implementing the projects. This report has been prepared to satisfy this reporting requirement for FY 1999.

It should be noted that besides mandating annual reports, subsection (g) of Section 347 also directs the Forest Service to establish a “multiparty monitoring and evaluation process” that is capable of assessing the accomplishments and experiences associated with each of the pilot projects. This language suggests that Congress wants the Agency’s annual reports on the stewardship pilots to include input from a variety of stakeholders. While the Agency has been striving to establish a viable multiparty monitoring and evaluation framework, these efforts have only recently been concluded. This report provides information of the types requested by Congress, and also documents the Agency’s progress towards implementing multiparty monitoring and evaluation. Expectations are that future reports will reflect multiparty involvement.

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TABLE OF CONTENTS

Background and Introduction	7
Circumstances Leading to Enactment of Section 347	7
Forest Service Implementation of Section 347 During FY 1999	10
Location, Objectives and Authorities Being Tested in the Stewardship Pilots	13
Location of the Pilot Projects	13
Objectives of the Pilot Projects	14
Authorities Being Tested	15
Progress Towards Implementing the Stewardship Pilots	15
Status of NEPA	15
Key Accomplishments During FY 1999	16
Anticipated vs. Actual Progress	17
Current Financial Consequences of Implementing the Stewardship Pilots	17
Expenses Incurred To Date	18
Revenues Received To Date	19
Cooperator Involvement in the Stewardship Pilots	19
Summary and Conclusion	20
FIGURES	23
TABLES	27
APPENDIX (Data on Non-Section 347 Pilots)	45

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Background and Introduction

The bulk of this report is focused on providing information about the 28 pilot projects that the Forest Service is presently implementing pursuant to authorities granted by Congress in Section 347 of the FY 1999 Omnibus Appropriations Act (P.L. 105-277). An appendix (See pages 45-53.) provides comparable information for nine other stewardship pilots, but these are projects that are being implemented under traditional authorities or that have stand alone authorization to test new processes and procedures.¹ These additional projects are considered here to provide a more complete picture of what the Forest Service is presently doing in the stewardship contracting arena.

Prior to discussing the individual projects, this opening section of the report seeks to do two things: 1) describe the circumstances that led to enactment of Section 347 – i.e., the conditions that created the need for undertaking stewardship pilot projects; and 2) review, from a national perspective, the Forest Service’s implementation of the stewardship pilots during FY 1999 – including the status of its efforts to comply with the legislative mandate to institute multiparty monitoring and evaluation.

Circumstances Leading to Enactment of Section 347

For some years, the national forest timber sales program has been changing. These changes have occurred in response to a variety of factors. One important change has been the shift in the program’s underlying objectives. In the past, the program’s primary objective was to supply fiber to help meet the nation’s demand for wood. Today, the program’s main focus is on using timber harvesting as a cost-effective tool to achieve various land management objectives that require manipulating the existing vegetation – e.g., improving forest health, reducing forest fuels, and creating desired habitat conditions for wildlife. Another important change has been the decline in program size. During the last decade, annual harvest volume has fallen from 11 BBF (billion board feet) to less than 4 BBF. Yet a third area of change has been in the types of woody material being removed from the national forests. Dead, diseased, insect infested, and associated nearby trees, commonly called salvage, now represent a greater proportion of the Agency’s annual offer mix. Additionally, more timber is now being removed through thinnings as opposed to regeneration harvests. Consequently, there has been a decline in the average size of trees being offered for sale.

At the same time that the Forest Service’s timber sales program has been changing, there has been a growing recognition of the fact that significant vegetative treatment needs

¹ As the background section will explain, these nine pilots were all selected prior to enactment of Section 347. All of these projects except one are being carried-out using only the Agency’s existing authorities. The one exception is the Granite Watershed Project on the Stanislaus NF in Region 5 (California). This project has stand-alone authority to test the trading of goods for services. This authority is provided by the Granite Watershed Enhancement and Protection Act of 1998 (H.R. 2886).

exist on the national forests. Nationally, it has been estimated that resource values on some 24 million acres of NFS land are at an unacceptably high risk of loss due to insects and disease.² Just within the Interior West, it is estimated that there are also 24 million acres of NFS land at high risk of loss due to wildfire – and another 32 million acres at moderate risk.³ On many of these acres, overstocking, principally by small-sized trees that are presently of limited commercial value, is deemed to be a major contributor to heightened risk. Oftentimes, the condition of these overstocked stands is such that thinning operations must be conducted before other management tools, such as prescribed burning, can be applied.

Recognizing the magnitude of the challenges it faces, and recognizing that the costs associated with addressing these needs will almost certainly continue to increase over time, the Forest Service – through its various risk-mapping efforts for fire, insects, disease and other destructive agents, and by other appropriate means⁴ – is striving to do a better job of targeting its available funding to those areas most in need of treatment. In trying to achieve this end, the Agency has been hampered by a lack of creditable scientific information about such things as the efficacy of different restoration activities, alone or in combination; the risks associated with different restoration activities – e.g., the risks to public health and safety, and to ecosystem productivity; and the probable evolution of ecosystems following restoration treatments. Research to provide the required scientific information should be an integral part of any Agency restoration initiative.

Another obstacle that has been of immediate concern to field and program managers concerns the fact that the Forest Service’s traditional tools for managing vegetation – i.e., the standard timber sale and service contracts – are frequently not well suited to efficiently meet today’s treatment needs. The timber sale contract is appropriately used when the material to be disposed of has substantial commercial value. It is not readily applicable in situations where the land to be treated is occupied mainly by trees of little or no commercial value – a circumstance that is becoming increasingly common as the Agency strives to address existing insect, disease, and wildfire risks. Additionally, the timber sale contract limits the types of activities that a contractor can be required to perform as a condition of the contract – these must be directly related to removal of the timber being sold. This restriction limits the Agency’s ability to realize the economies that could potentially be achieved by bundling several desired restoration activities into a single contract. Perceived benefits of bundling include the following: reduced contract preparation and administration costs; reduced treatment costs because of fewer equipment moves and set-ups; and more stable, year-around employment for contractors.

² Information provided by Washington Office Forest Health Protection Staff.

³ Information provided by Washington Office Fire & Aviation Management Staff.

⁴ Illustrative would be the Agency’s cohesive strategy for reducing wildfire risks on the national forests. See the report entitled “*Protecting People and Sustaining Resources in Fire-Adapted Ecosystems: A Cohesive Strategy.*” This report, completed in draft form on April 13, 2000, represents the Forest Service’s response to the GAO Report GAO/RCED-99-65. The draft report is 89 pages in length.

The service contract provides a very flexible and powerful tool, but funding limitations always impose constraints on the amount of work that can be accomplished using such contacts.⁵ Additionally, for a variety of reasons the Forest Service has traditionally not used service contracts to implement projects that require removing commercially valuable material. The need to use appropriated funds to cover logging as well as the sale preparation and administration costs has been a key deterrent. Another deterrent has been the fact that the Agency would have to assume the added responsibility of selling cut material from either roadside log decks or centralized log sort yards. The general feeling has been that the incremental costs incurred would more than offset any price premium received as a consequence of offering more uniform products. In recent years, for a variety of reasons, there has been something of a resurgence of interest in contract logging – and as a result a number of the pilots will experiment with this practice. One reason for this renewed interest is the belief that contract logging, by separating the logs from the logger, has the potential to minimize incentives for careless logging and timber theft. Another reason has been the growing belief that, at least in some situations, the net cost of contract logging, despite the conventional wisdom, may actually be less than the net cost associated with the Agency’s traditional procedures.

The changes that have occurred in the Forest Service’s timber sales program have not occurred without causing some economic shifts in rural, resource-dependent communities – particularly in the western part of the country. While many of these communities have successfully diversified their economies, there continues to be considerable interest in exploring new and innovative ways that will allow the Forest Service and local communities to work more effectively together. This is because of the recognized treatment needs that exist on the national forests, not only in the vegetative management arena but in other areas as well – e.g., construction, reconstruction, or decommissioning of roads and trails; restoration or improvement of soil and water resources; and maintenance of recreation facilities.

The preceding circumstances prompted the Forest Service, in October 1996, to sponsor a 2-day national “scoping session” on *“Improving Administrative Flexibility and Efficiency in the National Forest Timber Sale Program.”* This session was held in Washington, DC, and was attended by representatives from various federal agencies, state agencies, tribal governments, local forest practitioner groups, the environmental community, and the forest products industry. The primary purpose was to identify and discuss new and innovative options for achieving national forest vegetation management goals more efficiently and effectively. As a result of this conference, the Agency launched a major reinvention effort having the following objectives:

⁵ In an effort intended to complement its testing of possible new authorities through the stewardship pilots, the Agency has also been working to find ways to utilize its existing authorities more effectively. During May 1999, a task group met in Washington, DC to begin development of a hybrid contract combining elements of both timber sale and service contracts. This team successfully developed a model service contract with an embedded timber sale contract. This contract is presently being reviewed by the USDA Office of General Counsel. The intent is to provide this new tool to field managers in the form of a desktop guide.

- To find new ways of accomplishing vegetation treatments more effectively and efficiently.
- To demonstrate the role of vegetation management in proper resource stewardship.
- To demonstrate the role that stewardship activities can play in helping to sustain rural communities.
- To demonstrate the advantages of collaborative stewardship.

In the summer of 1997, the Agency decided to implement a number of pilot projects that would test new and innovative ways of doing business. Towards this end, the Deputy Chief for the National Forest System requested that the Regional Foresters nominate potential pilot projects. Ultimately, a total of 52 nominations were received. During the fall of 1997, an interdisciplinary team reviewed the nominated projects and recommended that 22 be implemented as pilots.

Section 347 of the FY 1999 Omnibus Appropriations Act authorizes the Forest Service to enter into up to 28 stewardship end-results demonstration contracts, at least 9 of which must be in the Agency's Northern Region (Montana and Northern Idaho).⁶ The law also sets-forth various new processes and procedures that the Agency can test in connection with these pilot contracts. These new processes and procedures include the following:

- The exchange of goods for services.
- The retention of receipts.
- The awarding of contracts on a "best value" basis.
- The designation of timber for cutting by prescription.

Subsection (g) of Section 347 stipulates that implementation of the stewardship pilots is to be monitored and evaluated on a "multiparty" basis, and that annual reports are to be submitted to Congress. It is this reporting requirement that is responsible for the preparation of this report.

Forest Service Implementation of Section 347 During FY 1999

During FY 1999, at the national level, Forest Service efforts relative to the stewardship pilots were concentrated in essentially three areas: 1) making final selections of the pilot projects the Agency was authorized to undertake, 2) proceeding with implementation of

⁶ The legislation made no mention of the 22 pilot projects that had already been selected by the Agency. However, the accompanying report language makes it clear that Congress intended these projects to be incorporated into those authorized by the act.

the selected pilots, and 3) developing a framework for complying with the monitoring and reporting requirements of subsection (g).⁷ Each of these topics is briefly discussed below.

At this juncture the Agency has selected all the pilots it is entitled to undertake. Region 1 announced its nine selections in May of 1999. The Washington Office (WO) announced eight additional choices in June of the same year.⁸ In both instances, these choices were made after going through a formal nomination process. The nominated projects were reviewed by interdisciplinary teams that recommended which projects to implement. Criteria considered during the evaluation process included the ability of the project to increase our existing knowledge about how to achieve national forest vegetation management goals more effectively and efficiently, the potential of the project to yield results applicable in a wide range of geographic and ecosystem settings, the number of committed cooperators and level of public support for implementation of the project, and the degree to which the project would address one or more of the Agency's natural resource priorities.

Regarding implementation of the pilots, during FY 1999 national efforts were focused on two tasks: 1) arranging funding, and 2) addressing issues not amenable to resolution at lower administrative levels. Funding was provided through a combination of actions that involved restructuring priorities for current year appropriations and committing \$1 million in FY 1998 carryover funds to the pilot projects. It is anticipated that in the future most funding needs will be handled through a national commitment for the pilots.

During FY 1999 feedback from the field indicated that some pilots were having trouble moving forward because of uncertainty regarding exactly what Congress intended in certain provisions of Section 347. These uncertainties were eliminated by inclusion of Section 341 in the FY 2000 Appropriations Act for Interior and Related Agencies. (H.R. 3423) Section 341 amends Section 347 to make it clear that the Forest Service may:

- Enter into 28 stewardship contracting “pilot projects” as opposed to 28 stewardship “contracts.”
- Use an “agreement” or “contract” as the primary vehicle for implementing a stewardship pilot – not just a contract.

⁷ Below the national level, the Regional Offices were also active in trying to advance the stewardship pilots during FY 1999. Regions (1), (2), (5) and (6) all held coordination meetings during the year. Many of these sessions were open to all interested stakeholders, but a few were limited to Agency employees. Additionally, Regions (1) and (5) cooperated with *American Forests* in hosting a couple of congressional tours on stewardship contracting.

⁸ The remaining 11 pilot projects, that when considered in combination with the 17 selections announced in FY 1999 equals the 28 stewardship pilots that the Agency is authorized to undertake, were included among the 22 reinvention projects that the agency chose in November of 1997. Consistent with the conference report language, they automatically became pilots concurrent with the passage of Section 347.

- Enter into a contract or agreement with either a “public” or “private” entity – not just a private person.

Lastly, regarding efforts to implement multiparty monitoring and evaluation, the Agency published a proposed framework in the *Federal Register* on August 17, 1999. Key elements of the proposal were as follows:

- Establishment of a FACA-chartered National Advisory Committee. This committee was to be broadly constituted and led by a Forest Service employee.
- Establishment of two monitoring and evaluation teams at the project level: 1) Data Inventory Teams, and 2) Assessment and Evaluation Teams – both of which would be Forest Service led. Membership on the Data Inventory Teams was to be open to any interested person, but their role was to be limited to information gathering. The Assessment and Evaluation Teams were to be involved in analyzing data and formulating appropriate recommendations, but membership was to be limited to government employees only.

While the Agency received many specific comments on its framework, the overwhelming message from reviewers was that the proposal did not permit meaningful involvement of all concerned stakeholders at the project level, and thus was inconsistent with the true spirit of multiparty monitoring and the intent of Section 347.⁹ Because of this, the Agency undertook a systematic analysis of other options suggested in public comments as well as its original framework. This analysis weighed the pros and cons of each option.¹⁰ Based on this analysis, the Agency concluded that engaging an independent contractor was the preferable way to proceed. The most important factor favoring this decision was the belief that using an independent contractor would substantially enhance the credibility of the monitoring and evaluation results. Public comments submitted in response to its *Federal Register* notice suggested doubt that the Agency could objectively oversee a process intended to monitor and evaluate its own activities.

An announcement concerning the Agency’s intent to engage an independent contractor was published in the *Commerce Business Daily* on February 17, 2000; and a formal Request for Proposals (RFP) was distributed to interested bidders shortly thereafter. The Statement of Work that formed the core of the RFP described three tasks that the Agency wanted a contractor perform. These were:

- Design, implement, and manage a process for securing multiparty input in monitoring, evaluating and reporting on the Agency’s stewardship contracting pilot projects.

⁹ A copy of the Forest Service’s summary and analysis of comments is available from the Washington Office Forest Management Staff.

¹⁰ A copy of the Forest Service’s analysis of monitoring options is available from the Washington Office Forest Management Staff.

- Formulate and implement a set of criteria that, when considered in the context of multiparty monitoring, evaluation, and reporting, will yield information that is responsive to the needs of Congress and the Agency.
- Prepare and print annual reports that analyze, summarize, and interpret the significance of the information compiled through multiparty monitoring, evaluation and reporting.

The Agency had a good response to its RFP in terms of both the number and quality of proposals. A team reviewed the proposals, and a contract was ultimately awarded to the Pinchot Institute for Conservation. At this time, the Pinchot Institute and its regional subcontractors are preparing to initiate a series of structured interviews with those currently involved in implementing the stewardship pilots – i.e., with both Agency personnel and involved community groups. These interviews will be used to compile information about the status of each project; to determine what, if anything, has been done to implement multiparty monitoring; and to determine what types of assistance, if any, are needed to get multiparty monitoring and evaluation successfully underway – technical, financial, or both. This information will be used to help prepare the next report to Congress, and to guide further actions under the contract.

Location, Objectives and Authorities Being Tested in the Stewardship Pilots

Table 1 (See pages 28-32.) lists the 28 stewardship pilot projects being implemented under the authority of Section 347. For each project, information is provided about its location, its objectives, and the special authorities being tested. Some general observations concerning each of these subjects are provided below.

Location of the Pilot Projects

The pilot projects are widely distributed geographically. Every Forest Service administrative region except Region 10 (Alaska) has at least one pilot.¹¹ The specific distribution is: Region 1 (Northern) – 9, Region 2 (Rocky Mountain) – 5, Region 3 (Southwest) – 2, Region 4 (Intermountain) – 2, Region 5 (Pacific Southwest) – 2, Region 6 (Pacific Northwest) – 4, Region 8 (Southern) – 3, and Region 9 (Eastern) – 1.

The geographic dispersion of the pilot projects is also reflected in their distribution by state. A total of 12 states have stewardship pilots. The specific mix is: Montana – 7; Colorado – 5; Idaho and Oregon – 3; Arizona and California – 2; and New Hampshire, North Carolina, Tennessee, Utah, Virginia and Washington – 1.

¹¹ As noted earlier, the Forest Service is implementing a number of pilot projects that do not utilize the special authorities granted by Section 347. These are all projects that were selected prior to enactment of Section 347. The Agency is continuing to fund these projects as pilots because each is doing something new and innovative within the context of the Agency's existing authorities. These other pilot projects are distributed by administrative region as follows: R1 – 2, R3 – 2, R5 – 3, R9 – 1, and R10 – 1.

A total of 25 national forests have pilot projects. The number of forests is less than the number of authorized projects (28) because three forests – the Arapaho/Roosevelt (R2), the Lolo (R1), and the San Juan (R2) – each have 2 pilots.

Objectives of the Pilot Projects

The objectives of the pilot projects are diverse and fall into two broad categories, ecologic and socio-economic. Ecological objectives cited in connection with at least ten of the pilots include the following:

- Reducing the risk of catastrophic wildfire and/or creating conditions conducive to allowing fire to play a more natural role in maintaining desired ecosystem conditions. (See figures 1 & 2, page 24.)
- Improving habitat for various species of wildlife such as grizzly bear, elk, bighorn sheep, and neo-tropical birds.
- Protecting water quality and fish habitat by reconstructing or decommissioning roads and by stabilizing mine sites.
- Restoring ecosystem patterns and functions to their historic range of variability and enhancing vegetative biodiversity. (See figures 3 & 4, page 25.)

Other ecological objectives cited in connection with multiple projects include the following: improving the overall health and vigor of forest stands – 7; improving riparian areas – 6; controlling noxious weeds – 5; addressing existing insect and/or disease problems – 4; improving recreation values – 4; and rehabilitating visual values on old clear cut areas – 2.

Because the instructions given to field units for preparing progress reports tended to stress the need to document resource-related goals, relatively few projects explicitly listed socio-economic objectives. However, among those projects that cited such objectives, the most frequently mentioned goal was providing forestry jobs and wood products for mills to help support local economies. Other social and economic objectives cited by more than one project included the following: exploring ways to improve efficiency and reduce treatment costs, evaluating the potential usefulness of logging services contracts and the prospects for increasing revenues by selling cut products from roadside log decks or log sort yards, and encouraging the development of markets for small diameter and under-utilized material.

In reality, all of the pilots have social and economic objectives that complement the resource objectives they are seeking to attain. As noted in the introductory section of this report, two key goals of the entire stewardship pilot process are: 1) to find new ways of accomplishing needed vegetation treatments more effectively and efficiently, and 2) to

demonstrate the role that stewardship activities can play in helping to sustain rural communities. The projects that were selected as pilots were chosen, in part, because it was believed they would facilitate attaining these goals.

Authorities Being Tested

Of the new administrative processes and procedures that Congress authorized the Forest Service to test in the stewardship pilots, the one that will be most extensively evaluated is the trading of goods for services. All but one of the pilots anticipates using this authority. Other new authorities that will be evaluated in ten or more of the pilots include the following: the increased flexibility to designate timber for cutting by description as opposed to marking and the ability to award contracts on a “best value” basis as opposed to high or low bid.

The ability to exchange goods for services provides a means of extending the value of the appropriated funds available for carrying-out needed ecosystem restoration, maintenance and improvement activities. This extension occurs by virtue of the fact that some or all of the value of the commercial timber products being sold is retained and reinvested on-site as opposed to being returned to the Treasury or deposited in one of the Agency’s special trust funds. Many people fear this incentive could be abused, and thus its use will be closely monitored. Designation by description offers a potential way to reduce sale preparation costs and to more fully apply the concept of end-results contracting. Again, however, there is a need to closely monitor the situation to ensure that purchaser discretion in selecting the material to be cut and removed is properly controlled. Finally, best-value award enables Forest Service managers to consider more than just bid price when selecting contract recipients. As with the other new authorities being tested, the effect on small businesses and their ability to compete will be closely monitored.

Progress Towards Implementing the Stewardship Pilots

Table 2 (See pages 33-37.) presents information about the progress that has been made towards implementing each of the stewardship pilot projects. Specifically, information is provided about: 1) the status of Agency efforts to comply with the requirements of the National Environmental Policy Act (NEPA), 2) the key accomplishments realized during FY 1999, and 3) actual progress in relation to planned progress – i.e., whether or not the projects are proceeding according to the timelines established in their original business plans.

In reviewing the information about progress, it is important to keep in mind that many of the pilots were not selected until well into FY 1999. As noted earlier, Region 1 announced nine selections in May 1999, and the Washington Office finalized eight selections in June 1999.

Status of NEPA

At the close of FY 1999, 12 of the 28 stewardship pilots had completed the NEPA process. For all but one of these projects, either no administrative appeals were filed or the appeals that were filed have been successfully resolved. One exception is the Grand Canyon Stewardship Project on the Coconino NF in Region 3. A lawsuit has been filed in connection with this project. At this juncture it is unclear how this lawsuit will affect implementation of the project.

Of the 16 remaining pilots, at the close of FY 1999, 9 had completed NEPA scoping and 1 had a signed decision document – but the period for filing administrative appeals had not yet expired. This implies that 7 of the 28 pilot projects have still not progressed to the point of completing NEPA scoping. Under the terms of Section 347, the Agency has until September 30, 2002 to enter into a contract or agreement to implement a stewardship pilot; and the special authorities granted by Section 347 then extend for the duration of the contract or agreement that is put in place.¹²

Key Accomplishments During FY 1999

The specific accomplishments realized during FY 1999 were diverse and reflect the amount of time that particular pilot projects have been underway. In general, those pilots that were among the Agency's original selections, made early in FY 1998, have progressed farther towards contract award and the implementation of actual on-the-ground activities than those projects selected in FY 1999. This is not universally the case, however, because during the second-round of selections more emphasis was placed on choosing projects that had already undergone some preliminary planning, and perhaps even completed NEPA.

During FY 1999, the 17 new pilots completed a formal business plan documenting such things as each project's resource objectives, the authorities being tested, the nature and extent of cooperator involvement, the timeframe for project completion, and out-year budget needs.¹³ The plans were prepared at the forest level and were reviewed by the relevant Region and the Washington Office. One goal of the plans is to ensure that there is a common understanding of exactly what is to be done in connection with each project, and when.

Other accomplishments or areas of activity that were mentioned in connection with at least a third of the pilot projects are listed below:

- Interdisciplinary team efforts to complete required watershed and/or NEPA analyses and to conduct essential resource or survey and manage inventories.

¹² See subsection (a) of Section 347 as amended.

¹³ Copies of the business plans are available upon request from the Forest Management Staff.

- Outreach efforts – e.g., tours, open houses, workshops and newsletters – intended to build vital relationships with key stakeholders.

Still other accomplishments or areas of activity that were cited by multiple projects included the following: initiated field layout of treatment areas and development of stand prescriptions – 4; completed NEPA and issued a signed Decision Notice (DN) or Record of Decision (ROD) – 4; completed NEPA scoping – 3; began development of desired contracting instruments – 3; awarded a contract and initiated field operations – 3; established research plots to monitor treatment effects – 2; and completed required consultation with the US Fish and Wildlife Service – 2.

Anticipated vs. Actual Progress

The business plans for the approved pilots indicate that it will take several years for all the projects to be completed. Specifically, the expected completion dates of the projects are as follows: FY 2000 – 2, FY 2001 – 5; FY 2002 – 4; FY 2003 – 4; FY 2004 – 4, FY 2005 – 8, and FY 2006 or later – 1. As previously noted, the Agency has engaged an independent contractor to coordinate and facilitate the required multiparty monitoring and evaluation process. The contract is renewable from year-to-year for a period of up to 5 years; and it calls for the successful contractor, at the end of this period, to prepare a report summarizing all the important lessons that have been learned to that point in time. Arrangements for additional monitoring activities will then be formulated based on existing circumstances.

At the end of FY 1999, 18 of the 28 pilots were proceeding according to the schedules set-forth in their business plans. By implication, 10 of the projects were somewhat behind schedule. The reasons delays have been experienced vary from project-to-project, but most often included one or more of the following factors: an unexpectedly long period of time required to secure certain data needed to complete NEPA; decisions, sometimes mandated, to utilize a higher order of environmental documentation – i.e., an EA (environmental assessment) as opposed to a CE (categorical exclusion), or an EIS (environmental impact statement) as opposed to an EA;¹⁴ new requirements relating to survey and manage; personnel changes; and the lack of established markets for small diameter material.

Current Financial Consequences of Implementing the Stewardship Pilots

Table 3 (See pages 38-40.) contains data on project-related expenditures and receipts. Expenditures have been broken-out into four categories: 1) WO Support – includes

¹⁴ To illustrate, the US District Court for the Southern District of Illinois, in the case of *Mark Donham & Jim Bensman v. US Forest Service (CV 98-4289-JPG)*, concluded that the Agency's use of CE's in connection with certain timber sales was inappropriate. As a consequence, the Agency issued direction to field units which mandates that some project planners who were expecting to proceed with CE's must now prepare EA's.

amounts provided from carryover funds and/or national commitments; 2) Unit Appropriation – includes amounts that field units have expended on the stewardship pilots from their regular allocations; 3) Cooperator Contributions – includes cash contributions from cooperators as well as the estimated value of in-kind services that have been provided; and 4) Goods for Services – includes the estimated monetary value of all national forest timber used to help offset the cost of performing desired stewardship services.¹⁵ Receipts have been broken-out into two categories: 1) Timber Products – includes receipts from the sale of various convertible forest products (e.g., sawtimber, pulpwood, posts, poles, and firewood); and 2) Other Products – includes receipts from the sale of various nonconvertible or special forest products (e.g., Christmas trees, pine boughs, pine cones, pine straw, ferns, and mushrooms).¹⁶

In examining the balance between receipts and expenditures, at least two points should be kept in mind. First, few pilot projects have progressed to the point where products are being produced. Secondly, the pilot projects were never intended to be traditional commercial timber sales. According to subsection (b)(4) of the authorizing legislation, where a stewardship pilot will involve the harvesting of timber, this activity is to focus on the “noncommercial cutting or removing of trees.” In combination these two factors suggest it is unreasonable to expect that the pilots will have generated much revenue to date, or that they ever will be profitable in a financial sense. At the same time, however, one goal of the stewardship pilot process is to evaluate whether or not projects that embody the innovative processes and procedures that are being tested represent the “least net cost” way of implementing desired land treatments.¹⁷ Current Forest Service policy, as articulated in Section 2432.22(c) of the *Forest Service Manual* is, in the case of forest stewardship purpose sales, to analyze practical and feasible non-harvest options – and to use a timber sale only when it is the most efficient way to achieve the desired land treatment goals.

Expenses Incurred To Date

During FY 1999, a total of essentially \$3,268,000 was expended on the 28 stewardship pilots covered by Section 347. Of this amount, roughly \$2,013,000 (62 percent) was provided “off the top” by the Washington Office; \$861,000 (26 percent) was taken by field units out of their regular allocations; \$385,000 (12 percent) was contributed by various cooperators, and only \$10,000 (less than 1 percent) was handled through the trading of goods for services.

¹⁵ For purposes of this report, the monetary value of any timber used to offset the cost of performing desired stewardship services has been treated as both a revenue and an expense.

¹⁶ The distinction between “convertible” and “nonconvertible” is based on the ability to express a product’s output in terms of standard volume measures such as board or cubic feet.

¹⁷ Analysis has shown that because they produce some revenue to help offset their costs of implementation, timber sales are oftentimes the least net cost way of achieving those land management goals that require manipulating the existing vegetation – e.g., reducing the risk of catastrophic fire, or controlling an insect or disease problem. See Reyna, Nick and Prausa, Rick; 1994; *Evaluating the Use of Timber Harvest on 19 National Forests: An Exploratory Study of Below-Cost Timber Sales Issues and Changing Management Conditions*; USDA Forest Service, Policy Analysis and Timber Management Staffs; 16p.

If one adds to the preceding figures the amounts expended in FY 1998, the first year for which any funding was provided for the stewardship pilots, the combined totals indicate that essentially \$4,423,000 has been expended to date on the Section 347 pilots. Of this amount, roughly \$2,628,000 (59 percent) has been provided “off the top” by the Washington Office; \$1,190,000 (27 percent) has been taken by field units from their regular allocations; \$595,000 (14 percent) has been contributed by various cooperators, and only \$10,000 (less than 1 percent) has been handled through the trading of goods for services.

It is believed that the contributions of cooperators have been understated. While there is little confusion associated with recognizing cash contributions, it seems clear that the value of contributed services have not been systematically and consistently estimated. Expectations are that such contributions will increase as a proportion of total funding in the future, as will the proportion attributable to the trading of goods for services.

Revenues Received to Date

During FY 1999 only about \$25,000 in revenues were generated from the 28 stewardship pilots covered by Section 347, and all of this revenue was due to the sale of timber products. If one adds to this figure the amount of revenue earned during FY 1998, the first year during which the pilots were underway, the combined total still only equals roughly \$34,000 – all of which is once again attributable to the sale of timber products. Expectations are that revenues will increase in the future as more of the pilot projects progress to the point that on-the-ground activities are actually occurring.¹⁸ However, as noted earlier, the stewardship pilots are not traditional commercial timber sales; in some instances the harvest of timber is only a small part of the entire project.

Cooperator Involvement in the Stewardship Pilots

Table 4 (See pages 41-43) provides information about the cooperators involved in the stewardship pilots and the roles they are currently playing. In most instances, the cooperators are already actively involved in one or more of the pilot projects; however, in a few cases cooperative relationships are still being established and thus the information concerning cooperators is based on expectations rather than current realities. Which circumstance exists in a particular situation should be clear from each write-up.

Many different types of cooperators are presently involved or expected to be involved in the stewardship pilots. Since all of these groups are identified in table 4, the goal here is

¹⁸ Section 339 of the *FY 2000 Appropriations Act for Interior and Related Agencies* gave the Forest Service new direction relating to the disposal and pricing of “forest botanical products” – e.g., mushrooms, fungi, flowers, seeds, roots, bark, and leaves. While the regulations implementing this new direction probably will not be finalized before CY 2001, expectations are that when this occurs the revenues received from the sale of such products will increase.

simply to illustrate the diverse nature of the cooperators. The groups represent a wide array of different types of interests, both non-commodity and commodity related. There is also a mix of both public and private organizations. Groups without a commodity orientation include the Rocky Mountain Elk Foundation, the Rocky Mountain Bighorn Society, the Ruffed Grouse Society, the Wild Turkey Federation, the Grand Canyon Trust, the Nature Conservancy, and the Rogue Institute for Ecology and Economy. Groups with a commodity orientation have specific interests in an array of different resource values. Groups primarily concerned with recreational values include the Breckenridge Ski Area and the Colorado Trail Foundation; groups primarily concerned with range resource values include the Ashland/Ft. Howes Grazing Association; and groups primarily concerned with timber resource values include the Colorado Timber Industry Association, Stone Forest Industries, Southern Oregon Timber Industries, and the New Hampshire Timber Owners Association. All of the preceding cooperators are from the private sector; cooperators from the public sector include a mixture of federal, state, county, municipal, and tribal government entities. Federal cooperators include the US Fish and Wildlife Service, the Bureau of Land Management, the Natural Resources Conservation Service, the US Environmental Protection Agency (EPA), and the US Army Corps of Engineers (COE). Cooperators from state government include the Montana Department of Fish, Wildlife and Parks, the Arizona State Land Department, the Colorado State Forest Service, and the Tennessee Wildlife Resources Agency. County government cooperators include Montezuma County (CO) and Coconino County (AZ). Municipal cooperators include the City of Baker City (OR), the City of Boulder (CO), and the City of Flagstaff Fire Department (AZ). Finally, tribal cooperators include the Cheyenne and Nez Perce tribes.

There are a number of cooperators representing academia and Forest Service Research. Cooperators from academia include Colorado State University, Northern Arizona University, Oregon State University and others. Cooperators from Forest Service Research include the Rocky Mountain Research Station, the Forest Products Laboratory, the Pacific Northwest Research Station, and the Southern Research Station.

Cooperators are performing a variety of different tasks and providing an array of different services. Most frequently they are assisting with project planning. Sometimes this entails helping to layout treatment areas and finalize silvicultural prescriptions. Other fairly common areas of activity include: helping to complete required assessments and/or resource inventories; helping with development of communications plans and public outreach efforts; helping to develop appropriate monitoring plans, and helping to identify potential contractors and decide upon the most suitable contracting instrument. Expectations are that the monetary value of cooperator contributions will increase over the next few years as the pilot projects progress towards full implementation.

Summary and Conclusion

To summarize, during the past year the Forest Service has finalized selection of the 28 stewardship contracting pilot projects authorized by Section 347. These projects are

widely distributed geographically and will, in combination, test all the new administrative processes and procedures approved by Congress. Nearly half these pilot projects, 12 of the 28, have completed NEPA and are ready to proceed towards full implementation. While very few of them have actually progressed to the point that contracts have been awarded and actual on-the-ground work has begun, the Agency looks forward to seeing definite results fairly soon. The projects are addressing a multitude of ecological as well as social and economic objectives, and a broad array of cooperators are involved in their implementation. Over half the projects should be completed by FY 2003, and only one should continue beyond FY 2005. During FY 1999 the Agency made considerable progress towards completing establishment of a process for multiparty monitoring and evaluation. Expectations are that the Agency's FY 2000 report on the stewardship pilots will be the product of a multiparty involvement process.

Experiences to date, especially in Region 1, suggest that the stewardship contracting approach may offer a number of advantages over traditional processes and procedures. New coalitions are emerging around each of the pilot projects, and sometimes these coalitions include groups that have typically opposed Forest Service activities. The focus of attention is shifting towards clarifying joint expectations as to what the condition of the land should be following treatment. Resource specific advocacy, or functionalism, is being reduced in favor of a more integrated approach to implementing needed treatments, and this is carrying-over to the manner in which the pilot projects are being funded. Finally, the concept of the "sale" or "project" area is becoming less meaningful as greater emphasis is placed on meeting the total treatment needs of a given watershed in a unified and comprehensive manner.

While all of the preceding changes would appear to be benefits of implementing the stewardship pilots, some problems are being encountered. In Region 1, where nine pilots are being conducted, concerns relating to the loss of the 25 percent receipt-share payments typically due the states and counties have become something of an issue. Section 347 exempts the pilots from this normal legislative requirement. It seems clear that before some of the pilot authorities could be made permanent – most notably the authorities to trade goods for services and retain receipts – there will need to be some resolution of the question of how receipt-share payments are to be handled. Other problems that have arisen relate to such things as how best to report accomplishments in the case of multi-funded projects, and how to ensure adequate up-front funding in instances where contract logging is to be utilized. Lastly, recognizing that one of the fundamental goals of the stewardship approach is to provide greater support to local communities, there is a need to determine what constitutes "local." The authority to award contracts on a "best value" basis may give the agency greater flexibility to target work towards local businesses, but any action that goes too far towards restricting competition could be counter-productive from the standpoint of improving efficiency and reducing costs.

The Forest Service views the stewardship pilots as an important experiment in alternative contracting arrangements. Expectations are that they will generate useful information concerning new arrangements and approaches that could prove critical to addressing both

current and future vegetation management needs on the national forests. At the same time, however, the Agency sees no clear need to expand the present scope of Section 347. The existing pilots will, in all likelihood, provide an adequate basis for evaluating the new processes and procedures authorized for testing. This being the case, it probably makes sense to complete these tests and catalog the “lessons learned” before taking any action that would put these potential new tools on a more operational basis.

In closing, it is worth noting that some of the authorities being tested in connection with the stewardship pilots are already proving to be fairly controversial. The most obvious example is the authority to trade goods for services. While some groups see this authority as providing a mechanism for implementing needed ecosystem restoration, maintenance, and enhancement activities in a more expeditious manner, others see it as creating an incentive for increased, and perhaps unnecessary, timber harvesting. Recognizing these sensitivities, it is clear that if the stewardship pilots are ever to generate the level of public trust needed to make them a success over the long-term, they must not be allowed to evolve into a mechanism whose main purpose is to generate revenue or exchange value for implementing projects on the national forests. To ensure that this does not happen, proper safeguards such as the multiparty monitoring process mandated by Section 347 must be kept in place. Additionally, it is important to reemphasize that stewardship contracting is most appropriately viewed as a way of complementing, not replacing, the need to make up-front investments in land health. In the last analysis, up-front investments made through the normal appropriations process will be the true key to providing jobs, revenues, and healthier forests in years to come.

FIGURES



Figure (1) – Depicts Pre-Treatment Condition of Stands Being Managed as Part of the Baker City Watershed Pilot Project on the Wallowa-Whitman NF in Oregon. Ladder Fuels that Increase the Risk of Catastrophic Wildfire are Evident.



Figure (2) – Depicts Desired Post-Treatment Condition of Stands Being Managed as Part of the Baker City Watershed Pilot Project on the Wallowa-Whitman NF in Oregon. Ladder Fuels Have Been Eliminated Creating a More Open, Park-Like Condition.



Figure (3) – Depicts the Pre-Treatment Condition of Many Aspen Stands Being Managed as Part of the Monroe Mountain Ecosystem Restoration Pilot Project on the Fishlake NF in Utah. Conifer Encroachment into this Aspen Stand is Evident.



Figure (4) – Depicts the Desired Post-Treatment Condition of Areas Being Managed as Part of the Monroe Mountain Ecosystem Restoration Pilot Project on the Fishlake NF in Utah. Shows a Young Stand of Pure Aspen.

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TABLES

Table (1) – Location, Objectives and Special Authorities Being Tested in the Section 347 Stewardship Pilots.

Project	Forest	Region	State	Objectives	Authorities Being Tested
Clearwater Timber Sale	Lolo	1	MT	Project is to be carried-out in low elevation grizzly bear habitat. Objectives are to reduce the susceptibility of lodgepole pine stands to mountain pine beetle attack, maintain the vigor and overall health of stands, and improve wildlife habitat by reintroducing fire. Along with these treatments roads will be obliterated to improve grizzly bear security and to protect water quality and fisheries habitat.	Exchange goods for services, award contract on a best value basis, and designation by description.
North Fork Big Game Habitat Restoration	Clearwater	1	ID	Project will concentrate on restoring ecosystem patterns and processes that, because of past wildfires and subsequent fire suppression activities, are currently outside their historic ranges of variability. The project will create early successional habitats that are currently in short supply. Elk will benefit because of the increased forage made available.	Contract award on a best value basis.
Three Mile Ecosystem Restoration	Custer	1	MT	Project will restore and sustain the health of a ponderosa pine/mixed grass prairie ecosystem. Additionally, noxious weeds will be controlled, road surfaces will be graveled, and wildlife habitat will be improved within the 32,000 acre project area.	Exchange of goods for services and contract award on a best value basis.
Paint Emery Stewardship Demonstration	Flathead	1	MT	Project will reduce fuels and remove hazard trees in several recreation areas. Roads will be reconstructed and/or decommissioned. Site preparation and tree planting activities will be performed, and prescribed burning will be used to improve habitat for big game. Visual values will be rehabilitated on some old straight-edge clearcut areas.	Exchange of goods for services, contract award on a best value basis, designation by description, and retention of receipts.
Priest Pend Oreille Land Stewardship	Idaho Panhandle	1	ID	Project will implement the Lakeface/Lamb management plan. This plan addresses concerns relating to forest ecosystem health, fire risks in urban interface areas, vegetative restoration, and aquatic restoration.	Exchange of goods for services and designation by description.
Yaak Community Stewardship	Kootenai	1	MT	Project will reduce hazardous fuels, improve wildlife habitat, restore area streams, improve fish habitat and water quality for domestic uses, restore vegetative	Exchange goods for services, contract award on a best value basis, and designation by description.

					diversity, and provide wood supplies to help support local economies.	
Running Wolf Stewardship Project	Lewis & Clark	1	MT	Project will make a variety of improvements in a relatively high use recreation area. Planned improvements include: reducing tree densities through thinning; replacing ineffective stream structures; re-routing of a motorized use trail to reduce recreation conflicts; reconstructing a segment of trail to reduce erosion; enhancing campsite, fishing pier, and restroom accessibility; and encouraging vegetative recovery.	Exchange of goods for services and designation by description.	
Knox-Brooks Results Based Stewardship	Lolo	1	MT	Project will address two major concerns: a worsening mountain pine beetle epidemic, and a growing threat to water quality and fish habitat. These concerns will be addressed by treating both the vegetation and road network within the project area.	Exchange of goods for services, contract award on a best value basis and designation by description.	
South Fork Clearwater River (Meadow Creek)	Nez Perce	1	MT	Project will implement restoration opportunities identified in the landscape assessment for the South Fork Clearwater River Sub-Basin. Treatments to be carried-out include road decommissioning and relocation, control of noxious weeds, maintenance and improvement of trails, stabilization of mine sites, precommercial thinning, and commercial timber harvesting aimed at restoring ponderosa pine and creating early seral habitat.	Exchange of goods for services.	
Mt. Evans Collaborative Stewardship	Arapaho-Roosevelt	2	CO	Project will cooperatively implement a 5-year action plan for addressing various problems within the project area. Major resource problems include: high risk of catastrophic wildfire, high risk of insect and disease losses, and diminished wildlife habitat. The project will seek to respond to these management needs in a boundaryless fashion.	Exchange goods for services and use state foresters as federal agents to help prepare and administer national forest timber sales.	
Winiger Ridge	Arapaho-Roosevelt	2	CO	Project will address important land management issues by promoting the concept of "stewardship across boundaries." Issues to be addressed include: declining landscape and ecosystem variety; the high potential for catastrophic wildfire and forest pest events; the increasing loss of effective wildlife habitats; the adverse impacts of recreation activities on wetland, riparian, and water quality values; and the growing threat to native ecosystems from noxious weed invasions.	Exchange of goods for services, contract award on a best value basis, designation by description, and retention of receipts.	

SW Ecosystem Stewardship	San Juan	2	CO	Project will evaluate how the US Forest Service can better work in cooperation with a state forestry Agency to address important resource treatment needs in mixed ownership settings. The principal need within the project area is to restore the existing ponderosa pine forests to a more disturbance resistant condition.	Exchange goods for services, contract award on a best value basis and designation by description.
Upper Blue Stewardship	White River	2	CO	Project will test low-impact methods of managing small diameter dense forests in high recreation use urban interface zones. Specific resource objectives are to reduce the risk of catastrophic wildfire, improve forest health and wildlife habitat, enhance visual quality, and restore riparian and watershed conditions.	Exchange goods for services, designation by description and retention of receipts.
Beaver Meadows Restoration	San Juan	2	CO	Project will restore a dry, mixed conifer forest to a more ecologically stable condition. Attaining this objective will involve taking steps to maintain ponderosa pine and aspen while reducing white fir dominance; it will also entail reintroducing a regimen of frequent, low-intensity fires.	Exchange goods for services and designation by description.
Grand Canyon Stewardship Project	Coconino	3	AZ	Project will restore ecosystem functions and reduce the risk of catastrophic fire in the ponderosa pine forests surrounding Flagstaff, AZ. Specific actions to be performed include thinning, prescribed fire, road closures, road and trail relocations, and redirecting or restricting human activities.	Exchange goods for services.
Cottonwood/Sundown Watershed & Riparian Restoration Project	Apache-Sitgreaves	3	AZ	Project will restore 179 acres of riparian habitat in the Cottonwood Wash drainage to proper functioning condition. Restoration will entail removing the ponderosa pine and juniper trees that have invaded the area over the last 60 to 80 years.	Exchange of goods for services.
Monroe Mountain	Fishlake	4	UT	Project will sustain aspen and grass/forb ecosystems by moving them towards historic conditions of ecological structure and function. Aspen stands are being lost to conifer invasion, while the grass/forb ecosystem is being lost to sagebrush encroachment. Both of these trends are compromising biodiversity. Project will also address a growing spruce beetle problem that is causing heavy spruce tree mortality and a reduction in wildlife cover.	Exchange of goods for services and designation by description.
North Kennedy-	Boise	4	ID	Project will improve forest health	Exchange of goods for

Cottonwood Forest Health Project					and increase the resiliency of ponderosa pine and Douglas fir stands in the area north of the Kennedy Creek Demonstration Unit that was treated in 1986. Old growth characteristics will be restored or maintained, thereby benefiting those species of wildlife dependent on old growth structure. Roads targeted for elimination under the forest's latest access management plan will be obliterated.	service; contract award on a best value basis, designation by description and retention of receipts.
Grassy Flats	Shasta-Trinity	5	CA		Project will improve forest health and reduce the risk of catastrophic wildfire within the Grassy Flats subwatershed. Activities to be performed are as follows: 272 acres of commercial and biomass thinning; 305 acres of plantation maintenance; 211 acres of shaded fuelbreak construction; 14.7 miles of road maintenance; and 4.32 miles of road decommissioning. By bundling several activities into a single, multi-year contract the project will hopefully help to improve Agency efficiency and provide the contractor with stable year-around employment.	Exchange of goods for services.
Pilot Creek	Six Rivers	5	CA		Project will be carried-out within the Pilot Creek area which, because of its importance to anadromous fish stocks, has been designated as a key watershed. Primary resource objectives are: to reduce the risk of catastrophic wildfire, to restore degraded oak woodland habitat, and to contribute to the economic well-being of rural, resource dependent communities.	Exchange of goods for services.
Baker City Watershed	Wallowa-Whitman	6	OR		Project will reduce the risk of catastrophic wildfire and improve forest health within the Baker City Municipal Watershed, which provides high quality unfiltered potable water to a population of 10,000. The watershed is at risk of a severe wildfire because of excessive fuels and its location in a high lightning fire occurrence area. The project will reduce fuel loadings, reintroduce prescribed fire, and create a fuelbreak along the dry southern end of the watershed.	Exchange of goods for services.
Antelope Pilot Project	Winema	6	OR		The project will reduce the risk of catastrophic fire, reduce growth related competition and moisture stress, provide cover and forage for big game, and protect and maintain soil productivity within a 2,700 acre tract of old-growth ponderosa pine in the Antelope Desert area just east of Crater	Exchange of goods for services and designation by description.

				Lake National Park. Other objectives are to encourage the development of markets for small diameter ponderosa pine and reduce treatment costs.	
Upper Glade LMSC	Rogue River	6	OR	Project will restore sustainable, biologically diverse ecosystems and promote community well being.	Exchange of goods for services and contract award on a best value basis.
Littlehorn Wild Sheep Habitat Restoration	Colville	6	WA	Project will restore bighorn sheep habitat within the Vulcan Mountain area. This will entail improving visibility by removing understory commercial and non-commercial trees, using prescribed burning to reduce the risk of habitat loss, and controlling noxious weeds.	Exchange of goods for services.
Wayah Contract Logging Services	NFS in North Carolina	8	NC	Project will test the feasibility of using a logging services contract to complete the vegetative management of an area, and of having the Forest Service subsequently sell the graded and scaled material from roadside log decks. This arrangement may enable the Agency to improve efficiency and reduce its sale preparation and contracting costs.	Exchange of goods for services, designation by description, retention of receipts, non-competitive award of sales valued at over \$10,000, and collection of KV funds when using contract logging.
Wolf Creek	Cherokee	8	TN	Project will create high elevation, early successional habitat for neotropical birds. As part of the project, wooden elevated platforms will be constructed to improve handicap access for viewing and hunting purposes.	Exchange of goods for services.
Burns Creek Contract Logging/Stewardship Services	GW-Jefferson	8	VA	Project will address multiple land stewardship goals – thinning, road reconstruction, and fisheries habitat improvement – using an integrated contract. This approach is expected to reduce Agency operating costs. Additionally, merchandizing forest products and selling them to targeted markets is expected to increase revenues.	Exchange of goods for services and retention of receipts.
Forest Discovery Trail	White Mountain	9	NH	Project will remove approximately 100 MBF of timber, but the main objective is construct a 1.5 mile loop trail adjacent to the Kancamagus Highway. The trail will include interpretive displays designed to educate the public about such things as the silvicultural techniques used to promote healthy forest stands and the techniques for putting roads “to bed” to protect water quality and improve soil stability.	Exchange of goods for services and contract award on a best value basis.

Table (2) – Progress Towards Implementing the Section 347 Stewardship Pilots.

Project	Status of NEPA					Key FY1999 Accomplishments	Expected Completion	Project Status
	Scoping Completed	Signed DN or ROD	Appeal Period Closed	Appeals Resolved	Litigation Initiated			
Clearwater Timber Sale	Yes	No	No	No	No	The ID Team defined alternatives that will allow the purchaser to have some input into determining how best to achieve the project objectives. ROD expected to be signed early in CY 2000. A formal business plan was completed.	2003	Project somewhat behind schedule established in original business plan. Major reason for delay was the decision to prepare an EIS as opposed to an EA. This decision was prompted by the listing of the Bull Trout and concerns relating to grizzly bears.
North Fork Big Game Habitat Restoration	Yes	No	No	No	No	Required watershed and NEPA analyses are being completed by an ID Team that includes representatives from the Idaho Department of Fish & Game. NEPA is expected to be completed by the spring of CY 2000, and the ROD to be signed by summer. A formal business plan was completed.	2003	Project is on schedule.
Three Mile Ecosystem Restoration	No	No	No	No	No	Invested considerable time in building contacts with key stakeholders. A formal business plan was completed.	2001	Project is on schedule.
Paint Emery Stewardship Demonstration	Yes	Yes	Yes	Yes	No	DN signed on May 27, 1999. Decision was appealed through the administrative appeals process but was affirmed by the Regional Forester on August 26, 1999. Field layout has begun. A formal business plan was completed.	2005	Project is on schedule. Expect to solicit contract proposals in the spring of CY 2000 and to select a contractor during the summer.
Preist Pend Oreille Land Stewardship	Yes	No	No	No	No	Extensive collaboration occurred between the community and the Forest Service. Ninety percent of required NEPA was completed, and the DEIS should be released early in CY 2000. Three demonstration areas were established and public tours were conducted to show expected end results. Work was begun on development of the stewardship contract. A formal business plan was completed.	2005	Project is on schedule. Contract award is expected in the early summer of CY 2000.

Yaak Community Stewardship	Yes	Yes	Yes	Yes	No	Completed formation of a Steering Committee for the project. Completed the Clay Beaver EA, and the DN was signed. The decision was affirmed and all appeals have been resolved. Field layout has begun. A formal business plan was prepared.	2005	Project is on schedule. A request for proposals is expected to be released by no later than the spring of CY 2000.
Running Wolf Stewardship Project	Yes	Yes	No	No	No	EA completed and DN signed. A formal business plan was prepared.	2003	Project is on schedule.
Knox-Brooks Results Based Stewardship	No	No	No	No	No	Completed preparation of a formal business plan.	2005	Project is on schedule.
South Fork Clearwater River (Meadow Creek)	No	No	No	No	No	Watershed scale analysis nearly completed. Began to collaborate with a group of local citizens to define the project opportunities. Completed preparation of a formal business plan.	2005	Project is on schedule.
Mt. Evans Collaborative Stewardship	No	No	No	No	No	Completed the landscape level analysis for the Evergreen Geographical Area, which includes the project area. Completed required resource inventories. Formed a local stewardship committee for the Upper Bear Creek Basin, which encompasses the project area. The Colorado State Forest Service implemented a number of thinnings and prescribed burns on other ownerships within the project area.	2004	Project was originally expected to terminate in FY 2002, but this is being extended to FY 2004. Several factors have contributed to the delay. A number of these factors centered around the meaning of certain provisions of Section 347, and the amendments that were enacted as part of the FY 2000 Appropriations Act should resolve these issues.
Winiger Ridge	Yes	No	No	No	No	NEPA scoping completed in August 1999. The EA's covering the project's planned activities should be completed early in CY 2000. Several "open houses" were conducted during the year to familiarize the public with the need for and objectives of the project. Additionally, a Forest Demonstration Fair and two noxious weed workshops were held. A project-related newsletter was prepared and distributed to some 2000 persons.	2004	Project is essentially 6 months behind schedule. Progress has been slowed by delays in securing certain data needed for the NEPA analysis, and by the complexity of the social issues associated with vegetation and travel management planning in the area.
SW Ecosystem Stewardship	Yes	No	No	No	No	NEPA was completed, but since it called for using a CE, and since use of CE's was subsequently restricted, it will be necessary to go back and prepare an EA.	2005	The project is behind schedule. The main reason was the difficulties that were experienced in trying to finalize a cooperative agreement with the Colorado State Forest Service. The technical corrections that were

								made in Section 347 by passage of the FY 2000 Appropriations Act should eliminate the problem.
Upper Blue Stewardship	Yes	No	No	No	No	Completed public scoping. Completed all inventories for TE&S species and heritage resources. Completed wetland assessments and identification of old growth areas. Conducted field trips for the public, adjacent landowners, and industry personnel concerned with utilizing small diameter products. Began trail construction work.	2002	Project is on schedule.
Beaver Meadows Restoration	Yes	Yes	Yes	Yes	No	Stand prescriptions were completed on some 2,350 acres. Prepared formal business plan for the project.	2005	Project is on schedule. Tasks to be completed in FY 2000 include marking of treatment area boundaries; cruising and appraisal of timber to be sold; contract preparation, advertisement and award; and baseline data gathering.
Grand Canyon Stewardship Project	Yes	Yes	Yes	Yes	Yes	Completed EA for first 10,000 acre restoration area. Conducted 300 acres of research and demonstration thinnings which yielded 3,250 CCF of woody material. 240 research plots were established to provide a basis for evaluating treatment effects. A formal business plan was prepared.	2012	Project has gotten off to a slow start. Key reasons include environmental organization resistance to restoration by thinning; and the lack of established industry and markets for the by-products of restoration.
Cottonwood-Sundown Watershed & Riparian Restoration Project	Yes	Yes	Yes	Yes	No	Three project treatment areas were delineated on the ground, and cultural resource surveys were completed. A formal business plan was prepared. Contract development is currently underway.	2001	Project is on schedule.
Monroe Mountain	Yes	No	No	No	No	Decided to prepare an EIS as opposed to an EA. Decision was believed to be warranted by the roadless character of part of the project area, the mileage of new road to be constructed, and the timber volume to be recovered. The DEIS was released on September 24, 1999. Some treatments were carried-out within the project area using previously approved environmental documents. Specifically, two conventional timber sale contracts were used to	2004	This project was originally expected to end in FY 2002. The extra time needed to complete the NEPA process will likely delay termination until FY 2004.

						remove roughly 1.1 MMBF from 112 acres of mixed conifer/aspen.		
North Kennedy – Cottonwood Forest Health Project	No	No	No	No	No	Completed preparation of formal business plan.	2005	Project is on schedule.
Grassy Flats	Yes	Yes	Yes	Yes	No	Although NEPA was completed in FY98, the contract was not awarded in FY99 because of the Dwyer decision regarding survey and manage (S&M). Expectations are that S&M surveys will be completed by the spring of FY00, and that the contract can be offered after that time.	2002	Project is behind schedule. Key reasons include the turnover in AMA coordinators, and Judge Dwyer’s decision regarding survey and manage.
Pilot Creek	Yes	Yes	Yes	Yes	No	Project is being implemented in two phases to contrast conventional and stewardship approaches to carrying-out needed ecosystem restoration and maintenance activities. Phase (1) – the conventional approach – was completed on schedule. The Woodland TS was awarded on October 1, 1998. The contract involved removing 315 CCF of timber from 12 acres. A contract for phase (2) – the stewardship approach – was offered during the summer of FY99, but no bids were received. The forest and its cooperators conducted an assessment to determine potential solutions. This review indicated a need to re-examine the original marking within the stewardship portion.	2002	The project is behind schedule because of the difficulties that were encountered in awarding a contract for Phase (2) of the project. These difficulties are not insurmountable, and it is expected that a contract for Phase (2) will be awarded during FY00.
Baker City Watershed	Yes	Yes	Yes	Yes	No	Finalized the Request for Proposals (RFP) and completed the required review and approval process. This entailed doing a market survey to determine potential interest in the RFP; holding a pre-proposal conference with prospective contractors; having a panel of experts review the proposals; securing RO approval of the proposed Project Aviation Plan for helicopter operations; getting WO approval of the proposed Source Selection Plan; and obtaining OGC review of the proposed contract. Other accomplishments included finalization of a communications plan; completion of Bull Trout consultation with US Fish &	2002	Project is approximately 1-year behind schedule. Major reason is that it took longer than expected to get the contract completed, approved, and awarded.

						Wildlife Service; and development, in cooperation with the PNW Station, of a plan for monitoring treatment effects.		
Antelope Pilot Project	Yes	Yes	Yes	Yes	No	Prepared, offered and awarded contract for implementing the Antelope Pilot Project. Fieldwork will begin as soon as weather permits. Awarded contract to Mason, Bruce & Girard to serve as information conduit to industry representatives and to perform market research on utilization of small diameter ponderosa pine.	2001	Project is on schedule.
Upper Glade LMSC	No	No	No	No	No	Completed a number of required surveys, inventories and assessments – e.g., botanical survey, noxious weed inventory, Northern Spotted Owl habitat quality inventory, and insect & disease risk assessment. Completed required stand exams and mapping. Initiated vital public outreach efforts. Completed feasibility study for creating log sort yard.	2004	In general the project is on schedule. Two tasks are somewhat behind the timeframe established in the project's business plan, but neither of these tasks should jeopardize meeting the overall project completion date.
Littlehorn Wild Sheep Habitat Restoration	Yes	Yes	Yes	Yes	No	Prepared formal business plan and submitted to the WO for approval.	2003	Project is on schedule.
Wayah Contract Logging Services	Yes	No	No	No	No	NEPA scoping was completed and the EA is in process. The logging services contract has been drafted and reviewed.	2000	The project was delayed by the decision to rescind authority to use CE's, and by issues relating to the Indiana Bat – a federally listed species.
Wolf Creek	No	No	No	No	No	Prepared and submitted business plan to the WO.	2001	Project is on schedule.
Burns Creek Contract Logging – Stewardship Services	Yes	Yes	Yes	Yes	No	Prepared and submitted business plan to the WO.	2000	Project is on schedule.
Forest Discovery Trail	Yes	Yes	Yes	Yes	No	NEPA has been completed. Prepared and submitted business plan to the WO.	2001	Project is essentially on schedule. Plan to advertise and award the contract early in CY 2000.

Table (3) – Expenses Incurred and Revenues Received in Connection with the Section 347 Stewardship Pilots.

FY 1999

Project	Expenses Incurred				Total	Revenues Received		
	WO Support	Unit Appropriation	Cooperator Contribution	Goods for Services		Timber Products	Other Products	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Clearwater Timber Sale	0	0	0	0	0	0	0	0
North Fork Big Game Habitat Restoration	0	189,000	63,000	0	252,000	0	0	0
Three Mile Ecosystem Restoration	0	38,349	0	0	38,349	0	0	0
Paint Emery Stewardship Demonstration	0	92,000	3,000	0	95,000	0	0	0
Priest Pend Oreille Land Stewardship	0	45,000	0	0	45,000	0	0	0
Yaak Community Stewardship Contract	0	10,600	0	0	10,600	0	0	0
Running Wolf Stewardship Project	0	2,200	0	0	2,200	0	0	0
Knox-Brooks Results Based Stewardship	0	0	0	0	0	0	0	0
South Fork Clearwater River (Meadow Creek)	0	73,000	0	0	73,000	0	0	0
Mt. Evans Collaborative Stewardship	50,000	10,000	20,000	0	80,000	0	0	0
Winiger Ridge	179,200	54,000	114,500	0	347,700	0	0	0
SW Ecosystem Stewardship	50,000	0	0	0	50,000	0	0	0
Upper Blue Stewardship	500,000	3,784	29,269	0	533,053	0	0	0
Beaver Meadows Restoration	0	3,500	0	0	3,500	0	0	0
Grand Canyon Stewardship Project	0	250,000	144,000	10,000	404,000	10,000	0	10,000
Cottonwood/Sundown Watershed & Riparian Restoration Project	0	8,000	0	0	8,000	0	0	0
Monroe Mountain	186,700	33,414	0	0	220,114	0	0	0
North Kennedy-Cottonwood Forest Health Project	0	0	0	0	0	0	0	0
Grassy Flats	93,000	2,000	2,000	0	97,000	0	0	0

Pilot Creek	5,000	1,250	750	0	7,000	15,056	0	15,056
Baker City Watershed	753,000	0	0	0	753,000	0	0	0
Antelope Pilot Project	52,200	0	0	0	52,200	0	0	0
Upper Glade LMSC	106,500	44,500	8,000	0	159,000	0	0	0
Littlehorn Wild Sheep Habitat Restoration	0	0	0	0	0	0	0	0
Wayah Contract Logging Services	37,500	0	0	0	37,500	0	0	0
Wolf Creek	0	0	0	0	0	0	0	0
Burns Creek Contract Logging/Stewardship Services	0	0	0	0	0	0	0	0
Forest Discovery Trail	0	0	0	0	0	0	0	0
TOTALS	2,013,100	860,597	384,519	10,000	3,268,216	25,056	0	25,056

Totals To Date

Project	Expenses Incurred				Revenues Received			Total
	WO Support	Unit Appropriation	Cooperator Contribution	Goods for Services	Timber Products	Other Products	Total	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Clearwater Timber Sale	0	0	0	0	0	0	0	0
North Fork Big Game Habitat Restoration	0	189,000	63,000	0	252,000	0	0	0
Three Mile Ecosystem Restoration	0	38,349	0	0	38,349	0	0	0
Paint Emery Stewardship Demonstration	0	92,000	3,000	0	95,000	0	0	0
Priest Pend Oreille Land Stewardship	0	45,000	0	0	45,000	0	0	0
Yaak Community Stewardship Contract	0	10,600	0	0	10,600	0	0	0
Running Wolf Stewardship Project	0	4,500	0	0	4,500	0	0	0
Knox-Brooks Results Based Stewardship	0	0	0	0	0	0	0	0
South Fork Clearwater River (Meadow Creek)	0	73,000	0	0	73,000	0	0	0
Mt. Evans Collaborative Stewardship	148,100	10,000	57,312	0	215,412	0	0	0
Winiger Ridge	302,300	91,000	224,400	0	617,700	0	0	0
SW Ecosystems Stewardship	148,000	0	0	0	148,000	0	0	0

Upper Blue Stewardship	500,000	3,784	29,269	0	533,053	0	0	0
Beaver Meadows Restoration	0	4,000	0	0	4,000	0	0	0
Grand Canyon Stewardship Project	0	500,000	200,000	10,000	710,000	0	0	0
Cottonwood/Sundown Watershed & Riparian Restoration Project	0	8,000	0	0	8,000	0	0	0
Monroe Mountain	299,800	37,693	0	0	337,493	0	0	0
North Kennedy-Cottonwood Forest Health Project	0	0	0	0	0	0	0	0
Grassy Flats	171,500	20,000	5,000	0	196,500	0	0	0
Pilot Creek	10,500	1,250	750	0	12,500	22,222	0	22,222
Baker City Watershed	763,000	0	0	0	763,000	0	0	0
Antelope Pilot Project	63,500	0	0	0	63,500	0	0	0
Upper Glade LMSC	181,500	61,500	12,000	0	255,000	0	0	0
Littlehorn Wild Sheep Habitat Restoration	0	0	0	0	0	0	0	0
Wayah Contract Logging Services	40,000	0	0	0	40,000	0	0	0
Wolf Creek	0	0	0	0	0	0	0	0
Burns Creek Contract Logging/Stewardship Services	0	0	0	0	0	0	0	0
Forest Discovery Trail	0	0	0	0	0	0	0	0
TOTALS	2,628,300	1,189,676	594,731	10,000	4,422,707	34,182	0	34,182

Table (4) – Cooperator Involvement in the Section 347 Stewardship Pilots.

Project	Cooperator Involvement
Clearwater Timber Sale	Limited cooperator involvement to date.
North Fork Big Game Habitat Restoration	A broad coalition of partners is involved in the project through the Clearwater Elk Habitat Initiative. These partners include federal and state agencies, the Rocky Mountain Elk Foundation, the National Fish & Wildlife Foundation, and various other organizations – both corporate and non-corporate. A group called the Clearwater Elk Recovery Team (CERT) has formed to follow the project and offer suggestions and ideas concerning implementation and monitoring.
Three Mile Ecosystem Restoration	Anticipated cooperators include the Northern Cheyenne Tribe; the Ashland/Ft. Howes Grazing Association; the Powder River County Commissioners; the Northern Plains Resource Council; and the Montana Department of Fish, Wildlife and Parks. It is expected that these cooperators will assist with project planning.
Paint Emery Stewardship Demonstration	Flathead Common Ground collaborated in completing the watershed scale assessment for the project. The Flathead Forestry Project has been cooperating on the planning, implementation and monitoring phases of the project.
Priest Pend Oreille Land Stewardship	The Preist-Pend Oreille communities of Newport, Priest Lake, and Priest River have established various committees to work with the Forest Service on the project. These committees are concerned with communications, forest restoration, economic development, and education and training. Individuals from the environmental community, the timber industry, and other local businesses are participating. Also, the community recently received a grant from the Ford Foundation to expand application of the local stewardship concept.
Yaak Community Stewardship Contracting	The entire Yaak community was involved in the decision to propose this stewardship pilot project. A 5-person steering committee was selected to work with the Forest Service in developing goals and objectives that would be responsive to local community needs. This committee has also helped to define contract parameters and identify potential contract holders. Finally, the committee has worked with the Forest Service to conduct field examinations of proposed project sites.
Running Wolf Stewardship Project	A group consisting of county commissioners, adjacent landowners, potential contractors, and other interested citizens has been formed and will cooperate with the Forest Service in implementing the project.
Knox-Brooks Results Based Stewardship	Little cooperator involvement to date.
South Fork Clearwater River (Meadow Creek)	A broad array of cooperators has provided suggestions concerning the scope and magnitude of the project. These cooperators include the Nez Perce Tribe, the Shearer Lumber Company, various conservation and environmental groups, and different community representatives.
Mt. Evans Collaborative Stewardship	The Colorado State Forest Service is the lead cooperator. They have been working with Clear Creek Ranger District personnel to complete essential project planning. Other cooperators include the Colorado Division of Wildlife, the Indian Creek Ranch, the Evans Ranch, and local forest industry.
Winiger Ridge	The Colorado State Forest Service continues to be the key cooperator, helping to finalize the interagency and private landowner partnerships needed to accomplish boundaryless management objectives. Boulder County Open Space is another major cooperator; helping to formalize the project’s vegetative management proposals and silvicultural prescriptions. Other important cooperators include the City of Boulder, Denver Water, the Cherryvale and High Country Fire Protection Districts, Colorado State University, and the Rocky Mountain Elk Foundation.
SW Ecosystem Stewardship	Key cooperators include the Colorado State Forest Service, Montezuma County and the Ott Sawmill.
Upper Blue Stewardship	Several cooperators have provided financial support for the project: the Breckenridge Ski Area, the Colorado Division of Wildlife, the Colorado State Forest Service, the

	Colorado Trail Foundation, the Rocky Mountain Youth Corps, the Flat Tire Society, the Summit County Rotary Club, and the Town of Frisco. Other cooperators – e.g., the US Fish & Wildlife Service, the Army Corps of Engineers, and the US Environmental Protection Agency – have provided other forms of assistance.
Beaver Meadows Restoration	Committed cooperators include the Rocky Mountain Research Station, Colorado State University, and the Colorado Timber Industry Association. The project is being coordinated with other stewardship initiatives in the Four Corners region.
Grand Canyon Stewardship Project	This project is being carried-out under the terms of a Cooperative Agreement between the Grand Canyon Forest Foundation (nonprofit) and the US Forest Service. The Grand Canyon Forest Foundation is composed of 15 partners: the Arizona Game & Fish Department, Arizona Public Service, the Arizona State Land Department, the City of Flagstaff Fire Department, Coconino County, the Cocopai Resource Conservation District, the Flagstaff Chamber of Commerce, Flagstaff Native Plant and Seed, the Grand Canyon Trust, the Nature Conservancy, Northern Arizona University School of Engineering, Northern Arizona University School of Forestry, Society of American Foresters (Flagstaff Chapter), the US Fish & Wildlife Service, and the Natural Resources Conservation Service. Besides the Coconino NF, other Forest Service cooperators include the Rocky Mountain Research Station and the Forest Products Laboratory. Most of the partners have been involved in various outreach and education efforts. Additionally, Arizona Public Service designed and distributed color brochures about the project.
Cottonwood/Sundown Watershed & Riparian Restoration Project	Committed cooperators include the Arizona Game & Fish Department, the US Fish & Wildlife Service, Navajo County, the White Mountain Conservation League, Stone Forest Industries, Precision Pine & Timber, the Greater Gila Biodiversity Project, People for the West, and the Excellex Company. Some cooperators assisted with NEPA scoping, and others have committed to help during monitoring and evaluation.
Monroe Mountain	Scientists from the Rocky Mountain Research Station helped establish a series of study plots that will be used to monitor the impact of vegetative treatments on soils and aspen regeneration.
North Kennedy/Cottonwood Forest Health Project	Cooperator involvement is anticipated, but cooperators have not been involved to date.
Grassy Flats	The principal cooperator is the Hayfork Watershed Training and Research Center.
Pilot Creek	Key cooperators include the Hayfork Watershed Training and Research Center, the Mad Rock Economic Development Corporation, and the Independent Forest Products Association. These cooperators helped host a public meeting to explain stewardship contracting and its potential benefits to local communities. The cooperators have also helped the Agency to identify potential contractors and, when no bids were received, to determine the reasons why.
Baker City Watershed	Major cooperators include the City of Baker City, the Baker City Watershed Committee, the Powder River Corrections Facility, and the Pacific Northwest Research Station. The Director of the Baker City Public Works Department sits on the steering committee for this pilot project. The Powder River Corrections Facility will be providing crews to perform the hand-piling work required to implement the project. Finally, the Pacific Northwest Station is cooperating in monitoring the project.
Antelope Pilot Project	A number of industry representatives provided advice on layout, product designation and accountability issues. More active involvement of other cooperators is expected in FY 2000 and throughout the term of the project.
Upper Glade LMSC	Confirmed cooperators include the Applegate Partnership, the Applegate River Watershed Council, the Rogue Institute for Ecology and Economy, the World Wildlife Fund, Southern Oregon Timber Industries, Southern Oregon University, Oregon State University, the University of Oregon, Sustainable Northwest, and the Pacific Northwest Research Station. Partners have been providing financial as well as other forms of support. During FY99 the Rogue Institute completed a study of the feasibility of creating a log sort yard.
Littlehorn Wild Sheep Habitat Restoration	Anticipated cooperators include the Bureau of Land Management, the Foundation for North American Big Sheep, the Rocky Mountain Bighorn Society, and Safari International.

Wayah Contract Logging Services	The principal cooperator is the Southern Research Station.
Wolf Creek	Anticipated cooperators include the Ruffed Grouse Society, the American Bird Conservancy, the Wild Turkey Federation, the Tennessee Wildlife Resources Agency, and the University of Tennessee.
Burns Creek Contract Logging – Stewardship Services	No cooperator involvement to date.
Forest Discovery Trail	Key cooperators include the National Forest Foundation, the State of New Hampshire, and the New Hampshire Timberland Owners Association.

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APPENDIX

Appendix Table (1) – Location, Objectives and Special Authorities Being Tested in the Non-Section 347 Stewardship Pilots.

Project	Forest	Region	State	Objectives	Authorities Being Tested
Flathead Forestry Project	Flathead	1	MT	Project seeks improve forest health and reduce the risk of catastrophic wildfire by using selective harvesting to mimic natural thinning processes.	None. Project evaluated merits of timber sale and service contracts as tools for achieving desired forest conditions.
Upper Swan-Condon Stewardship Project	Flathead	1	MT	Project seeks to use a single contract to implement the desired forest condition in three different types of stands: a ponderosa pine plantation, a Douglas-fir plantation, and a late-seral mixed ponderosa pine-western larch stand.	None.
Red Canyon CCC Project	Cibola	3	NM	Project seeks to improve wildlife habitat, reduce the risk of catastrophic wildfire, and improve watershed conditions by thinning an overstocked stand of ponderosa pine.	None. Project was evaluating the feasibility of using volunteer help from nearby local communities to salvage woody material under an administrative free use permit.
Picuris Pueblo Stewardship Project	Carson	3	NM	Project seeks to improve the pinyon/juniper forest type as well as watershed conditions. Fuelwood and posts are being supplied to the local community through the La Montana de Truchas Woodlot.	None. The socio-economic consequences of the project may be of greater importance than its ecological effects. Employment opportunities are being created in an economically depressed locale. This is helping to boost the standard of living and raise self-esteem.
Fourmile Thinning & Juniper Utilization Project	Modoc	5	CA	Project seeks to evaluate the economics of managing pine stands that have a significant component of juniper – which is presently a non-commercial species.	None. Project is testing prototype equipment for delimiting junipers on the stump, and then utilizing them for specialty products. If value can be added to the juniper through recovery of a product, effective thinning costs can be reduced.
Granite Watershed Stewardship Project	Stanislaus	5	CA	Project, which is being carried-out in an area adjacent to the 17,000 acre Granite Burn of 1973, seeks to : 1) reduce the risk of catastrophic wildfire, 2) restore hydrologic function to meadows and riparian areas, and 3) reduce stream sedimentation.	Exchange of goods for services. (Note: the authority to test this tool was provided by the Granite Watershed Enhancement and Protection Act of 1998 – H.R. 2886.)
Maidu Stewardship Project	Plumas	5	CA	Project seeks to enhance vegetative diversity and overall forest health by applying Native American stewardship principles, known as Traditional Ecological Knowledge (TEK), to a pilot test area on the Plumas NF.	None.

Lake Owen Restoration Project	Chequamegon-Nicolet	9	WI	Project seeks to evaluate how well alternative prescriptions for conducting timber harvests in Hemlock-Hardwood and Pine-Oak forest community types mimic natural disturbance regimes.	None.
Heceta Commercial Thinning	Tongass	10	AK	Project seeks to evaluate the feasibility of several different approaches to thinning second-growth timber in SE Alaska – e.g., basal area control, spacing control, and small group selection.	None.

Appendix Table (2) – Progress Towards Implementing the Non-Section 347 Stewardship Pilots.

Project	Status of NEPA					Key FY1999 Accomplishments	Expected Completion	Project Status
	Scoping Completed	Signed DN or ROD	Appeal Period Closed	Appeals Resolved	Litigation Initiated			
Flathead Forestry Project	Yes	Yes	Yes	Yes	No	Timber sale contract was awarded on July 6, 1998. Log removal was completed on 16 acres covered by the project. Initial bids on service contract were deemed unacceptable, and a new solicitation was developed and distributed. Contract was awarded on January 15, 1999. Project terminated on September 30, 1999.	1999	Project was completed during September of 1999. A detailed final report is being prepared.
Upper Swan-Condon Stewardship Project	Yes	No	No	No	No	Scoping completed.	2001	Project is behind schedule because a decision was made to prepare an EIS as opposed to an EA.
Red Canyon CCC Stewardship Project	Yes	Yes	Yes	Yes	No	NEPA was completed in the fall of 1997. Actual on-the-ground work began in June of 1998. A total of 26 acres have been thinned to date – 16 acres in 1998 and 10 acres in 1999. Slash has been treated on 16 acres, and one-half mile of road has been obliterated. Two 1-acre wildlife openings have been created. Approximately 80 cords of pulpwood were removed by the volunteers in 1998, and another 30 cords in 1999. An interpretive sign has been erected by the main road to acknowledge the collaboration and partnership.	2001	The project is on schedule.
Picuris Pueblo Stewardship Project	Yes	Yes	Yes	Yes	No	A professional relationship has been established between the Forest Trust, the Truchas Land Grant Community, the La Montana de Truchas Woodlot, Picuris Pueblo, and the Forest Service. Approximately 48 acres of pinyon-juniper forest have been restored. Jobs have been created thereby raising	2000	A number of factors have delayed completion of the project. First, it took longer than expected to develop a working relationship between the partners. Secondly, for a time the District where the project is being implemented was without the services of

						the standard of living and boosting self-esteem. The popularity of the original pilot has led to a number of spin-offs which are making it possible to accomplish additional restoration work. One of these spin-offs is the forest's "Stewardship Block" program. This innovation has made it possible for the forest to accomplish an additional 100 acres of pinyon-juniper restoration, and is actually being used to address wildland/urban interface issues.		either an archeologist or wildlife biologist, and this made it impossible to complete required surveys in a timely manner. More recently, the national injunction against the using CE's for any project where a commercial product is generated has required the District to go back and prepare an EA.
Fourmile Thinning & Juniper Utilization	Yes	Yes	Yes	Yes	No	NEPA has been completed. The first unit (143 acres) has been delineated and archeological surveys completed. The unit has been marked and a contract negotiated with McGee Enterprises. Thinning activities were scheduled to start 11/99 but have been delayed until 5/00.	2001	Initial harvest will take place during the summer of 2000, which is 1-year behind schedule. This delay means there will only be one replication of the treatment instead of the two originally planned.
Granite Watershed Stewardship Project	No	No	No	No	No	The forest and key cooperators have sought CALFED funding to help cover the estimated \$5 million in costs that will be required over the next 5 years to fully implement the project. The project is a component of the CALFED Bay-Delta Program Strategy. The Granite Watershed supplies drinking water to the City and County of San Francisco, portions of Tuolumne County, and other portions of the greater Bay Area.	2005	The project is progressing more slowly than envisioned in the original business plan. NEPA has taken longer to complete than anticipated. Additionally, trying to arrange for joint funding has proven to be a time consuming process.
Maidu Stewardship Project	No	No	No	No	No	The Forest Service and key cooperators have agreed upon protocols for: 1) communication, 2) identifying and prioritizing areas for vegetative manipulation, and 3) assessing resource areas following treatment.	Ongoing	The project is proceeding according to timeframes set-forth in the original business plan.
Lake Owen Forest Restoration	Yes	Yes	Yes	Yes	No	NEPA documentation has been completed. Approximately 5.3 MMBF has been marked for cutting on 900 acres. Monitoring plots and transects have been established.	2005	Project is proceeding on schedule.
Heceta Commercial	No	No	No	No	No	Some initial recon was performed by small sales	2004	Implementation of the project was delayed for

Thinning

personnel, but the amount of work was limited.

1 year by agreement with the WO. Resignations, transfers, and changing duty assignments have adversely impacted the amount of work accomplished.

Appendix Table (3) – Expenses Incurred and Revenues Received in Connection with the Non-Section 347 Stewardship Pilots.

FY 1999

Project	Expenses Incurred				Total	Revenues Received		
	WO Support	Unit Appropriation	Cooperator Contribution	Goods for Services		Timber Products	Other Products	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Flathead Forestry Project	10,000	0	0	0	10,000	0	0	0
Upper Swan-Condon Stewardship Project	50,000	0	0	0	50,000	0	0	0
Red Canyon CCC Stewardship Project	6,000	200	2,000	0	8,200	0	0	0
Picuris Pueblo Stewardship Project	9,500	0	10,000	0	19,500	0	0	0
Fourmile Thinning & Juniper Utilization Project	12,500	0	0	0	12,500	0	0	0
Granite Watershed Project	260,000	0	0	0	260,000	0	0	0
Maidu Stewardship Project	15,000	4,800	19,800	0	39,600	0	0	0
Lake Owen Forest Restoration	4,850	0	0	0	4,850	0	0	0
Heceta Commercial Thinning	30,000	0	0	0	30,000	0	0	0
TOTALS	397,850	5,000	31,800	0	434,650	0	0	0

TOTALS TO DATE

Project	Expenses Incurred				Total	Revenues Received		
	WO Support	Unit Appropriation	Cooperator Contribution	Goods for Services		Timber Products	Other Products	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Flathead Forestry Project	35,000	0	0	0	35,000	15,439	0	15,439
Upper Swan-Condon Stewardship Project	148,100	0	0	0	148,100	0	0	0
Red Canyon CCC Stewardship Project	10,000	1,200	4,000	0	15,200	0	0	0
Picuris Pueblo Stewardship Project	28,000	0	10,000	0	38,000	4,500	0	4,500
Fourmile Thinning & Juniper Utilization Project	33,000	0	0	0	33,000	0	0	0
Granite Watershed Project	358,100	0	0	0	358,100	0	0	0

Maidu Stewardship Project	30,000	4,800	19,800	0	54,600	0	0	0
Lake Owen Forest Restoration	12,250	0	0	0	12,250	0	0	0
Heceta Commercial Thinning	30,000	0	0	0	30,000	0	0	0
TOTALS	684,450	6,000	33,800	0	724,250	19,939	0	19,939

Appendix Table (4) – Cooperator Involvement in the Non-Section 347 Stewardship Pilots.

Project	Cooperator Involvement
Flathead Forestry Project	The Flathead Forestry Project, a citizens collaborative group, was intimately involved in the planning, implementation, and monitoring of this project. This group has been working with the Flathead NF for several years to encourage small, environmentally sensitive timber sales that will be more acceptable to the public. Furthermore, they are interested in evaluating alternative contracting procedures that incorporate the concepts of community stewardship of forest resources.
Upper Swan-Condon Stewardship Project	Major cooperators include the Swan Valley Ecosystem Management & Learning Center and the Montana Conservation Corps. The Swan Ecosystem Center is assisting with monitoring, record keeping, and the environmental education process; they are also holding a series of workshops on stewardship contracting for agency specialists, the public, and prospective contractors. The Montana Conservation Corps is providing labor to support implementation of field activities such as slash piling and tree planting.
Red Canyon CCC Stewardship Project	The principal cooperator is “Las Humanas,” a local organization that represents the communities involved. Las Humanas does the day-to-day administration, is responsible for meeting the specifications, and dialogues with the Ranger District. The communities involved through Las Humanas include Tajiue, Torreon, Manzano, Punta de Agua, Mountainair, and Abo.
Picuris Pueblo Stewardship Project	The three main cooperators are the Forest Trust, the Picuris Pueblo, and the Truchas Land Grant. The Forest Trust helped develop the business plan; identify the project area; formulate unit prescriptions; and, with Forest Service oversight, designate the leave trees. The Forest Trust has acted as liaison between the Truchas Woodlot and the Forest Service. The Picuris Pueblo has made their forestry crews available to implement Forest Service restoration projects. Finally, the Truchas Land Grant has given the Forest Service constructive feedback on how to make the project run more efficiently. Recognizing how well the partners in the project have worked together, the Ford Foundation recently awarded the Forest Trust \$40,000 to help with implementation of another stewardship project.
Fourmile Thinning & Juniper Utilization Project	The principal cooperator is McGee Enterprises. The cooperator will provide the prototype equipment needed to perform the thinning, and will also manufacture and market the juniper products.
Granite Watershed Restoration Project	Cooperators include Tuolumne County and a variety of other groups, both public and private.
Maidu Stewardship Project	Key cooperators include the Plumas Corporation (a non-profit economic development corporation), the Maidu Cultural & Development Group, and the North Fork Feather River Coordinated Resource Management Group.
Lake Owen Forest Restoration Project	Principal cooperators include Northland College and the North Central Forest Experiment Station.
Heceta Commercial Thinning	Anticipated cooperators include the Alaska Forestry Association, the Alaska Department of Fish & Game, the Pacific Northwest Research Station, and the Forest Products Laboratory.