



Sustainable Northwest

July 28, 2003

USDA Forest Service
Forests and Rangelands Staff
Mail Stop 1105
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Washington, DC 20024

**Comments on the Federal Register Notice on Stewardship End Result Contracting;
interim guidelines**

To whom it may concern:

We appreciate this opportunity to comment on the interim guidelines for Stewardship End Results Contracting. Sustainable Northwest submits these comments on behalf of a diversity of interests within the Pacific Northwest, many of who are active participants of local or regional monitoring and evaluation teams associated with the Forest Service's Stewardship Contracting Pilots. As such, these comments reflect invaluable experience and knowledge gained during four years involvement in pilot development, contract execution and monitoring implementation.

Our comments are based on several efforts to gather informed opinion and first-hand experience about stewardship contracting. Specifically, the Pacific Northwest Regional Multi-party Monitoring Team recently examined and critiqued the Federal Register Notice, posted June 27, 2003 Vol. 68 N (124) at their semi-annual meeting (June 11-12, 2003, Bend, Oregon). Prior to the meeting, Sustainable Northwest and the Watershed Research and Training Center conducted a survey of PNW Regional Team members, Forest Service project coordinators and contract officers, and community residents involved in the National Stewardship Pilot Program in Oregon and northern California. The survey collected recommendations and suggestions about the draft policy on stewardship contracting. A copy of the survey results is attached. Our comments are also based on the numerous other meetings, site visits, and first-hand experiences with stewardship contracting garnered since its inception.

We submit the following comments and recommendations in order to strengthen and clarify the interim guidelines released in the Federal Register notice of June 27, 2003, with the overall goal of helping guide the successful implementation of stewardship contracting. These comments are intended for both the US Forest Service (FS) and the Bureau of Land Management (BLM). Our comments are organized around five principals that form the underpinnings of stewardship contracting:

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- 1) Ensuring collaboration and meeting local community needs
- 2) Achieving ecological land management objectives consistent with maintaining or restoring ecosystem health
- 3) Increasing financial efficiency
- 4) Increasing administrative efficiency
- 5) Building knowledge, trust and accountability through multi-party monitoring.

In General

We believe the interim guidance needs more clarity and direction to ensure that the agencies properly implement stewardship contracting. Further guidance is particularly needed with regard to collaboration, multi-party monitoring, and the land management objectives to be achieved.

In addition, because the language of P.L. 108-7 is either vague or lacking specific content in several areas of importance, which the guidance attempts to clarify, we believe the agencies should clearly state that the direction contained in the guidance is a binding interpretation of the statute. Because of the nature of P.L. 108-7, many of the essential components of stewardship contracting will only take on meaning if properly clarified and directed through guidance, and if this guidance is adhered to throughout the agencies. The guidance should therefore specify up-front that its direction is mandatory, not merely discretionary guidance that can be avoided if line officers deem appropriate. Where discretion is desired, the guidance can be left open and discretionary.

1. Ensuring Strong Community Collaboration

- a. Stewardship contracting emerged from the public as a collaborative method of conducting public land management that simultaneously improves ecological health and benefits local communities. Stewardship contracting has always relied on strong community collaboration and public trust. Although we support Interim Guideline #3 which states, “the agencies will use an open, local collaborative process...to develop stewardship projects,” we view it as vague and insufficient to achieve the dual goals of effective community collaboration and enhancing public trust. These goals depend on broad-based public participation and collaboration prior to the NEPA planning process and throughout the life of a stewardship project. For stewardship contracting to be effective, we recommend that the guidance direct the agencies to:
 - i. Collaborate through a process that includes diverse local and distant stakeholders, interested citizens, relevant tribes, and relevant agencies throughout the life of the project unless these interests are unavailable or choose not to participate.
 - ii. Utilize this collaborative process in all aspects of the project: pre-NEPA project identification and selection; identification of restoration goals, priorities and end-results; identification of rural community needs; project implementation; and monitoring. This should be tiered to land management plans as appropriate.

- b. The Federal Register notice Background section of Supplementary Information states that, “The State Director (of the BLM) will select these [stewardship projects], with review by the Headquarters Office of both the BLM and the Department of the Interior.” While we understand that the BLM does not have the experience of the Forest Service with the national pilot program, we feel that this guidance is inconsistent with the goals of stewardship contracting and with the stated interim guidance. We encourage the BLM to follow the above recommendations.
- c. It is important that agency personnel performance objectives and measures contain incentives that promote greater community collaboration. Without it, we fear that collaboration will continue to occur sporadically, limited to places where the right combination of personalities and leadership exist. We recommend that new performance standards be developed that recognize, and reward, managers for engaging in collaborative processes.

Meeting Rural Community Needs

An over-arching need of rural communities adjacent to public land is improving opportunities for local firms to successfully capture stewardship contracts. According to P.L. 108-7, the BLM and the FS are given authority “to enter into [stewardship projects]...to achieve land management goals for the national forests or public lands that meet local and rural community needs.” (P.L. 108-7 Section 347(a)). Although the two goals are weighted equally in the authorizing language, the interim guidance provides no direction on how to “meet local and rural community needs.” We find this disappointing, as this is clearly the intent of Congress, and the originators of these mechanisms. We believe that this omission will lead to lost opportunities for rural community development and job creation, and we strongly urge that clearer direction be given on the following:

- a. Determining rural community needs
 - i. Rural community needs should be identified through the collaborative process, as described in the previous section.
 - ii. Indicators of rural community needs should be incorporated into the project objectives and considered in developing monitoring plans.
- b. The guidance needs to define the term ‘rural’ – we recommend the following: *“any Indian Reservation, or any county, town, township, municipality, or other similar unit of local government that has a population of not more than 50,000 individuals and is determined by the Secretary to be located in an area near federal or Tribal lands.”*
- c. The guidance needs to support fostering the creation of quality jobs to meet local community needs. Planning and evaluation criteria should focus on such job quality measures as wages and benefits, a safe and healthy workplace, job durability, opportunities for advancement and employment near home communities.
- d. Use contracting mechanisms in a way that deliberately “meets local and community needs,” as Congress intended. P.L. 108-7 requires the FS and BLM to use “best value” contracting. (P.L. 108-7 Section 347 (c)(1)). This mandate offers an opportunity to integrate environmental and economic objectives into contract

specifications, allowing the FS and the BLM to meet the objectives stated in the authorizing language. This can be pursued in three ways:

- i. The guidance should specify that best-value contracting shall include local preference criteria, along with other performance criteria, whereby local bidders will receive recognition for this status in addition to the other bid award criteria evaluated in the best-value contracting process. Congress provided ample language in P.L. 108-7 to justify directing agency personnel to use local (geographic) preference in contract award decisions. The legislation states that selection of a contractor “**shall be on a best-value basis**” (emphasis added), and that “consideration of source under other public and private agreements or contracts” may be part of this best-value calculation. (P.L. 108-7 Section 347(c)(1)). We believe Congress intended this “consideration of source” language to be read within Section 347(a)’s overarching direction to “meet local and rural community needs,” and that the agencies should construe this combination of congressional language in favor of serving local and rural community employment through local preference guidance. Consideration of geographic location should not weigh more or trump other criteria, or exclude others from being able to compete for contracts, but should be used as a way to level the playing field for local contractors.
- ii. Use performance criteria in best value contracting that evaluate the bidder’s economic impact to the communities adjacent to the project in addition to criteria evaluating their skills and ability to perform ecologically appropriate high-quality work on the land. Guidance on performance criteria should include examples such as contractors’ plans for retaining and building skills among their employees, and encourage contractors to develop additional innovative approaches to meeting community needs.
- iii. Combine stewardship contracting with the National Fire Plan authority that allows the agencies to direct contracts using NFP funds to contractors and non-profits located adjacent to where the work will be performed. This also fits with Interim Guidance #4, which states that, “the agencies will seek to use stewardship in conjunction with other land management authorities to develop and implement stewardship across boundaries.”

2. Achieving Land Management Objectives

- a. Interim Guidance #1 that states, “Stewardship projects will be designed to...make forests and rangelands more resilient to natural disturbances, etc.” Resiliency is one of many objectives when performing restorative treatments and is one we support; however the guidance should direct the agencies to design projects that will restore and maintain natural processes (ecological health).
- b. We strongly support Interim Guidance #2 that states, “deriving revenue...will be a secondary objective to the restoration goals.” We appreciate this recognition that restoration should be the goal of stewardship projects. However, the guidelines need to state a clear purpose for stewardship contracting, further emphasizing that restoration and maintenance of ecological health is the purpose of stewardship projects, and that projects with a clear and primary commercial purpose are not suitable for stewardship contracting. A clear distinction should be made between

the objectives/types of projects implemented under stewardship contracting and those associated with other existing, distinct programs, such as the timber sale program. We want to be clear that **we support the removal** and sale of commercial trees in stewardship projects as long as their removal is clearly consistent with stated ecological objectives developed through broad-based community collaboration described in (a). Further, the guidance should be clear that all activities associated with project implementation, such as road building, should be performed in a manner that does not have a deleteriously impact the ecological health of the land.

Congress intended stewardship contracting to be used as a tool to achieve a wide array of land management objectives. As stated, “perform services to **achieve land management goals**” (P.L. 108-7 Section 323) (emphasis added). The language “achieve land management goals” is vague, yet Congress provided some definition to this phrase by listing a full range of ecologically-based restoration activities in the legislation. (P.L. 108-7 Section 347 (b)). However, Interim guidance #1 unnecessarily narrows the scope and activities allowed under stewardship contracting, stating that, “Stewardship Contracts will be designed to **modify vegetation** to make forests and rangelands more resilient to natural disturbance mechanisms such as wind, flood, fire, insects and disease.” (emphasis added). While employing vegetative treatments for ecologically-driven projects is anticipated in the use of these contracting authorities, the above language over-emphasizes vegetative manipulation to the exclusion of other restoration methods and objectives. We caution the agencies to avoid over-emphasizing this strategy, and to instead insist on achieving a broad range of project objectives as enumerated in P.L. 108-7 Section 347 (b), as Congress intended.

- c. In order to properly guide the meaning of the legislative language to “achieve land management goals,” we believe the guidance must replace current guidance #1 with language re-iterating the broad range of objectives in P.L. 108-7 Section 347(b) and strongly recommend that the following language immediately precede the specific examples of land management objectives in Section 347(b):

“Projects shall use a variety of treatments and techniques to improve, maintain, or restore forest or rangeland health; restore or maintain water quality; improve fish and wildlife habitat; combat invasive species threats to native habitat; and reduce hazardous fuels that pose risks to communities and ecosystem values. Examples may include, among other things...”

3. Achieving financial efficiency

We support interim guidance #2 that states, “Deriving revenue from the sale of any by-products or other materials designated for removal from these stewardship projects will be a **secondary objective of the restoration goals.**” (emphasis added). This is consistent with our vision of stewardship. Yet we want to be clear that the incentives for financial efficiency provided through stewardship contracting mechanisms remains controversial. As such, we believe there are several issues regarding the specific contracting mechanisms that still require further clarification.

- a. “Best Value” Contracting - The legislation clearly states in (c)(1) that “A source for performance of an agreement or contract under subsection (a) **shall** be selected

on a best-value basis, including consideration of source under other public and private agreements or contracts.” (P.L. 105-227 Section 347(c)(1), as amended by P.L. 108-7) (emphasis added.). The interim guidance weakens this requirement in guidance #8 in stating, “...the agencies *may*, in addition to cost or price, consider such.” Congress clearly directed the agencies to use “best value” criteria. Obfuscating this mandate through the guidance does not support Congressional intent. We feel strongly that the guidance should clearly direct the agencies to use “best value” criteria as a way of ensuring that awards be given to those who can best meet Congress’s states objectives.

Experience from the national pilot program showed a variety of positive benefits from using best value: 1) it provided the Forest Service with greater control over the selection of a qualified contractor; 2) the inclusion of local economic impact criteria in best value contracting helped firms located in local and rural communities compete effectively for stewardship contracts; 3) it is supported by stakeholder participants and perceived as effective, as learned from evaluations conducted on stewardship pilots in Oregon/northern California by the Watershed Research and Training Center. Given the success of best value contracting in the pilot program, it is clear that the agencies should follow the intent of the original legislation and require best value contracting on all stewardship contracts.

In using ‘best value’, the guidance should direct agency personnel to consider a range of objectives, including but not limited to:

- i.* the ability of the contractor to meet the ecological goals of the projects;
 - ii.* the use of equipment that will minimize or eliminate impacts on soils;
 - iii.* benefit to local economies in performing the restorative treatments and ensuring that wood by-products are processed locally;
 - iv.* ability of the offer to retain or create jobs and/or provide training opportunities for local residents.

- b.* “Goods for Services” / Offsets: The use of goods for services remains controversial within the diverse group represented in these comments. However, we agree on several suggestions to improve its implementation, which should be incorporated into the guidance.
 - i.* The guidance should clarify that timber is not the only value available for offset, and specifically identify which other goods are available. We strongly recommend that the guidance specify that the extraction of goods is compatible with the restoration or maintenance of healthy ecological functions. For example, forest products such as mushrooms, boughs, floral greens, or gravel might be acceptable, while subsurface resources are not. The kinds of goods acceptable for extraction should be discussed during the pre-NEPA collaborative process.
 - ii.* The lack of public confidence in the Forest Service’s ability to use goods-for-services appropriately should encourage the agencies to collaborate thoroughly with diverse local and external stakeholders to determine the level of support for project proposals. This suggestion is consistent with

the Interim Guidance #3 that requires an open public process to select stewardship projects. The use of goods-for-services in a given project should be raised early in the collaborative process. We strongly encourage the BLM to learn from the experience of the FS pilots in this respect.

iii. We believe the goods-for-services authority, which is the primary funding mechanism for stewardship contracting, is insufficient to meet the extent of restoration work that is needed on America's public lands. Reliance solely on this authority to achieve restoration needs is likely to either a) result in certain restoration needs being unmet across the landscape due to relative insufficiency of funds generated through the goods compared to the amount of restoration needs; or b) encourage over-reaching in the identification of the amount and type of goods to be removed in order to pay for services. Therefore, we believe congress needs to create a funding source for restoration that uses dollars to pay for restoration jobs instead of relying purely on the exchange of goods. We suggest the agencies work with interests such as the signors of this letter on emphasizing the case for restoration funding.

c. Retention of Receipts: We support the clarifications made in the interim guidance # 9 and #17. However, further guidance is needed to fully achieve the financial efficiencies sought through the use of these arrangements. We recommend the following specific direction:

- i. Receipts from projects should be reallocated at the Forest or District level.
- ii. Forest Supervisors and BLM Managers, after non-binding consultation with the public and interested stakeholders, should be directed to determine where, and on what stewardship projects, the receipts could be spent.
- iii. Agency decision makers should strongly consider the non-binding recommendations identified through the collaborative process and/or other existing collaborative groups (such as Resource Advisory Councils).
- iv. Funds generated through implementation of Stewardship projects should not be used for fire suppression or other borrowing schemes.
- v. Recognizing that stewardship contracting includes a steep learning curve and ongoing staff support, we suggest that receipts be allowed to pay for overhead, administrative, or other indirect costs of the stewardship project up to 15% of total project costs.
- vi. Retained receipts should not be used to fund activities on private lands; such work should be supported through the Wyden Amendment. Close collaboration with States and tribes on this issue is encouraged.
- vii. Retained receipts should be allowed to fund local multi-party monitoring efforts.

d. Designation by Description - Public Law 108-7 permits the agency to allow other than agency employees to designate or mark timber, commonly referred to as

“designation by description.” The use of designation by description remains controversial within the diverse signors of this letter. However, we agree that the guidance needs to clarify the agencies intentions on how this mechanism will be used to meet ecological land management objectives consistent with maintaining or restoring ecosystem health and protecting public assets.

4. Achieving Administrative Efficiency

The integrative nature of stewardship projects has resulted in project designs that contain aspects that were traditionally allocated to either a timber sale or a service contract, but are now being combined in one stewardship project. This appears to be a sensitive issue within the agency and among the signors of this letter, and there is not agreement on who should be responsible for the contract. However, despite the nuances inherent in this subject, we agree that cross training and eliminating the timber sale/service contract demarcation, in some way, is necessary.

5. Multi-party Monitoring

We are generally supportive of Interim guidance #12 regarding multi-party monitoring. This direction reflects many of the sentiments of regional and local multi-party monitoring team members. However, more specific information is needed to assist land managers in fulfilling these objectives. Specifically, we recommend that the agencies be instructed to:

- a. Link project collaboration and multi-party monitoring efforts. This will ensure that the up-front collaborative process helps educate, develop, and enhance the multi-party monitoring process, maximizing efficiency of both efforts.
- b. Start the multi-party monitoring process early in the project selection and development process. Conduct pre-project monitoring, in addition to post-project monitoring.
- c. Assign appropriate agency personnel by Forest Service zone or BLM district to coordinate and manage local multi-party monitoring and programmatic monitoring efforts.
- d. Require that each national forest or BLM district conduct project specific multi-party monitoring on at least one project on the forest. The agencies should be allowed to use retained receipts from stewardship projects on their forest or district to help pay for the costs of multi-party monitoring.
- e. Require reporting and tracking information to be kept for each project and submitted annually as part of programmatic multi-party monitoring.
- f. Require that multi-party monitoring plans collect information on the ecological, social, and economic impacts of project implementation.
- g. Hold semi-annual workshops at the sub-regional level about Stewardship Contracting to share lessons and experiences from the field.

Thank you for considering our comments.

Sincerely,

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07/28/2003 05:43 PM
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Subject: Submission on federal register notice of interim guidelines on stewardship end result contracting

To Whom It May Concern:

We appreciate the opportunity to comment on the interim guidance for implementing stewardship end result contracting provisions as authorized by section 323 of P.L. 108-7, the Consolidated Appropriations Resolution, 2003.

Also attached is a survey that accompanies our written comments.

Thank you for your consideration.

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Final comments RT fed reg.doc



final analysis.pdf

Stewardship Survey Analysis

Introduction and Purpose

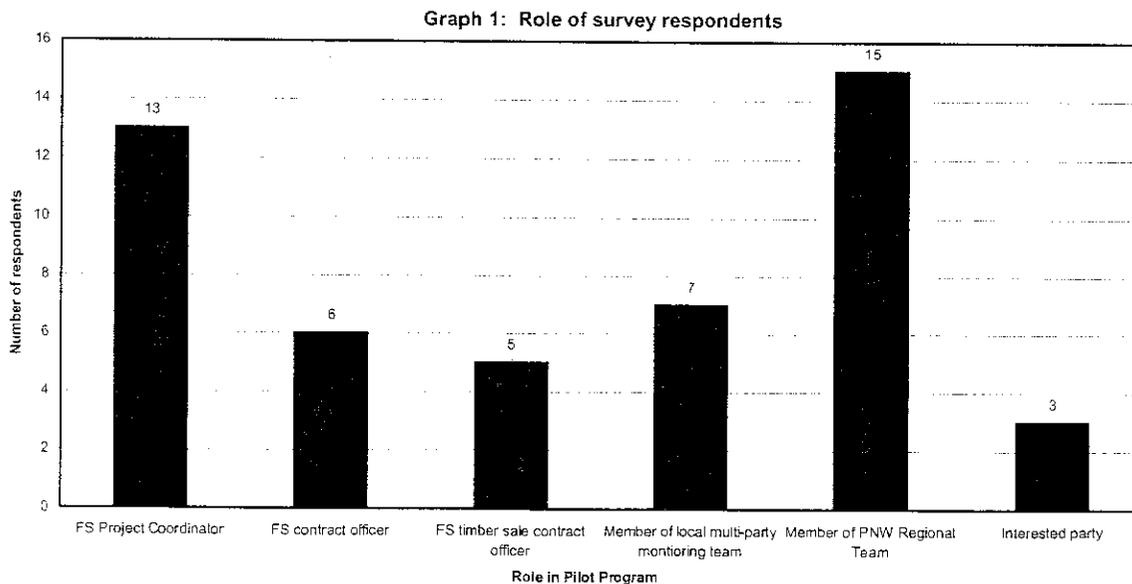
Sustainable Northwest and the Watershed Research and Training Center recently conducted a mailed and telephone survey of selected individuals involved in the National Stewardship Pilot Program in Oregon and Northern California. The purpose of the survey was to gather recommendations and suggestions from the participants about the draft federal policy on stewardship contracting. We intend to use the information gathered in the survey to inform our discussions with the Pacific Northwest Regional Multi-Party Monitoring Team regarding comments on the draft federal policy on stewardship contracting. These discussions will take place during the regional multi-party meeting in Bend, Oregon, on June 12-13, 2003.

We sent written and electronic surveys to approximately 50 individuals. We asked the participants to return the completed written survey and participate in a telephone interview to follow up on key questions. We received 43 completed surveys, most of which included both the written survey and a telephone interview.

Participants were selected to ensure a broad range of perspectives and experiences in the stewardship pilot program. Surveys were sent to the members of the PNW Regional Monitoring Team, and to a Forest Service project coordinator or contract officer for each project. We also sent surveys to a key community cooperator for all the projects where cooperators have been identified.

1. Profile of survey respondents

A total of 43 people participated in this survey. As seen in the graph below, 15 respondents are members of the PNW Regional Team, 13 are Forest Service project coordinators, six are Forest Service contract officers, and five are Forest Service timber sale officers. Three Forest Service employees are also on the PNW Regional Team. Overall, Forest Service personnel comprise a little more than half of the survey respondents. The other half is divided between members of the PNW Regional Monitoring Team and local monitoring team members.



1. Use of Stewardship Authorities

The survey contained several questions aimed at identifying recommendations and suggestions about what, where, and how the stewardship authorities should be used by the agencies.

Perspectives on project types eligible to use the new stewardship authorities

The survey inquired about the types of projects that merited the use of the new authorities. Respondents gave a range of opinions. The majority of respondents listed project types that fell into three categories:

- **Forest and watershed restoration projects, with a focus on fuels reduction.** Some respondents included qualifiers such as:
 - commercial harvest of timber should be included but only as a byproduct of restoration activities;
 - the definition of restoration should be left as flexible as possible; or
 - restoration projects should not use the timber sales mechanism;
- **Projects consistent with the goals described in the legislation; or**
- **All types of projects should be eligible to use these authorities.**

Those that gave this response noted a desire to maintain flexibility and maximize opportunity for innovation.

In addition, but to a lesser degree, many respondents emphasized that the authorities should be used for:

- Any vegetative management treatments;
- Activities that could not be accomplished using traditional authorities; or
- Projects that have a high degree of community support and involvement.

Less pronounced, the following project types were also listed:

- Work in the wildland/urban interface
- Projects that pursue multiple resource objectives
- Projects that bundle activities to meet ecological values
- Removal of non-industrial or non-commercial timber
- Projects that have social and cultural objectives

Several respondents felt that the use of a timber sale to accomplish project goals ran a high risk of “destroying the credibility” of the process; one respondent further specified that *Goods for Services* should not be allowed, while several others expressed a desire to see this mechanism used judiciously.

Projects that should NOT USE the new stewardship authorities

The survey also asked respondents to indicate the type of projects that should be restricted from using the stewardship authorities. The majority of responses fell into three categories:

- Projects not consistent with the goals of forest restoration;
- Projects whose objectives could be accomplished using traditional contracting mechanisms. Several respondents indicated that projects with a *primarily* commercial objective, such as standard timber sales, removal of mature timber, and thinning projects should be ineligible to use the stewardship authorities;
- Project should **not** be restricted in their use of the stewardship authorities. Several respondents clarified that, while across-the-board restrictions should not be applied, agency staff should look at restrictions on a case-by-case basis.

Other restrictions received less mention than those listed above:

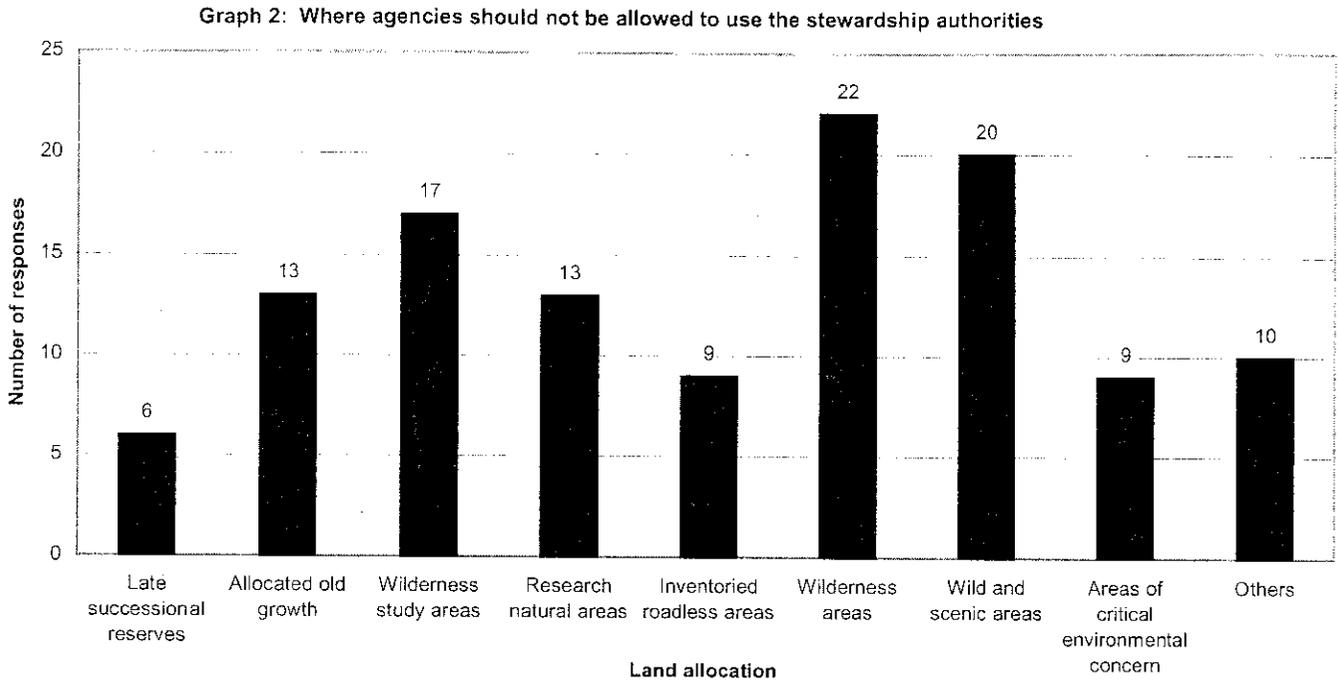
- Some respondents expressed that projects not demonstrating collaboration on a number of levels be ineligible to use the authorities;
- Some felt that projects such as new road, trail and facilities construction projects, non-vegetation projects, such as culverts, recreation, or wildlife studies could be adequately implemented by using a service contract and therefore should be ineligible for use with the stewardship authorities;
- Some respondents stated that projects with no commercial component should be ineligible to use the authorities because those projects can be accomplished under existing mechanisms;

One person felt that no project, regardless of its nature, should be eligible to use the goods-for-services or designation-by-description mechanisms.

Where can the new stewardship authorities be used?

Asked whether there should be restrictions placed on specific land allocations, the majority of the respondents (53%) indicated that some areas should be restricted from using the stewardship authorities. Fewer respondents noted that no areas should be restricted (37%) or that all areas should be restricted (10%).

Specifically, the following graph illustrates the categories selected as land allocations where the new authorities should be prohibited:



Many respondents that favored limiting the use of the authorities to certain areas explained a concern that active management not occur in places such as wilderness areas, wild and scenic river areas, and research areas, as those are not areas designated for commercial purposes.

In terms of Late Successional Reserves and Allocated Old Growth, respondents were mixed in their understanding of whether using the authorities could contribute to enhancement of desired conditions within these stands; they were concerned that allowing the use of these authorities in these designated areas might result in inappropriate commercial timber harvest in areas of high ecological value.

However, several respondents indicated that if a project were selected and designed through a collaborative process, prior to scoping and NEPA, the land allocation would become less important as a way to restrict use of the authorities. These responses emphasized the need for collaboration to ensure that projects had clearly stated ecological objectives and environmentally sensitive prescriptions. Conversely, several respondents indicated that, in the absence of upfront collaboration and/or monitoring, more restrictions should be in place.

There appears to be a clear division in responses regarding this issue of limitations on using stewardship authorities. In general, Forest Service personnel argued for fewer restrictions, both on the types of projects and the land allocations. Among this group, a strong desire was expressed for maintaining the stewardship authorities as a flexible and

creative set of tools. Conversely, those respondents not associated with the Forest Service favored limitations on the use of the authorities to ensure appropriate use.

2. Community Collaboration

The survey inquired about respondents' opinion about the level of public involvement required and the types of activities in which the public should participate.

Local community role in selecting stewardship projects

Many respondents favored a strong role for the public in many aspects of stewardship. The majority of respondents (53%) noted that local communities should play a **strong role** in selecting the projects that use stewardship authorities. Several described "strong" involvement to mean:

- collaboration occurring early in the process, e.g. collaboration in project selection and design;
- collaboration as an opportunity for diverse interests to partake in the process;
- and the clear intention to have collaboration on the back-end of projects through the multi-party monitoring process.

They expressed the need for early collaboration to build ownership and trust in the project, and to maximize the ability of a project to meet community and environmental sustainability objectives. Respondents also highlighted the need to prioritize collaboration around projects that would significantly impact local communities, such as fuel reduction projects in the wildland/urban interface.

In addition, 35% of the respondents favored a **limited role**. Comments from these respondents addressed two concerns: fear of local control, and fear of the process getting hampered by either an uninterested or uninformed public. Regarding local control, respondents noted that communities adjacent to public lands are only one set of stakeholders. Other responses noted that not all communities are interested or have the capacity to collaborate with the agencies and the process would be hindered if the agencies were required to do so.

In addition to indicating the strength of desired public involvement, many respondents provided examples of the types and levels of community involvement that would be appropriate. For example, comments often focused on whether community involvement should occur prior to the NEPA process or after. Many respondents also clarified that local communities should have a role in planning, but not decision-making. Several noted that community involvement should be conducted in addition to the environmental laws and regulations not in place of them. Others spoke to the need to clarify the expectations of community involvement in the process.

One respondent felt that local communities should not have a role in selecting stewardship projects.

Level of Support for Guidance

Approximately two-thirds of the respondents (64%), indicated strong support for the guidance that states that, “*an open, local collaborative process will be used to identify projects, restoration goals, priorities and end-results*”. The rest of the respondents (33%) indicated that they “*somewhat support*” the above policy or “*did not support*” it (3%). No one strongly opposed this aspect of the interim guidance.

Some questions were raised regarding the definition of ‘local’ and how this guidance also applied to non-local stakeholders.

Additional Guidance

More than half (60%) of the respondents who answered this question also remarked that the policy should contain additional guidance regarding collaboration. Some suggestions were:

- Without additional guidance agency staff would have little incentive or clear direction to collaborate;
- Guidance is needed to better understand what collaboration at the local level would involve, and that goals and roles of participants need to be clearly defined; there are many different interpretations of ‘collaboration’;
- Guidance is needed to understand the breadth of interests that should be involved.

Conversely, approximately 40% of the respondents who answered this question noted that additional guidance was not necessary. These respondents explained that current guidance provides enough direction without being too prescriptive. These respondents voiced concern that additional guidance would become too prescriptive and hinder creativity; and they wanted the policy to maintain flexibility to meet different projects objectives and community needs.

Improving Collaboration

The survey asked for suggestions to improve collaboration in stewardship contracting. Respondents voiced resounding interest in ensuring an open and inclusive process that would make it possible for a diversity of interests to participate, including local/regional, community/environment/industry, and other stakeholders. Offering about how to improve collaboration included the following:

- Collection and distribution of examples of successful collaboration to show how the process worked in real communities by the agencies;
- Maximizing the use of existing collaborative structures, like the Resource Advisory Councils for the County Payments process.

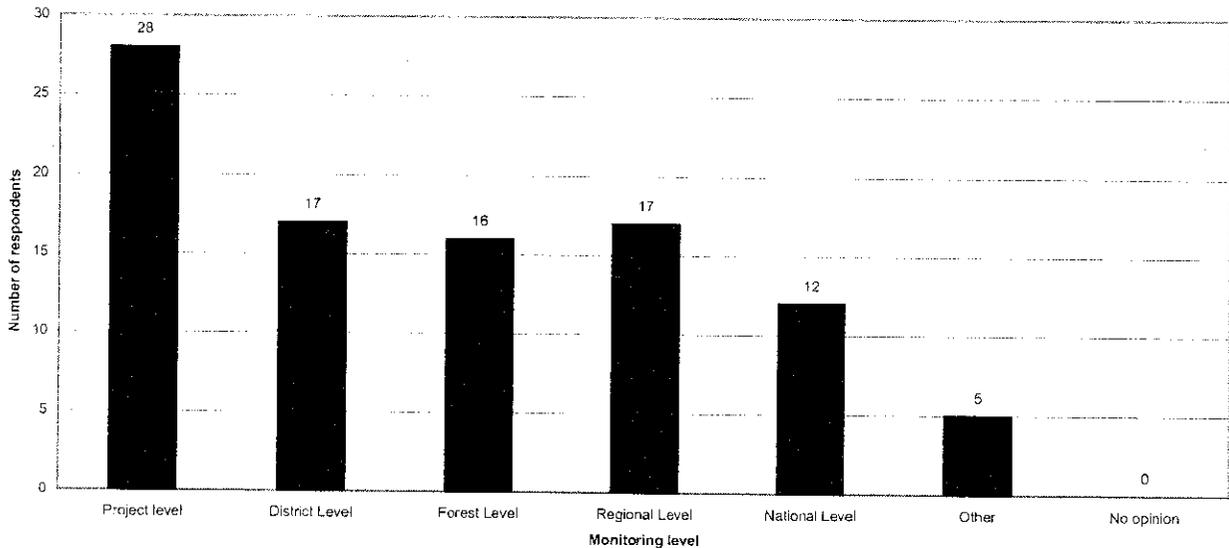
These suggestions were contrasted by concerns from the agency staff about the level of expertise and capacity for “meaningful involvement” from the public. Several comments remarked that not all communities had the capacity to participate in a meaningful way in agency efforts. Some agency personnel expressed concern that the agency would be expected to ‘train’ and ‘educate’ the public while building their internal capacity.

Several respondents identified the lack of incentives within the Forest Service as a barrier to effective collaboration.

3. Multi-Party Monitoring

When asked at what level multi-party monitoring should be required, respondents indicated the following levels:

Graph 3: Where should multi-party monitoring be required?

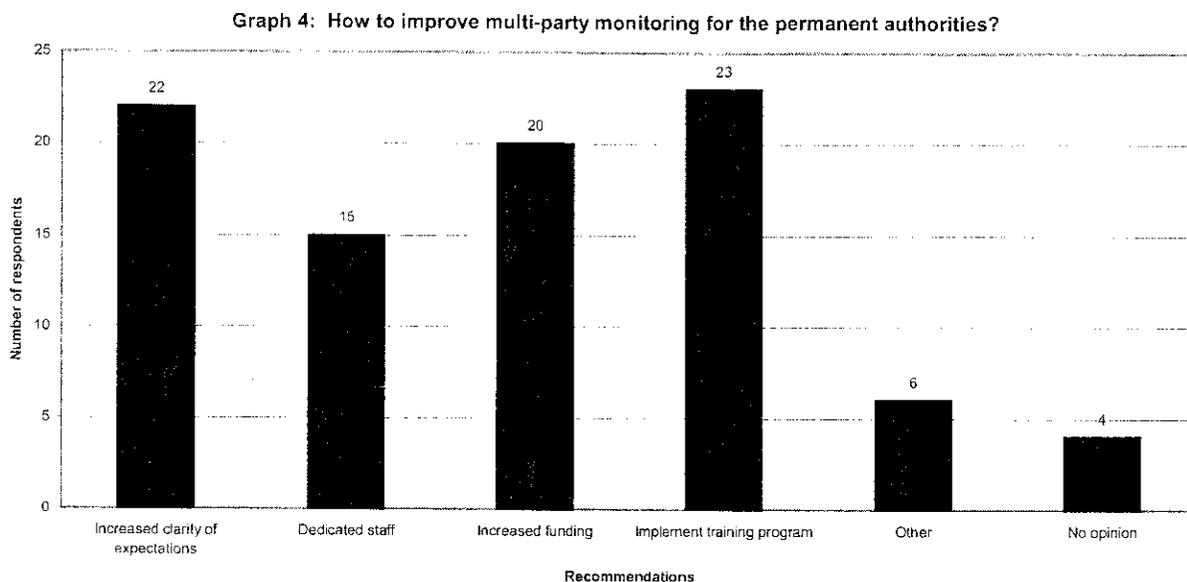


As illustrated above, the majority of the respondents indicated that multi-party monitoring should be required at the project level, with the remainder evenly split between the Regional, Forest, and District levels. Many respondents also remarked that it was important to retain monitoring as close to the ground as possible, noting that project-level monitoring would allow for documentation of experimentation and adaptive management.

The majority of respondents checked multiple responses on the survey form, noting that different levels were required because there are different information needs. Several comments indicated that, at the local level, the most important questions were ecological and socio-economic while at the national level, the most pressing questions were about accountability.

Suggestions to improve multi-party monitoring

The survey asked participants to indicate which, if any, of the activities suggested would improve the monitoring for permanent stewardship contracting. The following graph summarizes their responses.



The responses indicate that there may be several activities that could help improve the multi-party monitoring of stewardship contracting. More specific suggestions included:

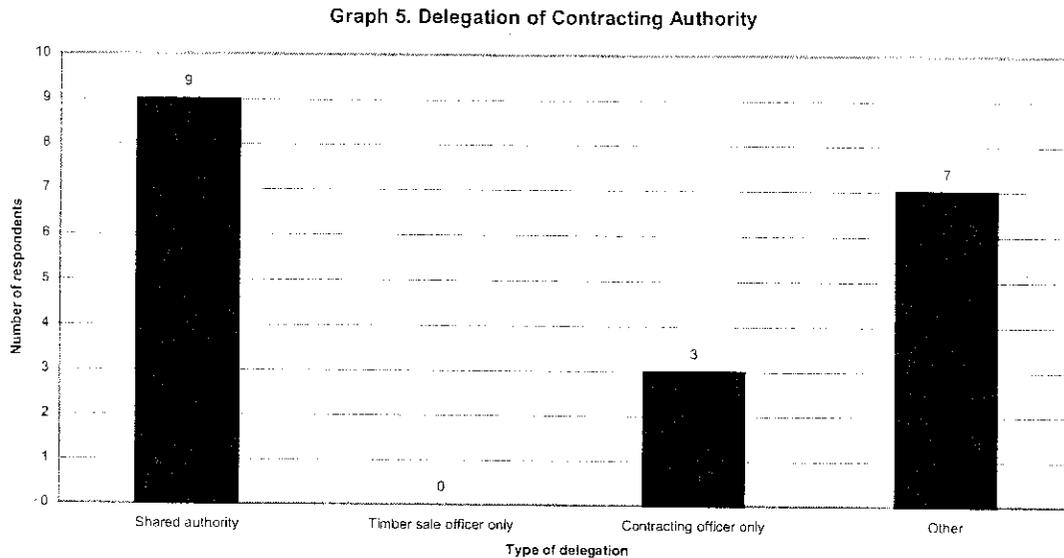
- The monitoring program needed to be meaningful at the local level yet retain some uniformity across projects.
- A training program should be implemented, but should refrain from taking a “cookie cutter approach” and be more oriented to peer-to-peer learning.
- Monitoring should include social, ecological, indigenous and culture-based measures.
- Ensure that monitoring starts early in the process.

Continuing the multi-party monitoring process for the stewardship pilots

Asked the question, *should multi-party monitoring continue until the pilot program ends in 2005*, almost all participants (36 out of 40) responded yes. One respondent indicated no, and three had no opinion. This near-unanimity indicates a strong level of support for the existing monitoring underway with the pilot project program. Some respondents claimed that to eliminate the program at this point would result in a loss of credibility. Others noted that the local monitoring process was an important part of the experiment and should be allowed to continue to fruition.

4. Administration of Contract – Delegation of Contracting Authority

The following graph summarizes respondent views on who should have the authority to sign stewardship contracts.



We received a limited number of comments regarding delegation of contracting authority. This may indicate that this is a more ‘internal agency’ issue. We received several responses from Forest Service contracting and timber sale officers, and comments were highly varied. Some described the delegation of contracting authority as; “one of the biggest challenges facing stewardship contracting,” while others said that the current way of doing business worked fine. These contrasting views may indicate that the question of delegation of contracting affects a small number of respondents in a big way.

5. Use of Specific Mechanism

The survey asked for suggestions and/or recommendations about how to improve implementation of the new authorities. Some respondents offered suggestion, while others gave opinions on how they felt about each mechanism.

a. Best value

In general, responses showed a high level of support and enthusiasm for the use of best value contracting. However, respondents indicated a need to clarify that best value is required for all projects, as well as the need to differentiate between best value and local preference. Several respondents commented that they would be more comfortable with some stewardship authorities (such as goods for services) if they knew that the authorities would be used in combination with best value. Some comments also suggested that the use of local benefit criteria should be used more broadly.

b. Goods for services

Rather than provide suggestions for improving goods for services, respondents focused on whether or not they supported this mechanism; these responses were highly divided.

- The majority of Forest Service employees surveyed indicated support for goods for services. Many commented that they were excited to experiment with goods for services beyond the pilot projects.
- Responses from community members and environmental representatives ranged from cautiously supportive, to moderately concerned, to strongly concerned. The comments illustrated a lack of trust in the Forest Service and concern about the potential for the agency to abuse the authority. Respondents also suggested that the agency only be allowed to use the authority when the removal of trees for commercial purposes was not the main objective of the prescription.

c. Multi-year contracts

The majority of responses indicated qualified support for multi-year contracts. A variety of suggestions were given to improve this mechanism, including:

- Use when a single year contract will not meet desired ecosystem benefits.
- Multi-year contracts should not become so large that they are beyond the capacity of small local firms.
- Contractors doing multi-year contracting should be required to “clean up as they go” and be required to adhere to a clearly stated inspection and delivery schedule to ensure accountability and oversight.
- Focus on small scale and smaller contractors

One respondent voiced concern about the potential for market fluctuations to negatively impact the finances of the project over time. Similarly, another respondent remarked that multi-year commitments would be concern because the agency would have to do market survey and cost evaluations every year, which would diminish any perceived benefits.

d. Designation by description or prescription

The responses regarding designation by description or prescription garnered several suggestions aimed at ensuring accountability and preventing abuse. Respondents suggested, “Requiring clear safeguards to ensure that planned objectives are adequately address, e.g. Antelope.” Others suggested only using the authority on material below a certain diameter and only using it on a small scale. Further comments suggested, “[using] certified Forest Service silviculturist prescriptions when using [designation by description].” Lastly, another respondent offered that monitoring should be required whenever this mechanism was used.

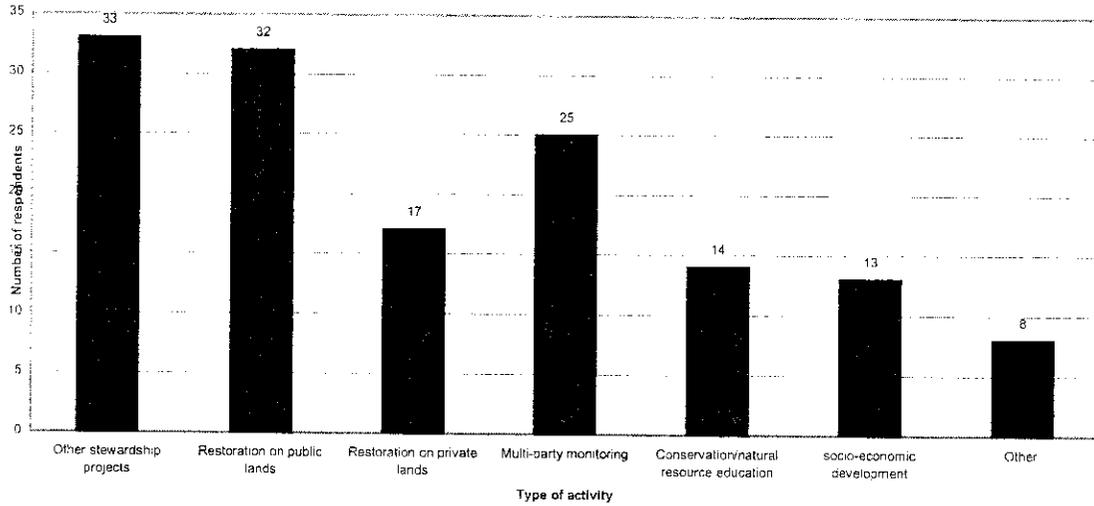
e. Retention of Receipts

The survey also asked several questions about retention of receipts:

- *Type of Activities Allowed*- The graph below shows broad agreement amongst the participants about using retained receipts to fund other stewardship project and forest

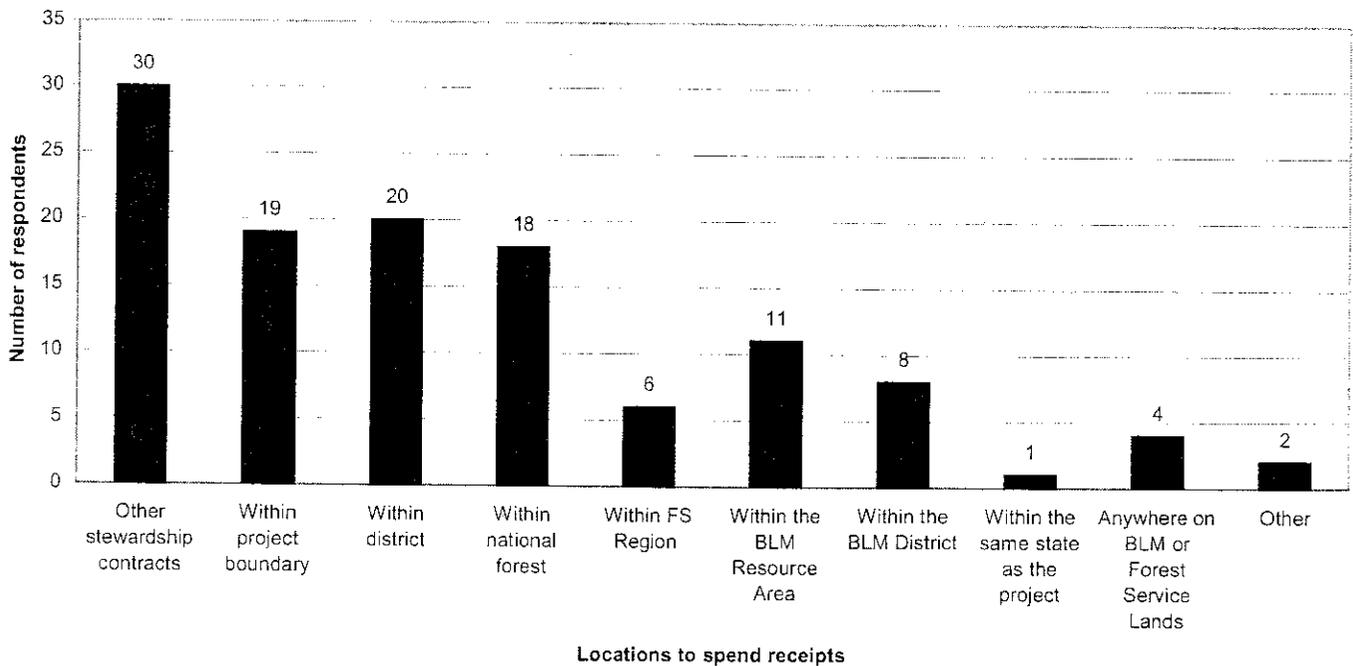
restoration. In general, the responses indicated that funds should be directed as close to the ground as possible.

Graph 6: What types of activities should be allowed to be funded with retained receipts?

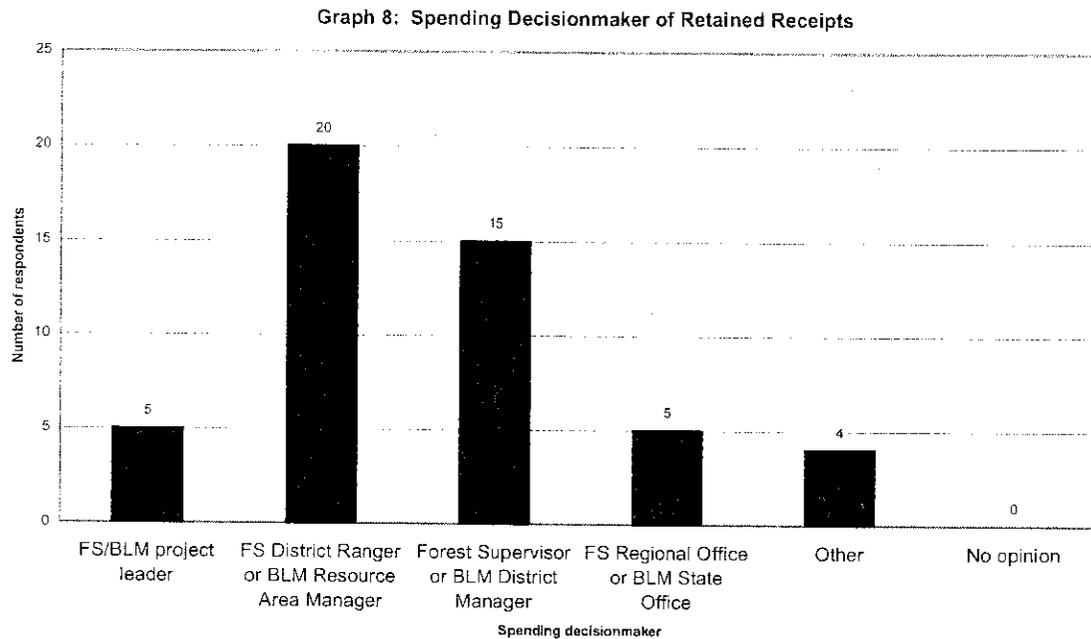


- Where to Spend Retained Receipts* – The graph below shows that respondents indicated that the retained funds should be spent, at a minimum, on the national forest where the project was located. Responses were divided between three levels, on the national forest where the project was located, on the district where the project was located, and within the boundary of the existing stewardship contract. This same sentiment of directing the funds to be spent close to their origin was echoed for the BLM, though with fewer responses.

Graph 7: Where should agencies be allowed to spend the retained receipts?



- *Who Decides Where to Spend* – The graph below shows who respondents felt should be responsible for deciding where and how receipts retained from stewardship projects would be spent. In general, the majority of respondents indicated that the District Ranger or the BLM equivalent should make the decision about spending retained receipts. After the District Ranger, the most popular response was Forest Supervisor or BLM equivalent. These responses show that those who participated in the survey favor local, decentralized decision-making for retained receipts.

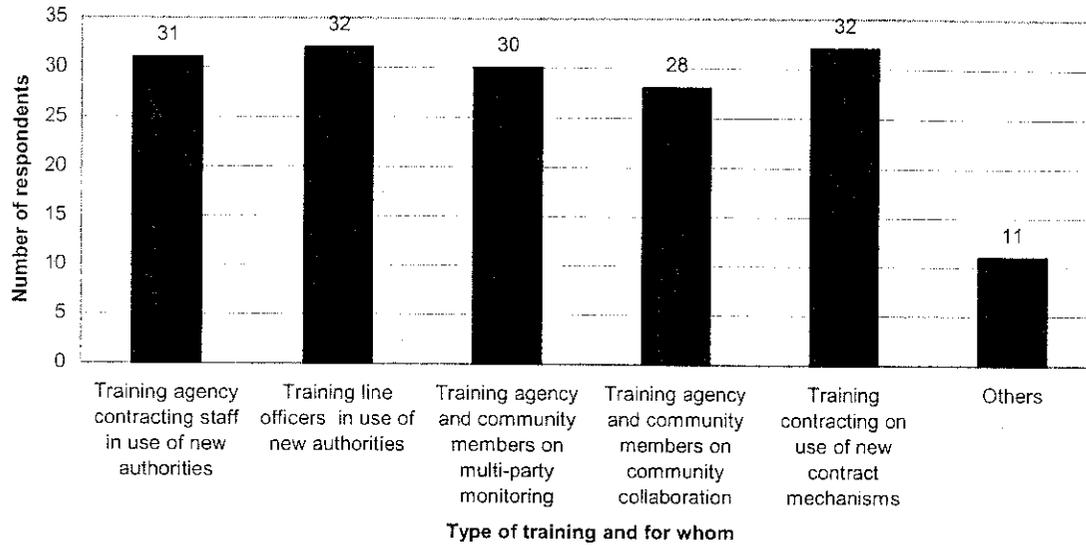


- *Role of Communities in Determining Where Retained Receipts Should Get Spent* - Almost all respondents noted that local community members should provide non-binding recommendations to the agencies about use of retained receipts. This result received equal positive responses from respondents of all types in the survey.

6. Training Needs

The survey requested that respondents select what, if any, training would make stewardship contracting effective. The graph below summarizes the number of responses received per training category. Most respondents indicated that all five training suggestions would help the program be more effective.

Graph 9: What type of training would make the permanent program effective?



Comments also offered some specific training needs to be addressed including:

- Train community members on the use of new authorities
- Train in 'Interest-based Bargaining'
- Train in landscape analysis and potential natural range of variability

Other comments offered suggestions about how the training should be delivered. These included:

- Use peer-to-peer networks
- Training should be 'hands on'
- Develop training modules that can be locally adapted, including contractor training workshops

7. Funding

32 of the 39 responses indicated that funding of stewardship contracting would be a barrier to implementing the new policy. The comments showed general agreement that collaboration, multi-party monitoring and other aspects associated with stewardship contracting would incur certain additional upfront costs needed to be recognized and accounted for. When asked how this barrier might be overcome, a majority of respondents identified as a way to offset costs. Of these, some respondents predicted that retention of receipts could not be expected to generate the total amount of funding needed. Other suggestions included:

- Fund through partnerships
- Should be part of project costs; budget in project identification and selection
- Grants
- Federal appropriations

Seven respondents indicated that funding would not be a barrier to implementation. Of these, several felt that stewardship contracting, particularly collaboration and multi-party monitoring, should be voluntary, and therefore participants should fund their own involvement. Others indicated that retention of receipts would pay for these costs.



THE WILDERNESS SOCIETY

July 28, 2003

USDA Forest Service
Forest and Rangelands Staff
Mail Stop 1105
1400 Independence Avenue, SW
Washington, DC 20024

Re: Federal Register Notice on Interim Guidelines for Stewardship Contracting

To Whom It May Concern:

Please accept these comments on behalf of The Wilderness Society in response to the Federal Register notice dated June 27, 2003 detailing interim guidelines for Stewardship End Result Contracting, as authorized by section 323 of P.L. 108-7. The Wilderness Society is a 68-year-old national wilderness advocacy group with over 185,000 members nationally.

We appreciate this opportunity to provide feedback on the interim guidelines. In the case of Stewardship Contracting, designed specifically to be collaborative and transparent, it is especially fitting for the public and interested parties to have strong and meaningful input into the implementation process. We have been following the development of Stewardship Contracting closely since its inception in 1999.

Background and Context

The Forest Service's current timber program funds the planning and implementation of timber sales primarily for commodity and forest stewardship purposes. However, it does not sufficiently accommodate the need for thinning dense stands of small-diameter trees, much less the restoration of damaged streams or wildlife habitat. New contract mechanisms are needed that could help improve the forest while developing a forest-sustaining economy in local communities. New funding mechanisms might better encourage the myriad beneficiaries of public land resources to invest in the national forests. Throughout the 1990s, The Wilderness Society, other conservation organizations, and the public actively pushed for new contracting authorities to facilitate this vision of land stewardship.

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In response, Congress passed in 1999 a law authorizing the experimental use of several new contracting authorities in a series of "Stewardship Contract Pilot Projects." New pilot projects have been added subsequently, and in 2003, Congress enacted a sweeping, 10-year Stewardship Contracting authority for both Forest Service and BLM. The potential for stewardship contracts to be a force for positive change means that this may be the most significant reform in national forest policy since the now-repudiated post-WWII "tree farm" era. But outcomes are anything but certain. Lacking conscientious and principled application, stewardship contracting may result in estranged communities, further degradation of public forests, and insult to future generations.

Main Comments

The Wilderness Society wishes to see the historic opportunity represented by Stewardship Contracting result in revitalized public lands, not subsidized commercial interests. Forest-related communities throughout America desperately need the full range of benefits of healthy forests -- clean water, abundant fish and wildlife, sweeping natural landscapes, recreation, and diversified economies. **Stewardship Contracting must not be seen as a tool for achieving what would otherwise be below-cost timber sales.** Instead, as stated in the 1999 Act, the mechanism should be used exclusively for the attainment of restoration objectives and "land management goals" (P.L. 105-277 Section 347(a) as amended by P.L. 108-07). Before rushing to use Stewardship Contracting funding on projects across the nation, we should assess the degree to which existing projects are meeting restoration goals.

The interim guidelines offer some helpful insights into the ways in which Stewardship Contracting is evolving. Our primary concern is that too much emphasis is placed on vegetation modification and fuels reduction instead of ecological restoration. It would be a tragic missed opportunity for Stewardship Contracting to become a means for doing inappropriate vegetation treatments in the name of fuels reduction. Traditional contracting authorities and programs exist which can facilitate fuels reduction and commercial timber sales; Stewardship Contracting is unique precisely because it creates a means for the public to be integrated into landscape management with the sole intent of improving ecological health.

Over the past several years, members of the conservation community, including The Wilderness Society, have worked to produce recommendations to guide restoration projects. Earlier this year, these "restoration principles" were published in a special issue of the journal *Ecological Restoration* focused on forest restoration. We support projects developed consistent with these principles, and we encourage you to include in the Guidance direction to adhere to them in the development of projects involving stewardship contracts. We have attached a copy of the article, entitled "A Citizens' Call for Ecological Forest Restoration: Forest Restoration Principles and Criteria," to which you may refer as you refine the Guidance.

Much of the language in the guidelines is overly vague. Agencies and potential contractors can only benefit from having much more clear direction, and local land

managers will find the administration of individual projects to be less problematic if they have a better understanding of the intent of Stewardship Contracting. In several cases during the pilot program, no contractors came forward to bid on forest work. Research suggests that the primary reason for this was that they simply didn't understand the terms of the new authority and were unclear how to get involved. Improved clarity and specificity will serve all interested parties well.

In our comments below, rather than speak to each enumerated guideline as published in the federal register, we group our comments into broad categories, based upon the key features that differentiate Stewardship Contracting from more traditional contracting authorities. Each section contains an overview of the issue(s) with particular attention to the interim guidelines, and concludes with The Wilderness Society's recommendations for improving both the interim guidelines and the implementation of Stewardship Contracting as a whole.

Briefly, The Wilderness Society recommends that the Guidance:

1. Ensure that all stewardship contracts are awarded on a best-value basis, where "best value" incorporates the bidder's commitment to forest restoration and community capacity building.
2. Proscribe the use of the goods-for-services authority until more is learned regarding the costs and revenues associated with restoration work.
3. Decline to use the receipt retention authority. Deposit all receipts in excess of project costs in the Treasury.
4. Include direction that "local and community rural needs" includes community capacity to engage in stewardship contracts. Provide training for potential contractors and agency staff to enhance capacity and ensure consistent understanding of stewardship contracting.
5. Include a monitoring requirement for all projects and direction that monitoring costs be included in project budgets.

Best-Value Contracting

We support the intent, embodied in the Act, to award contracts on the basis of best value. Forest and resource values deserve to be considered beyond their market price, and Stewardship Contracting is an exceptional opportunity to create a trained local workforce with specialized restoration skills. The language in the 2003 Act requires that all stewardship contracts "**shall** be selected on a best-value basis," (Section 347 (c)(1)). The best value language in the interim guidelines, however, renders the use of such contracting voluntary: "In awarding a stewardship contract on a best value basis, the agencies **may**, in addition to cost or price, consider such criteria as the contractor's past performance, work quality, existing public or private agreements or contracts, on-time

delivery, and experience. The agencies **may** consider the benefits to local and rural community needs when considering award of a stewardship contract on a best value basis. The agencies **may** use non-traditional contractors or recipients, such as counties or not-for-profit or non-governmental organizations, if consistent with relevant authorities,” (emphasis added) (68 Fed Reg 38286). We are concerned that these guidelines are not sufficiently binding to guarantee genuine consideration of alternative contracting criteria. Why was the language weakened?

Furthermore, other components of the interim guidelines seem to actually dissuade land managers from seeking to apply a broader understanding of “value” than market costs. Other components of “value” include non-market costs and the needs of local contractors. For example, guideline #10 requires that contractors “will provide such bonds as may be required” (68 Fed Reg 38287). We are concerned that potential local and non-profit contractors are unlikely to be able to afford this, and thus the contracting mechanism will favor larger, industrial bidders. Such an outcome would violate the intent that Stewardship Contracting benefit local and rural interests.

The interim guidelines loosen the “best value” requirement here even further, by tightening the use of “less than full and open competition.” The Regional Forester for the Forest Service or the State Director for the BLM must now approve use of this authority. While we generally support this kind of increased oversight, we are concerned that as the agencies are less free to experiment with different forms of contracting, market forces will tend to support larger industrial contractors, thereby undercutting one of the fundamental purposes of Stewardship Contracting.

Recommendations:

1. The language in the interim guidelines should be made stronger, replacing the word “may” at 68 Fed Reg 38286 with tighter direction for applying the “best value” standard.
2. Agencies should be given specific guidelines to assist them in ascertaining the “best value” from a number of bidders. Criteria for consideration should rest on the most important ideals of Stewardship Contracting, including:
 - a) The bidders’ understanding of the technical demands and complexity of the work to be done.
 - b) Ability of the bidder to meet desired ecological objectives of the project and the sensitivity of the resources being treated.
 - c) The bidder's commitment to hiring or training workers from the local area and the potential for benefit to local small and micro-enterprises involved in the processing of by-products derived from the project.
 - d) The past performance by the bidder with the type of work being done, including past experience with Stewardship Contracting and/or restoration work in particular.
 - e) The ability of the bidder to meet desired ecological conditions through the use of low-impact equipment,

- f) The commitment and feasibility of the contractor to training workers for high wage and high skill jobs that are long in duration.
- g) The commitment of the bidder to hiring highly qualified workers and local residents.

3. Contracting provisions in the interim guidelines should be revisited to ensure that they don't reduce managers' ability to use "best value" contracting to its fullest potential. If the intent of the guidelines can be misconstrued, then the language should be tightened to prevent misunderstanding.

Goods for Services

The goods-for-services provision has been one of the most controversial components of Stewardship Contracting since its inception. Certainly the scarcity of reliable appropriated funding for carrying out forest health projects is a matter of concern at the agency level, and the search for alternative funding mechanisms is commendable. Proponents of goods-for-services suggest that allowing contractors to offset the cost of their services with the value of forest products they remove will both improve efficiency and allow for a sustainable self-funding management program. However, many now agree that initial trials have not been as successful as hoped. The Congressional Research Service reports that the goods-for-services process has been "extremely cumbersome"¹.

Primary among the concerns about goods-for-services contracting is that the mechanism creates an incentive for cutting the most economically and ecologically valuable trees as an offset for conducting restoration work. Oversight is minimal. There is no public oversight mechanism for tracking the generation of revenue from forest products, as accounts from goods and services are tracked separately. The CRS notes that "in bypassing the annual appropriations process, goods-for-services contracting is likely to receive less congressional oversight and control."² We do understand that the mechanism allows for greater flexibility and creativity in designing projects, but it has such potential for abuse that we cannot support the mixing of costs and revenues on one contract bid. Already, we have seen a number of bidders "lose their shirts" trying to balance revenues from product removal with the costs of executing services. In addition, the Forest Service has an exceptionally poor track record with the General Accounting Office for accounting for timber sale costs and revenues. Mixing service costs with timber sale revenues in one contract promises to create an accounting nightmare, unaccountable to taxpayers and putting at risk the small local bidders/operators who are supposed to benefit from Stewardship Contracting.

We strongly urge that, for the foreseeable future, the agencies refrain from implementing the "goods for services" authority under the Stewardship Contracting program. Instead, we recommend that the sale of goods be accomplished separately from the contract for services. Such a separation will allow the agencies to determine accurately the cost of

¹ Gorte, Ross. 2001. CRS Report for Congress: Stewardship Contracting for the National Forests Congressional Research Service: 4.

² Ibid, 5.

restoration services and the value of the products removed. Stewardship contracts should be limited to the services necessary to conduct restoration, and products removed should be sold separately in a fair and open bidding process. Perhaps over time, as more is learned about the costs and revenues associated with restoration work, these costs and revenues can be combined into one contract, but for now, contracts involving the exchange of goods for services look like a bad idea. The Forest Service and BLM can ill afford another accounting scandal resulting in accusations of defrauding the American taxpayer.³

Recommendations:

1. Proscribe use of goods-for-services authority until costs and revenues associated with restoration work are better understood.
2. Initiate intensive monitoring and review of restoration costs and revenues from pilot projects and new, separated contracts.

Receipt Retention

The interim guidelines are an improvement over the 1999 Act, in that they further restrict and clarify the use of receipts. Guidelines #9 and #17 are especially helpful in that regard. However, we remain concerned about the scheme. First, if misused, receipt retention can function as an incentive to remove valuable material from the forest regardless of its relevance to restoration objectives, as the larger trees are more valuable and thus would provide more receipts. For this reason, we strongly disfavor receipt retention as policy.

Second, the interim guidelines suggest an expectation that the revenues of the projects will exceed the costs. This expectation is unsubstantiated by the financial performance of FS forest stewardship sales, which have consistently lost money since data were first reported in FY 1993. These timber sales are, "primarily to help achieve desired ecological conditions and/or to attain some non-timber resource objective that requires manipulating the existing vegetation -- e.g., improving forest health or reducing forest fuels" (FS 2001) In 1998, the last year the FS released financial data, 1.411 MMBF was cut for forest stewardship and costs exceed receipts by \$111 million dollars, or \$78 per MBF.⁴ Financial losses were incurred by national forests in every region, with the vast majority of all forests losing money on stewardship sales.

With history as a guide, projects should not be designed with the anticipation that they will make money. Restoration work requires investment -- and that investment needs to be in more than on-the-ground work. Appropriated funds will be required to pay

³ For example, see GAO reports: GAO-03-538 Forest Service: Year-end Financial Reporting Significantly Improved, but Certain Underlying Problems Remain 01-MAY-03; GAO-03-503 Forest Service: Little Progress on Performance Accountability Likely Unless Management Addresses Key Challenges 01-MAY-03; GAO-03-871T Department of Agriculture: Status of Efforts to Address Major Financial Management Challenges 10-JUN-03.

⁴ USDA Forest Service, Forest Management Annual Report: Fiscal Year 1998. February 2001.

program costs such as administrative costs, the completion of environmental studies or other planning and analysis, and monitoring. Because of the costs associated with these important functions, we remain concerned about the overall financial viability of the program, and we encourage ongoing review to improve its chances for success. In the rare event that projects operate "in the black," receipts in excess of the cost of the project should be deposited in the Treasury.

Finally, though we believe strongly that excess receipts should be returned to the people, we wish to see planning, assessment, and monitoring costs included in the project costs. "Excess receipts" should be calculated as the net revenues *after* all of these costs have been factored into the cost of a project. A mechanism is needed to ensure that all of the project components and costs are included in the Stewardship Contracts.

Recommendations:

1. Decline to use the receipt retention authority. Deposit receipts in excess of the project costs in the Treasury.
2. Include All project costs, including assessment, planning administration, and monitoring in the calculation of project costs.

Collaboration & Community Needs

Linking forest restoration with rural and community development is one of the most promising and unique dimensions of the Stewardship Contracting program. To achieve these twin goals, a strong investment must be made in training. Internally, agency staff should undergo training specific to Stewardship Contracting so they better understand its objectives and implementation strategies. Externally, agencies should offer training to local contractors in order to foster the creation of a strong and qualified local workforce. Interim guideline #11 proposes a two-phased training approach, and we support the inclusion of this critical component. If external funding only takes place "subject to available funding", however, then training goals will not be met. We urge the agencies to include external training in its project budget during the planning phase. Only when the agency takes on full responsibility for training its contractors can it maintain legitimate accountability for the quality of work being conducted on its lands. The creation of a forest-sustaining workforce comprised of local residents will strengthen the ability of Stewardship Contracting to meet community economic needs.

"Local and rural community needs" language appears in the interim guidelines on several occasions. We strongly support the concept as it relates to "best value", but we are puzzled about the specific meaning of the term as used by the Forest Service. Are these local *employment* needs? Rural economic growth needs? How will the land managers measure, quantify, and contribute to these "needs"? Again, more specificity and direction will help to ensure that these goals can be met on the ground. Intended workforce benefits and bolstering of local economies should be emphasized and supported. Training opportunities and standards should be integrated into the guidelines,

and the language should be strengthened to reflect these priorities. As currently written, the interim guidelines do not do not offer direction as to how agencies should go about linking land management goals with local and community economic needs.

Recommendations:

1. Require the inclusion of comprehensive internal and external training programs in project planning budgets. Prioritize funding for training.
2. Tighten agency accountability for training by tying performance measures to the work done by individuals on the land. Create careful criteria for measurement of performance success.
3. Provide a clear and operational definition of "local and community rural needs" to aid agencies in achieving those objectives. The definition should include measurable criteria so that agencies are empowered to determine their success in this area and monitoring systems can best capture the intent.

Multiparty Monitoring

The inclusion of multiparty monitoring is one of the most critical components of the Stewardship Contracting vision. We strongly support this idea, especially as it relates to community and rural development needs and capacity building. Concerns over monitoring provisions mirror our concern over other pieces of the program: vague language and unfunded mandates threaten to undercut the best intentions.

Careful and thorough monitoring at all stages of project implementation is absolutely key to the success of Stewardship Contracting. Thus far, monitoring by the Pinchot Institute has been instrumental in the development of better guidelines for program management. However, significant monitoring gaps exist. Multi-party monitoring has been applied with great variation by different forests, with differing degrees of success; clarifying and tightening the monitoring requirement will improve data collection and therefore enhance adaptive management capacity.

The Federal Register notice explains that "The Forest Service will apply lessons learned from the Stewardship Pilot Program when developing and implementing stewardship projects under the expanded authority." According to the Pinchot Institute, as of the close of FY2002, 84 projects were approved by Congress. Of those, only 49 had completed NEPA, 37 had established local monitoring teams, 32 had offered contracts, and only 26 had awarded contracts⁵. Only 5 have seen the contracts completed. Notably, 37 projects crafted under the Stewardship Contracting umbrella were so controversial that they were appealed and/or litigated. Without comprehensive and meaningful short and long term monitoring data from these pilot projects on the effectiveness of the project to accomplish

⁵ Pinchot Institute for Conservation, Implementation of Multi-party Monitoring and Evaluation: The USDA Forest Service Stewardship Contracting Pilot Projects: FY2002 March 2003.

stated goals and objectives, authorizing Stewardship Contracting as a permanent authority is, at best, premature.

“Applying lessons learned” means taking the time to study outcomes and learn from early mistakes in subsequent management protocols. The Wilderness Society strongly supports science-based land management and we urge the land management agencies to apply the best available science to Stewardship Contracting. Careful data collection, both pre- and post-project, will empower the agency to conduct not only implementation monitoring but *effectiveness* monitoring as well. Only when projects are assessed for their overall effectiveness in accomplishing restoration goals, and successes and failures are integrated into an adaptive management approach, will public trust be enhanced and conditions created which are conducive to achieving much needed ecological restoration.

The 1999 Act required that “the FS shall establish a multiparty monitoring and evaluation process that accesses each individual stewardship contract.” This requirement was watered down in the interim guidelines implementing the 2003 Act, requiring only that Stewardship Contracting be monitored at the programmatic level with project monitoring conducted “subject to available funding.” We believe strongly that monitoring at the project level is critical to the adaptive management process and the eventual success of the Stewardship Contracting program. Consequently, agencies should be required to conduct project-level monitoring on all projects. As discussed above in the Receipt Retention section, project budgets should reflect this need.

Additionally, criteria for monitoring need to be made much clearer. The interim guidelines do offer more direction than the 1999 Act did, including a mention of sampling structure and attention to the three primary areas for monitoring: project status, accomplishments, and role of local communities. However, the monitoring process employed thus far in the Stewardship Contracting Pilot Program falls short. Vegetation management and fuels reduction are usually quite different from ecological restoration, and tracking outcomes means measuring different variables. Monitoring process and contracting authority effectiveness does not answer the overriding question: has treatment X contributed to improved forest health? Has forest restoration occurred? In addition, without baseline data collected during the pre-project phase, post-project monitoring will be limited in its scope. Therefore, it is critical that forests begin the monitoring process very early in their planning, giving themselves adequate time to identify members of the monitoring team, assemble and organize the group, and establish pre-project needs.

Finally, rigorous record-keeping protocols need to be established so that lessons learned from individual projects outlast individual staffers. Agencies need guidance on the kind of data they should collect, thereby improving the comparability of monitoring results from one forest to another.

The call for more structure in the monitoring program does not mean that guidelines need to be overly complex. Multi-party monitoring places high importance on the accessibility of the process to the public, and therefore guidelines should be kept as simple as possible. The absence of a formalized monitoring process makes transparency and the provision of

public collaboration opportunities even more critical. Not only will such processes strengthen trust between agencies and the public, they will also improve results. The Pinchot Institute reports that “without fail, projects that have developed through some form of partnership have enjoyed the greatest success.”⁶

Recommendations:

1. Require each forest to conduct multi-party monitoring on each project. Provide guidance on the timing, types, and method of data collection. Place particular emphasis on pre-project monitoring with post-project follow-up.
2. Maintain transparency in the monitoring process for public oversight.
3. Incorporate multi-party monitoring costs in project budgets.

The Wilderness Society appreciates the opportunity to comment on the Guidelines. If you have need for clarification of any issues raised in this letter, please contact Lisa Dale, Ph.D., Natural Resource Fellow, at (303) 650-5818 x 107, or Gregory H. Aplet, Ph.D, Forest Ecologist, at (303) 650-5818 x104.

⁶ Ibid, p5.



Greg Aplet
<greg_aplet@tw.s.or
g>

07/28/2003 07:05 PM

To: stewardship@fs.fed.us
cc:
Subject: TWS comments on Interim Guidance

To Whom It May Concern,

Please see attached files for our comments on the Interim Guidance. I tried to paste it into the body of my e-mail, but the formatting in the file prevented my e-mail software from accepting it.

Per your request, no duplicate copies are being sent. If, by chance, you cannot access these files, please alert me, and I will send hard copies.

Thank you,

Greg Aplet



TWS Comments on Interim Guidelines.doc



eco_restoration.pdf

Gregory H. Aplet, Ph.D.

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A Citizen's Call for Ecological Forest Restoration: Forest Restoration Principles and Criteria

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Decision makers, scientists, and the interested public now recognize that there is an urgent need to restore forest ecosystems after decades of intensive logging, fire suppression, road building, live-stock grazing, mining, and invasions by exotic species (see Noss and Cooperrider 1994, Ricketts and others 1999, Pimental and others 2000 for reviews). Such damaging activities have compacted soils, channelized streams, fragmented forests, suppressed natural fire, assisted the spread of some invasive species, and caused the loss of native species and their habitat (Noss and Cooperrider 1994, Heilman and others 2002).

Years of efforts by scientists, forest practitioners, environmentalists, restoration workers, and others have helped develop restoration methods and techniques. The result has been both good and bad restoration projects—models of what to do and what not to do when restoring forests. Today, job programs are being developed around the country to create a work force focused on restoring ecosystems rather than on resource extraction. Local governments and citizens are working together to restore watersheds that provide drinking water for their communities (for example, Ashland

Watershed Alliance in southwest Oregon). Restoration programs and ideas continue to be developed to help us understand how to restore forests holistically.

At the same time, there are serious questions as to whether some proposed "restoration" activities are really beneficial to the landscape. Due to recent pressure from decision-makers to address forest fires in the West, federal agencies are developing plans to implement environmentally questionable "restoration" projects on a national scale (see DellaSala and Frost 2001 for limitations; also see White House Healthy Forest Legislative Initiative; www.nifc.gov). The National Fire Plan has funded fuel reduction projects (many of them commercial timber sales) in endangered species habitat, roadless areas, old-growth forests, and areas where there is no scientific evidence that forests are at risk from catastrophic fires (DellaSala and Frost 2001). An increase in use by the Forest Service of the commercial timber sale program to "restore" federal lands poses risks that logging will adversely affect fish and wildlife habitat and ecologically sensitive landscapes.

The Citizens' Call for Ecological Forest Restoration is proposed as a national

policy framework to guide sound ecological restoration policy and projects. Through these restoration principles, we seek to articulate a collective vision of ecologically appropriate, scientifically supported forest restoration. Scientifically credible principles and criteria provide a yardstick with which to evaluate proposed forest restoration policies and projects that can be used both on the ground and in policy debates. While this paper was developed to respond to restoration policy and projects on federal lands, the principles and criteria are relevant to other land ownerships as well. By including social criteria, the restoration principles also help to bridge the gap between what is good for the forest and what is good for communities and workers. Moreover, by integrating science with community participation in restoration, the principles are consistent with the expanded approach to ecological restoration as defined by Eric Higgs (1997).

The forest restoration principles and criteria were developed by a diverse group of forest activists and forest ecologists from around the United States with input from representatives of forest practitioners and community-based forestry groups. These people first met in 2001 at a Forest Activist Restoration Summit in Boulder, Colorado and in a subsequent restoration workshop near Spokane, Washington in 2002. This diverse group came together because they recognized that to develop and implement a sound restoration agenda, the conservation community must learn from and work with both scientists and practitioners. At the Boulder meeting, forest ecologists established the scientific basis for the discussion that generated these principles. Forest practitioner, labor, and community-based forestry advocates then added their traditional, experiential and methodological knowledge, and provided focus on the socioeconomic and hands-on aspects of restoration that were further refined and presented in the subsequent workshop.

The restoration principles covered here are predicated on the assumption that successful ecosystem restoration must address ecological, economic, and social needs, including community development and the well-being of the restoration work

force (that is, in the spirit of an expanded approach to ecological restoration; see Higgs 1997). While emphasizing that the primary goal of restoration is to enhance ecological integrity by restoring natural processes and resiliency, this approach proposes three core and interrelated principles to set the stage for what constitutes good ecological restoration: 1) ecological forest restoration; 2) ecological economics, and 3) communities and work force (Figure 1).

In order to implement ecologically sound restoration, all three core principles must be working together. Restoration principles and criteria provide a transparent and verifiable (on the ground) approach to guide and evaluate the efficacy of restoration projects, programs, and policies with respect to the core principles. The restoration principles can be used to guide the process of restoring ecological integrity through the use of restoration assessments that are conducted at multiple spatial scales. The principles outline specific restoration methodologies and criteria for adaptive management through monitoring and evaluation of restoration projects.

The principles also address the importance of an economic and institutional framework that accounts for non-market ecological services (Rasker 1994, Power 1996a, 1996b), such as clean air and water,

and that encourages the long-term viability of communities by operating within the capacity and resiliency of forest ecosystems, fostering a culture of environmental sustainability, and meeting human needs. This includes the development of a highly skilled and well-paid work force to perform high-quality restoration work that proactively engages people through socially just and economically viable training and employment systems.

Core Forest Restoration Principles

Sound forest restoration requires an integrated, multi-disciplinary approach rooted in conservation biology and ecosystem restoration that includes preserving and protecting intact landscapes (particularly those that serve as reference or baseline conditions); allowing the land to heal itself; and, where necessary, helping it to do so through active restoration. Through thoughtful strategies employed over time, we can reestablish sustainable human connections to the land, creating high-quality restoration jobs and encouraging conservation-based economies.

The restoration principles approach to restoring ecological integrity is the basis for three core principles, several working principles, and numerous criteria that are provided in a checklist format for

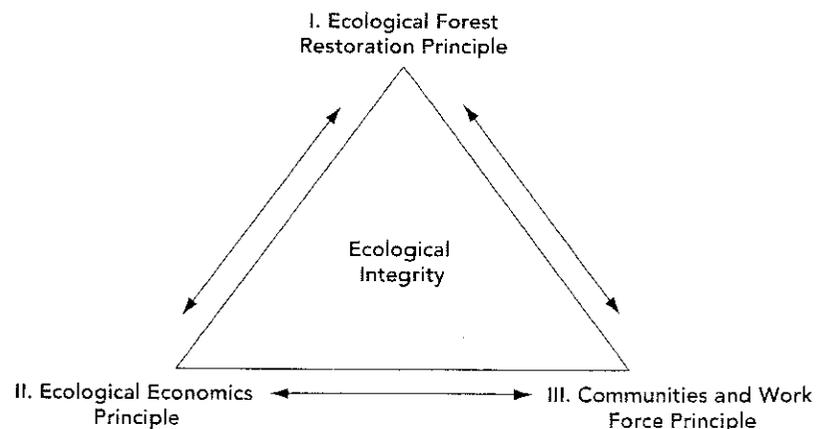


Figure 1. General relationship between core restoration principles and ecosystem integrity. Courtesy of the authors



Charlotte Fox, formerly with the Government Accountability Project in Washington, D.C., stands between two large diameter trees marked for removal in the Umpqua National Forest near Roseburg in southwestern Oregon. The trees are marked as part of proposed commercial timber sale that local National Forest and Bureau of Land Management staff claim will reduce hazardous fuels and tree overcrowding due to fire suppression. In reality, such trees are marked for cutting to pay the costs of fuel-reduction activities. Photo by F. Eatherington, Umpqua Watersheds

use by practitioners (Appendix 1). The checklist can be taken into the field to evaluate the efficacy of restoration projects in meeting the goal of restoring ecological integrity. It is also useful for helping to inform policymakers regarding what constitutes ecologically and socially appropriate restoration.

Ecological Forest Restoration Core Principle

Enhance ecological integrity by restoring natural processes and resiliency

Effective forest restoration should have as its primary objective the reestablishment of fully functioning ecosystems. Ecological integrity can be thought of as the "ability of an ecosystem to support and maintain a balanced, adaptive community of organisms having a species composition, diversity, and functional organization comparable to that of natural

habitats within a region" (Karr and Dudley 1981, Karr 2000). A restoration approach based on ecological integrity incorporates the advantages of historical models while recognizing that ecosystems are dynamic and change over time. This is fundamental to the development of restoration approaches and is the core principle central to all related principles and criteria.

Ecological Economics Core Principle

Develop and employ the use of economic incentives that protect or restore ecological integrity

Intact forest ecosystems provide the natural capital, including clean air and water, upon which all life and all human economies ultimately depend. Restoration of healthy ecosystems is an investment in regaining the natural capital that

has been diminished by decades of forest degradation. An economic and institutional framework that fully accounts for these non-market ecological services should be created in order to recognize the value of intact ecological systems and to guide restoration efforts. As such, sound restoration must balance achieving restoration goals with the cost of restoration, while giving priority to ecological effectiveness (Higgs 1997). However, because ecologically sound forest restoration is a long-term natural process that will not always provide short-term benefits and may not pay for itself, a time frame for economic analysis must be used that recognizes the long-term benefits of restoration (for example, clean water, restored fire regimes) often must take precedent over concerns regarding efficiency (Higgs 1997). Therefore, economic incentives that drive the degradation of forests must be replaced with restoration incentives that protect and restore ecological integrity.

Communities and Work Force Core Principle

Make use of or train a highly skilled, well-compensated work force to conduct restoration

Ecological restoration also must become an important component of an ecologically sound, socially just forest economy. This approach has the potential to support the long-term viability of communities within the capacity and resiliency of forest ecosystems, while fostering a culture of environmental sustainability.

A highly skilled, well-compensated work force is essential for restoration to meet high ecological standards. Building the restoration economy requires a commitment to regional training capacity (multi-jurisdictional and interdisciplinary), skill certification, consistent funding over decades, and assuring workers' rights to organize and bargain collectively. The process of advancing ecological restoration must be open, inclusive and transparent, and should contribute to breaking down class, culture, gender, language, and religious barriers.

Ecological Forest Restoration Principles and Criteria

Restoration Project Planning Principle

Document all restoration projects in the context of a restoration assessment and appropriate restoration approaches that restore ecological integrity

All restoration projects must be planned and implemented in the context of a restoration assessment (see Forest Restoration Assessment Principle) and use appropriate restoration approaches (see Forest Restoration Approaches Principle) to restore and enhance ecological integrity. Because ecological systems are inherently complex and dynamic, it is impossible to accurately predict all the consequences of our actions, even well-intentioned restoration actions. The more controversial or experimental the project is, the smaller the scale should be. If there is high risk and weak scientific support, the burden of proof falls upon the project's proponents.

Restoration planning incorporates numerous criteria, including making use of the best available science, monitoring and evaluation, regulatory compliance, prioritization of integrity goals, endangered species recovery, and securing adequate funding (Appendix 1, I.1).

Forest Restoration Assessment Principle

Conduct a restoration assessment prior to restoration activities

A restoration assessment must be done prior to implementing a restoration project or beginning restoration activities. The assessment is conducted to determine if any restoration activities are required, and is used to 1) identify the root causes of ecosystem degradation at multiple spatio-temporal scales, including eco-regional, intermediate, and site-specific (see related criteria below); 2) determine appropriate methods for restoring degraded systems; and 3) create a spatially explicit prioritization of restoration needs across spatial scales (Appendix 1, I.2). The assessment and corresponding actions are then fol-

lowed by sufficient monitoring that measures progress towards restoring a degraded system so that it is more resilient to disturbance and can persist in the absence of further human intervention.

The restoration assessment should first be conducted within the context of a broader ecoregional assessment designed to determine the status and condition of ecological integrity across the ecoregion and the appropriate spatial layout of core reserves, landscape connectivity, and restoration areas needed to maintain or enhance integrity (also see DellaSala and others 1996). Examples of ecoregional assessment criteria can be found in Scott and others (1993), Noss and Cooperrider (1994), and Ricketts and others (1999) or obtained from published regional assessments available for most ecoregions. The inclusion of additional scales of analysis provides a foundation for assessing cumulative impacts of proposed projects from the site to the ecoregional level (Appendix 1, I.2).

Ecological Restoration Approaches Principle

Determine the appropriate use of protection, and passive and active restoration based on restoration assessments

Restoration projects are designed to move forest ecosystems toward a higher level of ecological integrity. The restoration plan chosen for a particular place should be based on the most effective techniques recognized through the restoration assessment while favoring the least intrusive or intensive methods that will effectively move the area toward ecological integrity. This approach will usually produce the best results for the least amount of time and effort, promoting efficient use of restoration resources. It is important to note that there will be projects where short-term treatment impacts should be accepted because the project will result in long-term positive gains in ecological integrity (for example, removal of roads, barriers to fish passage, removal of exotic species).

In some cases, effective restoration may require taking action in areas of relatively high ecological integrity. In other cases, the best approach will be to focus

restoration efforts on more degraded landscapes. Factors such as broad-based support among restoration stakeholders and the potential for restoration of landscape linkages between ecologically intact areas may lead to restoration efforts that are more time consuming and costly, but are necessary to achieve restoration objectives. Restoration assessments can be valuable in resolving such issues.

The following are three approaches and related criteria that define the range of forest restoration methods used to restore ecological integrity (Appendix 1, I.3).

Protection of Areas of High Ecological Integrity

Identify and secure areas of high ecological integrity

Relatively intact natural areas and core refugia that have high ecological integrity and little need for restoration should be protected and maintained. Protection of areas of high ecological integrity will provide critical sources of biodiversity, and/or reference landscapes needed as a source of baseline information (Noss and Cooperrider 1994).

Areas of high ecological integrity that may serve as core refugia include: rare community types (for example, as identified in the Natural Heritage database), intact old-growth forests, native forest ecosystems operating within the bounds of historic disturbance regimes, intact watersheds and large roadless areas, designated wilderness areas, and unimpaired streams and other aquatic habitats of high conservation value (Noss and Cooperrider 1994, DellaSala and others 1996).

Passive Restoration

Cease activities that have been determined by a restoration assessment to impede natural recovery processes

Halting activities that cause degradation or prevent ecosystem or species recovery should be considered the first and most critical step in restoration (Kauffman and others 1997). This form of restoration, which should be based on thoughtful analysis and planning, must be distinguished from passive management, which has been criticized as mere neglect (Agee 2002). Passive restoration should take



A fuel-reduction project in a fire-adapted, Jeffrey pine (*Pinus jeffreyi*) savanna on Rough and Ready Creek in southwestern Oregon. The project, which was organized by the Lomakatsi Restoration Project of Ashland, Oregon, includes small-tree thinning, lower-branch pruning, and brush pile burning. The project makes use of National Fire Plan funds for small tree and brush removal. Photo by O. Catranides

precedence where it is vital to eliminate or reduce the root causes of ecosystem degradation, including stopping destructive logging, road building, livestock grazing, mining, building of dams and water diversions, off-road vehicle use, and alteration of fire regimes (Appendix 1). Passive restoration can be applied alone or in combination with active restoration techniques provided that the primary goal is to stop the degradation and restore ecological integrity.

Active Restoration

Reintroduce natural processes or species through direct intervention

Direct human intervention is needed in cases where it is necessary to reintroduce (or secure) natural processes, at-risk species, or regionally extirpated species, and in cases where ecosystem composition, structure, and function are degraded or hindered by factors such as compacted soils, channelized streams, invasive species, or fire suppression. Active restoration methods include, but are not

limited to, planting, prescribed burning, road obliteration, removal of barriers to fish passage and water diversions, invasive species control, fuel treatment, and riparian restoration. Such approaches should target areas of greatest risk to ecological integrity and be implemented in situations where the risks of no action outweigh those of active restoration. However, given the infancy of forest restoration science, active restoration should take a precautionary approach and make use of monitoring and adaptive management techniques.

Community Protection Zone Principle

Distinguish between fuel-reduction treatments that restore ecological integrity and those that serve primarily to protect property and human life

A clear distinction must be made between fuel-reduction treatments that restore ecological integrity and treatments that protect property and lives by

reducing fuels in the "community protection zone" (CPZ: a limited area between rural communities and undeveloped forestlands, also known as the wildlands-urban interface). Treatments protecting property and lives in the CPZ may address the human safety issue, but should not be considered forest restoration in themselves since they may only involve very limited aspects of ecological integrity. Mechanical fuel treatments, such as thinning small-diameter trees, can be a step forward toward forest restoration if planned and implemented in the context of a restoration assessment. However, it must be recognized that fuel-reduction treatments alone do not address the wider range of ecological issues included in a comprehensive restoration plan and may result in degraded soils, native vegetation, and wildlife habitat (Brown 2000, DellaSala and Frost 2001). Specific criteria related to the CPZ, defensible space (Cohen 2000), and treatment types for use in this zone (Center for Biological Diversity 2002) are covered in Appendix 1, I.4.

Adaptive Management Principle

Monitoring and evaluation must be assured before restoration proceeds and should be incorporated into the cost of the project

Ecological forest restoration of any type at any scale is a process of adaptive management. Due to high levels of complexity, uncertainty and risk, restoration requires an approach that is careful, flexible and able to respond to change and new information. Acceptable restoration projects must include a transparent public process that provides for assessment, implementation, monitoring, evaluation, and adaptive criteria (Appendix 1, I.5). Given that many restoration projects do not pay for themselves, monitoring and evaluation are often underbudgeted and, therefore, not included in restoration. The lack of sufficient monitoring and evaluation hampers the ability of ecological restoration to contribute to our understanding of restoration ecology. Therefore, monitoring and evaluation must be included as criteria in the assessment of restoration projects.

Ecological Economics Principle and Criteria

Economic Framework Principle

Develop and employ positive incentives to encourage ecologically sound restoration

Positive incentives are needed to encourage ecologically based restoration and eliminate incentives that encourage activities that are ecologically degrading. Such incentives should protect and restore ecological integrity within an ecological and institutional framework that accounts for the benefits and costs associated with restoring natural capital. As such, incentives that encourage activities that degrade the ecological health of the landscape are inconsistent with improving ecological integrity or otherwise may cause ecological damage and, therefore, must be eliminated. Investments in ecosystem restoration should be applied across land ownerships, fostering co-management agreements between the federal government and the private sector (Appendix 1). For this to work at the policy level, specific reforms are needed to fund restoration projects not tied to traditional commercial timber operations. We propose several criteria to encourage the development of positive restoration incentives (Appendix 1, II.6).

Communities and Work Force Principle and Criteria

Community/Work Force Sustainability Principle

Effective restoration depends on strong, healthy and diverse communities and a skilled, committed work force

Restoration must foster a sustainable human relationship to the land that promotes ecological integrity, social and economic justice for workers and communities, and a culture of preservation and restoration. In turn, effective restoration depends on strong, healthy and diverse communities and a skilled, committed work force. While the restoration principles provide the "ecological horse" for steering such an approach, the "economic cart" generated



Road recontouring (middle of photo) along Grass Valley Creek in Redwood National Park, northern California, one year after project completion. The removal of roads and recontouring of slopes helps restore hydrological processes and aquatic health while reducing the effects of forest fragmentation. Photo by John McCullah, Salix Applied Earthcare

by restoration activities can provide numerous opportunities for making use of a highly skilled work force. As such, restoration must be linked to economic development in a way that prioritizes the long-term interests of communities over short-term and non-local economic interests (Appendix 1, II.6). Given the extensive degradation of forests throughout the nation, there are numerous opportunities for fostering cooperation between restoration scientists and a community work force interested in restoring forests and creating high-quality jobs and sustainable communities through related criteria (Appendix 1, III.7).

Participatory Principle

Encourage involvement of a diversity of communities, interest groups, agencies, and other stakeholders at all levels

Meaningful involvement of a diversity of communities, interest groups, agencies and other stakeholders (at local, regional, and national levels) should be achieved through open, inclusive, and transparent decision-making processes with recogni-

tion of and respect for differences. This is the foundation for an expanded approach to restoration (Higgs 1997) that takes advantage of opportunities to blend scientific understanding of restoration with local and traditional knowledge of forest ecosystems (Appendix 1, III.8; also see Kimmerer 2002). Local communities can be more involved in restoration through "all-party" monitoring, provided that such actions are part of the larger public participation in public lands restoration and related criteria for inclusion.

Conclusion

The Citizens Call for Ecological Forest Restoration establishes a vision for restoring natural processes and native species in forested ecosystems through an adaptive and inclusive process. Ecologically sound forest restoration provides us with the opportunity to heal the land and to restore a viable community connection that in practice achieves an integrated vision of bio-cultural restoration. To ensure that this vision becomes reality, we must continue efforts to bring community

forestry and conservation groups together. We must commit to thoughtful, science-based restoration to ensure that future generations can experience and enjoy intact, diverse forested landscapes having the highest ecological integrity. While these principles do not address regional ecological differences, they do provide a national vision and guidance for the establishment of a sound restoration agenda, as well as the tools and a checklist to implement responsible forest restoration on the ground. The principles were forged in hopes that they will encourage the sharing of information and development of alliances among organizations and citizens that are necessary for successful forest restoration through an expanded approach. We have decades of restoration work ahead. It is vital that we begin to make the long-term investment in the protection and restoration of our forests that is necessary to secure their lasting value for future generations.

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Appendix 1. Ecological Forest Restoration Principles and Criteria Checklist

Core Principle

I. Ecological Forest Restoration—Enhance ecological integrity by restoring natural processes and resiliency

Subprinciple and Criteria

1. Restoration Project Planning Principle—Document all restoration projects in the context of a restoration assessment and appropriate restoration approaches that restore ecological integrity

Restoration Planning Criteria

- Take a thoughtful, careful, and conservative approach.
- Use the best available science and incorporate experiential and indigenous knowledge where applicable.
- Make use of an adaptive and public process that regularly incorporates revisions from monitoring and evaluation.
- Prescriptions for active restoration must be clearly applied to those factors that are currently limiting ecosystem recovery and integrity. Priorities identified during the assessment should not be abandoned in order to meet other objectives not directly aimed at ecosystem integrity and resilience.
- Restoration treatments must use the least intrusive techniques that will be effective in order to avoid negative cumulative effects to watersheds and wildlife, except under special circumstances where a high level of intrusiveness is needed to restore ecological integrity (for example, road obliteration, see section IV, 2).
- Comply with and uphold all applicable local, state and federal laws and regulations.
- Incorporate and/or improve recovery plans for threatened and endangered species.
- Budgets must include realistic and dedicated funding for and an institutional commitment to assessment, monitoring and evaluation, with systems designed and in place before activities commence.
- Assess the work force and community capacity for carrying out restoration work, and recommend actions to meet Quality Jobs Criteria below.

2. Forest Restoration Assessment Principle—Conduct a restoration assessment prior to restoration activities

Ecoregional Level Assessment Criteria (Broad Scale Assessment)

- Use published ecoregional classifications to identify the ecoregion within which the site occurs.
- Determine the status and condition of ecological integrity attributes across the ecoregion (for example, what are the major forest types or species in decline and what are the root causes of such declines?).
- Identify core refugia, landscape connectivity, and restoration areas needed to maintain or restore integrity across the ecoregion.

Intermediate Spatial Scale Assessment Criteria

- Identify the specific unit used in an intermediate spatial assessment—the unit of analysis should be defined based on the integrity needs addressed (examples include landscape, watershed, subbasin, river basin, mountain range).
- Focus on extending high-integrity areas and connecting them at the intermediate scale, wherever connectivity was character-

istic of the natural landscape as recognized by the ecoregional assessment.

Determine the need and efficacy for performing restoration objectives at intermediate spatial scales (for example, Are treatments needed at the scale of the landscape or is it best to start at some other unit?)

Evaluate cumulative impacts and address how a site-specific project will affect ecological integrity at intermediate scales.

Site-Specific Assessment Criteria

Determine the importance of the site within the larger landscape context.

Identify the specific ecological processes, species, or functions at risk.

Document the types of restoration treatments needed to maintain or restore ecological integrity.

Establish clear links to the spatial and temporal issues identified in the ecoregional and intermediate assessments.

Link site-specific information to the role the site plays in determining resiliency and integrity at the watershed, landscape and global scales.

Determine the role that individual target sites play within the watershed or landscape based on conservation biology principles (for example, is an area an important corridor for wildlife, the only old-growth forest in the region, critical habitat for an area-limited species?).

Evaluate cumulative impacts and address how a site-specific project will affect ecological integrity at broader scales.

Evaluate the appropriate restoration methods (protection, passive, or active restoration) based on ecological need, importance of the site in the watershed or landscape, and the timing and resources needed to restore ecological integrity.

Focus on projects with a high likelihood of successful ecological results and low risks or where risks of inaction jeopardize important ecological values of the site.

Give consideration to areas of greatest need/areas where threats are the greatest.

Give extra consideration to the presence of populations of at-risk species.

Assessments must include data that indicate:

1. Baseline (current) conditions.
2. Associated ecological reference conditions (reference sites or ecological conditions that support[ed] native biodiversity and ecological processes) that account for resilient and dynamic systems (for example, flood- or wind-prone areas, areas experiencing population cycling and periodic fire events). Ecological reference conditions must inform restoration and are selected to define, achieve, and maintain ecological integrity.
3. Control sites based on reference conditions or landscapes.

3. Ecological Restoration Approaches Principle—Determine the appropriate use of protection, passive and active restoration based on restoration assessments

Protection of Areas of High Ecological Integrity Criteria—

Protect areas of high ecological integrity

Identifying and protecting areas that currently exhibit high ecological integrity must be the first priority of restoration plans.

Active restoration should not be applied in these areas unless it can be shown that there is a high degree of scientific and stakeholder support, and that there are no other means for restoring or maintaining ecological integrity.

Passive Restoration Criteria—Cease activities that have been determined by a restoration assessment to impede natural recovery processes

Passive restoration should be employed in areas where removal of degrading activities will allow natural recovery to occur.

Passive restoration can be employed alone, or prior to active restoration.

Active restoration that fails to incorporate appropriate passive techniques is unlikely to succeed.

Active Restoration Criteria—Reintroduce natural processes or species through direct intervention

Focus on areas of greatest risk to ecological integrity and processes.

Implement in situations where inaction might lead to the destruction or loss of natural processes or permanent decline of a species, stream function, or rare habitat type, or where it can be demonstrated that active restoration will greatly accelerate the return to a higher state of ecological integrity.

Apply active restoration judiciously in areas of high ecological integrity based on degree of degradation and ecological need.

Emphasize the least risky interventions that are likely to provide the greatest ecological benefit, while minimizing management-induced ecological risks and costs.

Provide benefits in areas that exhibit moderate loss of ecological integrity but still support key ecological elements and processes.

Incorporate appropriate passive techniques.

should be a cooperative partnership between the relevant agencies, communities, and homeowners beginning with the initial CPZ risk assessment and following through to future maintenance and should account for appropriate access to structures for fire fighting, fire-resistant landscaping, and consideration of construction standards and proper zoning laws for all land ownerships.

5. Adaptive Management Principle—Monitoring and evaluation must be assured before restoration proceeds, and be incorporated into the cost of the project

Monitoring and Evaluation Criteria

Have clearly stated objectives, as well as specific indicators and measures for determining effectiveness.

Be an integral component of the restoration project.

Be incorporated into the essential costs of the project.

Provide a process for all-party and scientific input.

Compile data, models, and analyses related to ecological restoration efforts in comparable formats and collect them in a central location.

Make data available to the public in a user-friendly format in both on-line and written display formats. Such information will indicate how data will be used in the restoration process.

Require that project implementation promptly respond to monitoring and evaluation results, as well as new information.

This may include adapting or altering implementation plans and/or taking corrective actions.

Require that processes for carrying out assessments, planning, monitoring and evaluation of restoration efforts involve all local, regional, and national stakeholders.

4. Community Protection Zone Principle—Distinguish between fuel-reduction treatments that restore ecological integrity and those that serve primarily to protect property and human life

CPZ Criteria

- Home-site treatments in the CPZ must be undertaken primarily within a 66-200 feet (20-60 meter) intensive treatment zone where fires most directly threaten structures and human life (Cohen 2000).
- Defensible community space that may include public and private lands should be created within an additional treatment zone up to 1667 feet (500 meters), which includes the 200-foot (60 meter) home-site treatment zone, for firefighter safety and protection of other flammable community values (Center for Biological Diversity 2002).
- Treatments to create defensible space may include thinning small-diameter trees, pruning, mowing, roof cleaning, as well as replacement of flammable landscape and building materials (Cohen 2000, Firewise 2001).
- Home-site treatment is sufficient for survival of a home during a forest fire. It is critical that these treatments be implemented for a CPZ protection plan to be successful. Priority should be given to home-site treatments when resources are limited. Federal cost-share grants for home-site treatment should be increased and maintained until a comprehensive program is completed.
- Long-term management of the community defensible space

II. Ecological Economics—Develop or make use of restoration incentives that protect or restore ecological integrity

6. Economic Framework Principle—Develop positive incentives to encourage ecologically sound restoration.

Economic Incentives Criteria

Investments in restoring ecosystems should be applied across land ownerships in cooperation with willing landowners and should be tiered to regional and local ecological needs.

Successful restoration on public lands requires reforming federal agency funding mechanisms and contracting procedures to remove incentives for ecologically and socially damaging activities. Such reforms should include the following:

1. Specific appropriations must commit consistent, adequate multi-year funding for all aspects of restoration—assessment, implementation, monitoring, evaluation, and adaptive management.
2. The current timber sale program continues to give priority to economic interests and is not appropriate for restoring forests. However, restoration byproducts derived from ecologically based restoration projects may have value secondarily. Contracting mechanisms, therefore, must be developed that are driven by ecological objectives.
3. Contracts for restoration work on public lands must be awarded on “best value” rather than “lowest bid” criteria. Best value should be based on desired ecological, community, and work force objectives, which ensure contractors possess the necessary skills and capacities to carry out

high-quality work, have successfully performed such work in the past, and provide social and economic benefits to communities.

4. Preference for "best value" contracts on public lands should not exclude any business or group of persons, but should be given to local crews and small businesses, underserved communities, and mobile workers, who can demonstrate direct knowledge and experience of the ecosystem in which the work will be done. Procurement mechanisms should encourage contractors to include a training and employment component that will increase the capacity of existing displaced timber workers and mobile workers to access and perform high-skill, long-duration work. The Mobile Workforce consists of economically disadvantaged, under-represented and culturally diverse crews of migrant and community-based forest workers who perform services such as tree planting, thinning, brush disposal, prescribed burning, trail construction, and so on.

For public lands, restoration funding should not include off-budget funds generated from commercial activities.

Restoration on private lands requires outreach to landowners with information about the ecological importance of their lands within the context of the larger landscape, and resources for technical and financial assistance to help landowners restore these lands.

1. Private forestland owners should be encouraged (including financial support for small landowners) to pursue Forest Stewardship Council certification to promote sound forestry on private lands.
2. Cooperative forestry programs should provide private forestland owners with access to education, training and incentives for participation in restorative forestry methods. Agencies must inform low-income and minority landowners of such opportunities.
3. A low-interest, revolving loan fund should be established to cover upfront costs to encourage landowners to shift to longer timber rotations.
4. Public funding sources and tax incentives for habitat restoration projects for threatened and endangered species and imperiled forest habitats should be established.
5. Federal land and water conservation funds should be appropriated for the acquisition, protection, and restoration of priority habitats.

III. Communities and Work Force—Make use of or train a highly skilled, well-compensated work force to conduct restoration

7. Community/Work Force Sustainability Principle—Effective restoration depends on strong, healthy, and diverse communities and a skilled, committed work force

Sustainability Criteria

Restoration and economic development must prioritize the long-term interests of communities over short-term and non-local economic interests.

Government, interest groups, and communities should cooperate to promote policies and programs that build community capacity for ecologically sound restoration, including work force and small business development that:

1. Are based on landscape-scale assessments of restoration needs, and are scaled appropriately within the carrying capacity of the land and regional economy.
2. Have the flexibility to adapt over time to new information.
3. Directly and proactively address barriers to equal access, such as differences based on class, culture, language, and religion.
4. Provide for intergenerational exchange and other proactive strategies to engage and empower youth and elders.
5. Are designed to add maximum value to restoration byproducts at the community level.

Quality Jobs Criteria

Restoration contracts should recognize and foster a multidisciplinary, high-skilled work force of trained, certified restoration technicians and applied ecologists, and provide stable, full-season employment.

Restoration workers should be compensated with a family living wage at levels commensurate with their knowledge and skills, set as a functional minimum.

Restoration must be supported by regional training and skill certification systems (for example, apprenticeship programs), with stable funding, that provide for multidisciplinary skill development to broaden career opportunities.

Employment and training systems must be equally accessible to the existing diverse work force. Restoration contracts and regional training systems must be linked by recognized skill standards and associated wage and benefit standards.

Contracting, employment, and training systems must promote the efficient and fair utilization of local, regional, and mobile workers in a way that most effectively meets ecological integrity as well as social goals.

Restoration workers at all wage and skill levels must be guaranteed the right to organize and bargain collectively.

8. Participatory Principle—Encourage involvement of a diversity of communities, interest groups, agencies, and other stakeholders at all levels

Participatory Criteria

Adaptive processes for carrying out assessments, planning, monitoring, and evaluation of restoration efforts on public lands should be "all-party" processes to the extent feasible; that is, open to and proactively inclusive of all stakeholders at local, regional, and national levels.

No one interest or community should be afforded control or undue influence on public-land management decision making.

Adaptive all-party processes should strive to build consensus around ecological, social, and economic principles and practices by focusing on common values, mutual goals, and the resolution of conflicts based on class, culture, language, and religion.

July 28, 2003

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Re: Comments, Stewardship End Result Contracting, Notice of interim guidelines; opportunity for public input (68 Fed. Reg. 38285 (June 27, 2003))

Dear Chief Bosworth, Deputy Director Hughes, and comment reviewers,

We appreciate the opportunity to comment on the proposed guidelines for implementing stewardship contracts as authorized by P.L. 108-7 section 323 ("Section 323"). We recognize the Forest Service and Bureau of Land Management view the new stewardship contracting authorities as a tremendous opportunity to fund and fulfill their land management objectives in new ways. We hope you recognize and appreciate the reasons these new powers remain controversial, and structure the implementing guidelines to reduce the sources of concern, namely the lack of requirements that stewardship contracting authorities are used solely for their stated purposes and can not be misused.

We are generally supportive of the goals with which stewardship contracts are often associated – forest restoration, community stability, greater public involvement, ecological sustainability, wildlife protection, and many other laudable goals. We remain concerned, however, that the reality of stewardship contracts may not live up to achieving the lofty ecological restoration goals under which they are promoted. This concern arises from the open-ended nature of Section 323, the incentives and potential for abuse inherent in the new stewardship contracting powers, and the lack of requirements in the law to ensure stewardship contracts actually fulfill the objectives for which they were authorized.

The directions for implementing stewardship contracts are the agency's best opportunity to alleviate concerns about the nature and risks of this program, and to provide strong direction guaranteeing stewardship contracts will be implemented in a way that is consistent with their original purposes of ecological restoration and community engagement. We believe a formal notice and comment rulemaking needs to be undertaken to properly implement Section 323, given the profound impact it will have on Forest Service procedures and practices, and on the resources the agency is responsible for.

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Enforceable standards

Providing assurances that the stewardship contracting program will fulfill its original objectives, and that the potential for abuse of the new authorities will be limited, is important for building trust in the program and fostering broader participation, less conflict, and overall effectiveness. Such trust-building assurances are particularly important since Section 323 provides few such assurances or guarantees. Therefore, we recommend clear standards and enforceable regulations be adopted through a formal rulemaking process. This will help allay fears that the program can be misused, will help the agencies ensure the objectives for the program are met, and will allow the public to play a role in helping the agency ensure projects do not stray from program objectives.

Project goals

The original goals of stewardship contracts focused on overall ecological restoration. Section 323 adopts broad “land management goals” for stewardship contracts (P.L. 108-7 § 323(b)). Guideline #1 narrows the goals of the program to “resilience” of forests to disturbance. This extreme narrowing is not authorized by law, is not justified, and is inconsistent with Congressional intent for Section 323 as well as the overall intent of the stewardship contracting concept. We recommend Guideline #1 be broadened to focus on ecological restoration – the original purpose of stewardship contracting – through the “land management goals” established in Section 323(b). The guidelines should reiterate the legislative language in Section 323(b) and include benchmarks for the agencies to achieve ecological restoration.

Further, Guideline #1 over-emphasizes logging trees to the exclusion of other ecological restoration methods and objectives. Guideline #1 includes vegetation modification as a key component of all stewardship contracts. Section 323, on the other hand, directs the agencies to achieve a broad range of project objectives not solely focused on vegetation removal. Vegetation modification need not be, and should not be directed to be, part of every stewardship contract. Stewardship contracts may include vegetation modification, but we can envision many circumstances where that would not be necessary or appropriate. Maintaining the broad scope of stewardship activities as required by law encompasses the objectives proposed in Guideline 1 – vegetation management would still be allowed, while resilient forests are best achieved through overall forest restoration – without redirecting the program toward inappropriately narrow objectives.

In general, we recommend that the guidelines clearly state that the stewardship contracting program shall be completely distinct from commodity extraction programs such as the timber sale, livestock and mining programs. Stewardship contracting should not be administered through the timber sale program but instead through the service contract program. Stewardship contracting should remain limited to the provision of services to achieving overall ecological restoration.

Revenue

Guideline #2 states that deriving revenue from the sale of products through stewardship contracts should be a secondary objective of stewardship contracts. We do not believe deriving revenues should be an objective of stewardship contracts at all. Revenues can be a by-product of a stewardship contract but should not drive the process.

Further, the removal of large, commercially valuable trees generally necessary to generate significant revenue is usually going to conflict with the purposes of stewardship contracts in restoring forests, since mature trees are necessary for functional forests. Removal of these trees will be particularly inconsistent with stewardship projects designed to reduce the potential for fire because large, healthy trees are the most fire resistant, critical to the forests ability to remain resilient to fire.

The guidelines need to further emphasize that restoration of ecological sustainability is the purpose of stewardship projects and clearly state that projects with a commercial objective are not suitable for stewardship contracting. In addition, the guidelines need to be clear in distinguishing stewardship contracts from the commercial timber sale program and other distinct existing programs. We do not support mixing stewardship contracting authorities or projects with already existing programs for commercial extraction or recreation. The guidelines should explicitly state that stewardship contracting authorities should not be used to build new or temporary roads or motorized trails.

Language along the lines of the National Park Service's proposed plan for implementing the Healthy Forests Initiative on national parks would more appropriately reflect the level of emphasis that should be placed on revenue generation in stewardship contracts: "Offering the harvest of commercially valuable, large timber as an economic incentive for contractors to remove small trees and downed fuel with low commercial value generally is not appropriate, especially where the fuels management projects is intended to restore natural conditions. However, in WUI areas where negative effects of soil compaction or erosion can be managed to remain within acceptable levels, it may be appropriate to haul removed biomass away for use for lumber, paper, or fuel, with income from such use perhaps helping to off-set the cost of thinning."

Finally, we recommend the agencies aggressively pursue increased funding for forest restoration from Congress rather than relying substantially or solely on trees and other goods exchanged through stewardship contracts to fund much needed restoration work. Adequate appropriated funds will reduce the pressure on our public lands, and on the stewardship contracting program, to fund massive forest restoration needs.

Fair Market Value

The guidelines should contain much more explicit direction on how fair market value ("FMV") is to be estimated. Guideline #2 simply states products will be appraised at FMV without any indication of how FMV will be established. Since the public goods offered in stewardship contracts will apparently not be independently bid on, their true

FMV can not be determined. Therefore, it is extra important that the process through which their FMV is estimated be transparent and clearly explained so the public has a reasonable opportunity to ensure it receives FMV for its goods. Reliance on unexplained agency procedures is not sufficient to generate confidence in the FMV estimation process.

We recommend a separate bidding process for any commercial products to be exchanged in a stewardship contract to accurately establish and capture FMV for those goods. This could be effectively accomplished by selling merchantable goods removed from the forest in a stewardship contract separately. In the case of trees, this could be done through a log decking operation. Not only would the FMV of goods be established through the marketplace rather through agency guesswork, this approach would have the added benefit of reducing any incentive that may exist to make projects more financially attractive to loggers by including more merchantable trees (a particular concern when the logger is allowed to choose which trees to cut under the designation by description authority discussed below). The contractor will have a disincentive to cut any more trees than the Forest Service requires because he will not be paid for the extra effort to cut and remove them.

Collaborative process

We support Guideline #3 to require a full and fully open collaborative process on all stewardship contracts in order to engage all interested parties early in the development process for each project. This is consistent with the original concept of stewardship contracting and, when combined with existing public involvement and oversight opportunities, will facilitate more successful, effective, and broadly supported projects. However, this guideline should be tightened up and clarified, and should specifically mention that non-local interested parties should be invited to collaborate on stewardship contracts on public lands.

Appeals

We are glad to see the applicability of environmental laws, land and resource management plans, and appeals and dispute resolution explicitly reaffirmed in Guideline #6. We request that this guideline state that appeals will be accepted on all stewardship contracts, notwithstanding any other provision of law or regulation. This will avoid any confusion that stewardship contracts could be exempted from appeals through exemptions from appeals recently adopted for many projects, such as categorically excluded timber sales up to 1000 acres directed at hazardous fuels reduction.

Off-budget funds

The transfer of excess receipts to the Salvage Fund and the Knutson-Vandenberg Fund does not appear to be authorized by law. Any excess receipts generated from stewardship contracts (when the value of the trees or other goods exceeds the cost of the services they are exchanged for) should be returned directly to the U.S. Treasury.

Guideline #7

This guideline should make clear that in developing new contracting mechanisms to implement stewardship contracts, the agencies should not establish mechanisms by which the stewardship contracting program could be administered through the timber sale program or timber sale contracts. These programs should be kept separate. Service contracts would be a more appropriate mechanism through which to implement stewardship contracts, reflecting the program and Congress' emphasis on the service component of stewardship contracts as opposed to the timber sale component.

Best value contracts

The lack of any explicit direction to consider past and future environmental performance in awarding contracts on a best value basis is a glaring omission from Guideline #8. This omission is important since environmental performance is one of the main justifications given as a benefit of the best-value authority – proponents often point out how contracts will no longer have to go solely to low-cost bidders but can go to bidders with a better environmental track record. The failure to explicitly recognize this benefit of the best value authority could result in a failure to fully realize any potential environmental advantages of this new flexibility. Past environmental performance should be taken into account, including prior violations of environmental laws or standards. Ability to operate in an ecologically sensitive manner should also be explicitly considered, for example due to the possession of equipment that leaves a light footprint on the land, forest, and soil.

More explicit direction is also needed in this guideline to consider the benefits to local communities and economies.

In addition, this guideline needs to be changed to reflect Congress' mandate that each stewardship contract source "shall be selected on a best-value basis" (P.L. 108-7 § 323(c)(1)). Guideline #8 is written as though this is a discretionary authority.

Multiparty monitoring

Multiparty monitoring was originally envisioned as a critical component of every stewardship contract, consistent with the intent of the program for greater involvement of the community and interested parties in project design, development, and implementation. This is an important process, and one that is strongly supported by the environmental community and community forestry groups. Multi-party monitoring of projects can provide a much greater level of feedback than broad-scale, aggregate monitoring, although that is important as well. All stewardship contracts are envisioned as having strong community and interest group involvement from their inception, so following through with multiparty monitoring by groups already engaged in the project should not be difficult. We urge that multi-party monitoring be required of every stewardship contract, at least until enough feedback has been received on these projects and new authorities to make more informed decisions about their implementation. To

date, feedback from only a tiny number of stewardship contract pilot projects has been received, not a sufficient amount of feedback to dilute an important safeguard like multiparty monitoring.

We also request the addition of an explicit bullet point under Guideline #12 directing multiparty monitoring to focus on the environmental impacts of projects. An important, highly touted benefit of stewardship contracts is that they are all supposed to be designed as environmentally beneficial projects. Feedback from monitors on whether this goal is being achieved would be very useful. We recommend that the guidelines explicitly require that ecological impacts are monitored and documented and that the guidelines include benchmarks that will measure whether or not ecological restoration has been accomplished.

We recommend that the agencies establish direction to not enter into stewardship contracts unless the associated monitoring will be fully funded. Guideline #12 states that monitoring will only be conducted subject to available funding. Pre- and post- project monitoring are essential components of ecological restoration in order to learn from the process and to evaluate the failure or success in achieving restoration objectives, and should be considered core components of stewardship contracts that must be funded if the project is to proceed.

The guidelines on the focus of multi-party monitoring are not clear enough about what is meant by "the specific accomplishments that have resulted" from the stewardship contracting program. This criteria needs to be better explained and more fully described.

Long Term Contracts

We do not believe it is appropriate for the guidelines to proactively encourage use of multi-year projects through multiple-year funding (Guideline #14). Multi-year contracts for managing national forests are a controversial aspect of the stewardship contracting program because of perceived potential for abuse by timber companies given more control over a tract of land, over time, combined with less direct oversight of their actions. The poor environmental and fiscal track record of prior long term forest management contracts, such as in Alaska and Oregon, and current environmental, fiscal, and accountability problems with similar contracts in Canada, bolster this concern. We are pleased to see guidelines explicitly directing continued federal control and oversight of stewardship projects (Guidelines #9 and #15). Consistent with our concerns about other aspects of this untested program, however, it is unclear how this authority will work out or be implemented. The extent of federal oversight and involvement throughout all years of the contract remains to be seen, for example. We do not, therefore, feel it is appropriate to proactively encourage agencies to offer long-term contracts through the multi-year funding mechanism. It is likely that local land managers will readily employ multi-year contracts, on their own, hopefully only where appropriate, without direction to artificially expand their use of them. Explicit direction to take advantage of this authority is unnecessary.

We also see a need for rules to prevent a contractor from withholding implementation of needed restoration work in the hopes that rising timber prices will make the work more profitable. This would undermine the purpose of the projects. To guard against this, we recommend a two to three year time limit for project implementation be written into project contracts unless special circumstances requiring otherwise are present.

Tracking Costs

We are pleased to see that the values of goods and services will be separately tracked at the project level (Guideline #16). We strongly recommend the guidelines require the stewardship contract program, and all of its costs and benefits, be tracked and reported on at the national level as well. Goods and services should be separately tracked in the aggregate national accounting, just as they are at the project level. This could be accomplished by added national reporting requirements in Guideline #13. A national program report will allow Congress and the public to gain insight into how extensively the new authorities are being used, and to better monitor their implementation. Information on individual projects and aggregate information on all stewardship contracts should be compiled and annually reported on separately from non-stewardship contract projects, and should include such information as amount of timber cut; price paid for it; other goods exchanged and their value; miles of road construction and reconstruction associated with stewardship contracts; amount of services contracted for; value paid or exchanged for those services; amount of receipts raised through this program; information about contractors employed; and other useful information. Additionally, Guideline #13 needs to include a requirement to reports on whether projects are achieving ecological restoration goals.

The guidelines should also explicitly require the goods and services from stewardship contracts be accounted for as part of the agencies' overall non-stewardship programs. For example, timber cut in stewardship contracts should be accounted for as all other timber sales are, such as through inclusion in cut-and-sold reports. The effect of a timber sale embedded in a stewardship contract is the same as any other timber sale, so no reason exists to exempt stewardship contracts from standard accounting procedures. The same should hold true for all aspects of stewardship contracts, including accounting for the costs of stewardship contracts and the service components.

Finally, full disclosure of how the costs and benefits of stewardship contracts are evaluated and accounted for is important so Congress and the public can verify the accuracy of stated costs and benefits.

Communities

In spite of the fact that communities are supposed to be beneficiaries of the new stewardship contract authorities, nothing in Section 323 requires communities to benefit more than they would from any other Forest Service program or project. The guidelines do not adequately correct this vast discrepancy between the purported objectives of the program to benefit communities and the total lack of requirements that communities

actually receive additional benefits. We urge the adoption of binding regulations that ensure many of the financial benefits of stewardship contracts flow to local communities.

Healthy Forests Initiative

We are concerned at the extent to which the stewardship contracting program has been subsumed under the Healthy Forests Initiative. Stewardship contracting began as a program with much broader goals than simply fuel reduction. Overall forest restoration is the main goal of stewardship contracting, under which fire and fuels management can be one objective. Congress explicitly adopted broad “land management goals” in Section 323(b) as discussed above. We are concerned that the momentum behind the program, and its inclusion as one of the three main prongs of President Bush’s Healthy Forests Initiative, suggest that it will be used largely to carry out fuel reduction projects. This is contrary to the original intent of the stewardship contract program, and Congressional direction to accomplish the broader “land management goals.”

Further, stewardship contracts are not particularly effective tools for addressing short term fire management objectives since they are envisioned as smaller projects that develop more slowly due to heavy local and community involvement. We encourage the guidelines to explicitly refocus the program on its original intent of overall ecological restoration. Any fuel reduction projects carried out as stewardship contracts should be limited to the community zone in and directly adjacent to communities, where the projects will have their most beneficial effect in saving lives and property.

Goods for Services / Offsets

We do not feel the proposed guidelines adequately address and inform use of the new “goods for services” authority. This is the most controversial new power given to the agencies in the stewardship contracting authority. It is the heart of the stewardship contracting program and the reason the program is such a fundamental shift in agency operating procedures. This funding mechanism allows the agencies to fund an unlimited portion of their land management obligations by directly paying for them with public goods – trees or other products. We are concerned about the pressure this could put on public resources, and the incentives it creates for land managers to carry out unnecessary and potentially harmful projects in order to raise their budget (particularly when combined with the incentives inherent in the receipt retention authority to design projects to generate excess receipts which can then be retained and spent by local forest managers). We are also concerned about the off-budget nature of this source of funding, and the lack of direct Congressional oversight.

Due to these concerns, we urge the agencies to adopt binding requirements limiting the extent to which this authority can be used, and to eliminate revenue generation as a potential objective of a stewardship contract (see “Revenues” discussion above).

In addition, we would like to see the final language place limitations on the goods for services/offset authority. For example, the logging of mature trees in areas defined by the

agencies as exhibiting Late Old Structure should not be used to pay for projects. Logging large and/or mature trees, in intact forest stands, roadless areas, threatened, endangered and sensitive species habitat, riparian areas and other similarly ecologically important areas is counter to the restoration goals of the stewardship contracting program, and to the restoration of natural fire regimes, and should be prohibited. We strongly recommend that the agencies set firm guidelines along these lines regarding where and how this new power shall be used.

Similarly, we would like clarification about what kinds of "goods" the Bureau of Land Management ("BLM") envisions using as offsets. It is unclear to us in initial conversations with the agency about how they will use this new power, especially given that large parts of BLM landscapes are not-forested. Therefore, clarification is essential on the part of the BLM as to how they will be using the offset authority.

Design by Description

The proposed guidelines provide no direction for use of the new "design by description" authority. This is another authority that is controversial due to the potential for abuse. Congress, in the National Forest Management Act ("NFMA"), requires that "[d]esignation, marking when necessary, and supervision of harvesting of trees, portions of trees, or forest products shall be conducted by persons employed by the Secretary of Agriculture. Such persons shall have no personal interest in the purchase or harvest of such products and shall not be directly or indirectly in the employment of the purchaser thereof."¹ The drafters of the National Forest Management Act explicitly included this direction out of concern that these important tasks were subject to abuse that would result in undue forest degradation and were therefore more appropriately conducted by impartial agency staff.

Section 323 exempts the Forest Service from this requirement. Section 323 and the proposed guidelines do not provide any assurances that trees will be designated in the public's best interest, or any mechanisms to mitigate the inherent conflict of interest or reduce the potential for abuse in this process when it is carried out by companies with a direct financial interest in the trees selected for removal. The guidance should explicitly require that the descriptions or prescriptions provided by the agency limit a contractor's discretion, that designating and marking trees for exchange in a stewardship contract be done in the public's best interest and directly overseen by agency staff.

We recommend designation by description be limited to selection logging of understory trees in pre-commercial thinning and restoration projects. Designation by description should not be applied to commercial removal of overstory trees. Standards should be required for retaining sufficient snag trees, down wood, and other ecologically valuable forest components. Guidance should explicitly state that a material violation of the prescriptions and descriptions in a stewardship contract results in an automatic violation and cancellation with penalty of the contract. Programmatic multi-party monitoring

¹ Error! Main Document Only.16 U.S.C. § 472a(g).

should assess the cost-savings associated with contracting out the design, designation, and marking of projects.

Thank you for considering our comments.

Sincerely,

Michael T. Leahy
Defenders of Wildlife

Lisa Dix
American Lands Alliance

Mike Peterson
The Lands Council

Tim Coleman
Kettle Range Conservation Group

Derek Volkart
Headwaters

Todd Schulke
Center for Biological Diversity

Bryan Bird
Sierra Club

Robert Vandermark
National Environmental Trust

Pete Nelson
Northwest Ecosystem Alliance

Brett Brownscombe
Hells Canyon Preservation Council

Andrew George
National Forest Protection Alliance

Joseph Vaile
Klamath Siskiyou Wildlands Center

Rolf Skarr
Siskiyou Regional Education Project

Jay Ward
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Penny Lind
Umpqua Watersheds

Amy Mall
Natural Resources Defense Council

Tierman Sittenfeld
U.S. Public Interest Research Group



"Mike Leahy"
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To: stewardship@fs.fed.us
cc: sittenfeld@pirg.org
Subject: Addition to: Comments, Stewardship Contracting, interim guidelines (6

07/28/2003 06:24 PM

Please accept the attached comments in lieu of the ones sent via the email referenced below. The only change to the comments is the addition of Tiernan Sittenfeld, U.S. PIRG, as a co-signer. Thank you,

Mike Leahy

----- Forwarded message follows -----

From: Mike Leahy <MLeahy@defenders.org>
To: stewardship@fs.fed.us
Subject: Comments, Stewardship Contracting, interim guidelines (68 Fed. Reg. 38285)
Copies to: ldix@americanlands.org, amall@nrdc.org,
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Date sent: Mon, 28 Jul 2003 19:27:47 -0400

Please accept the attached comments on Stewardship End Result Contracting, Notice of interim guidelines; opportunity for public input (68 Fed. Reg. 38285 (June 27, 2003)). Please confirm receipt of this email and contact Mike Leahy at the contact information below with any problems with transmission.

Attachments:

C:\Documents and Settings\Mikel\Desktop\Cmnts StewK Guidelines 7-03.doc

----- End of forwarded message -----

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July 25, 2003

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The Regional Council of Rural Council (RCRC) supports the interim guidelines to implement the stewardship end result contracting. RCRC is dedicated to representing the collective unique interests of its twenty-nine county membership, providing legislative and regulatory representation at the State and Federal levels, and providing responsible services to its members which will enhance and protect the quality of life in rural California counties. We would also suggest some minor modification to more perfectly match the authorizing legislation.

1. The interim guidelines suggest the only consideration for the use of stewardship contracts is "to achieve land management goals by modifying vegetation to make forests and rangelands more resilient to natural disturbance mechanisms such as wind, flood, fire, insects, and disease." The law authorizes a more specific subset of purposes, namely to achieve land management goals "that meet local and rural community needs" (emphasis added). We believe this is an important qualifier that must be included in implementing regulations. The law then outlines 7 management goals, of which only one is to provide more resiliency to natural disturbances. Additionally, the law does not limit the goals to those noted. We believe the regulations should acknowledge the requirement to meet local community needs and the flexibility to achieve the broader land management goals allowed by the law.
2. The proposed wording suggests deriving revenues will be a secondary objective in the project design. The law is silent on the derivation of revenues in the design. RCRC believes it is appropriate to consider revenue generation in the design, especially as it relates to other stewardship projects that may be prohibited without the generated funds. What is specifically prohibited is basing the negotiation of the contract on the collection of revenues. RCRC believes the quality of the job is more important than the revenue collected, but economic efficiency is important in the design of the projects.
3. We concur with the direction to involve interested parties early in the process. We particularly refer the agencies to the stated purpose of stewardship projects, "to achieve land management goals...that meet local and rural community needs." Early and

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meaningful involvement in local communities is the only assurance the purposes will be achieved.

4. A five to ten year contract provides the opportunity to achieve land management goals on a large scale. However, some watersheds in the west are extremely large and complex, which may prohibit stewardship projects on a watershed or larger scale. We believe another worthy scale is the community scale; providing fuel treatments around a community for example. The area surrounding a community may involve more than one watershed. Community protection may be more important on only the portions of the involved watersheds that surround the community. We strongly suggest the phrase be changed to read, "...on a community, watershed or larger scale where practical."
5. The wording is acceptable. For clarification, the agencies may want to consider adding "...only from excess offset value."
6. No suggestions.
7. No suggestions.

8. The interim guidelines suggest the Forest Service has the option to consider the benefits to local and rural community needs when considering the award of a stewardship contract. We refer again to the purpose of stewardship contracts: "to achieve land management goals for the national forests and the public lands that meet local and rural community needs." Unless the agency is required to consider local and rural community needs, the stewardship projects will not meet the legislated objectives. We believe, by law, it is not optional.
9. The interim guidelines suggest revenue offsets may be used for other restoration treatments, to the exclusion of other kinds of treatments. As mentioned earlier, treatments other than restoration are authorized, for which revenue offsets may be used. We suggest language consistent with the law, namely: "allow for offsets to be utilized for other stewardship project sites."
10. No suggestions.
11. No suggestions.
12. We concur that the monitoring should be a sampling of projects, not every project. We believe an important element in the monitoring is the benefit to local communities, the degree to which the goals of the land management plan are met, and the duration the desired forest condition is satisfied.
13. No suggestions.
14. No suggestions.

15. No suggestions.

16. No suggestions.

17. No suggestions.

18. No suggestions.

We note the conclusion again misstates the purposes of stewardship contracts. While there is a community need to improve, maintain and restore forests or rangeland health, water quality, wildlife habitat, and reduction in forest fuels, there is also a need to utilize the resources in multiple ways. Rural communities are resource based and have developed through a partnership with federal land management agencies. Urban communities are commerce based. Rural communities cannot be transformed into commerce centers. Urban solutions will not solve rural challenges anymore than rural solutions can solve urban challenges. Continued partnerships between rural communities and federal land managers will benefit the world, nation, community and forest environment. Those who live and work in rural communities adjacent to federal forest lands are partners, not stakeholders. Federal land management agencies are expected to uphold the partnership that provides, protects and enriches the federal forest environment. The need to improve, maintain and restore forests and rangelands is shared by federal management agencies and local communities. Both must share in the need to improve, maintain and restore rural communities. Stewardship contracting authority provides an opportunity to meet both the land managing agency goals and the community needs.

We appreciate the opportunity to comment. The Regional Council of Rural Counties stands ready to assist the agencies in the full implementation of stewardship contracting allowed by the law.

Sincerely,

John B. Hofmann

John B. Hofmann



"John Hofmann"
<johnh@rcrcnet.org
>

07/28/2003 05:26 PM

To: <stewardship@fs.fed.us>
cc:
Subject: Stewardship End Result Contracting Comments

Attached are our comments on the Stewardship end result contracting proposal. We appreciate the opportunity to comment.



Stewardship Contract comments.doc



"Tim Coleman"
 <tc Coleman@kettlera
 nge.org>

07/28/2003 05:00 PM
 Please respond to "Tim
 Coleman"

To: <stewardship@fs.fed.us>
 cc:
 Subject: RIN 0596-AC03 Stewardship End Result Contracting

July 27, 2003

USDA Forest Service
 Forests and Rangelands Staff
 Mail Stop 1105
 1400 Independence Avenue, SW
 Washington, D.C. 20024-1105

stewardship@fs.fed.us

Re: RIN 0596-AC03 Stewardship End Result Contracting

Dear Sir or Madam:

On behalf of the over 800 members and their families of the Kettle Range Conservation Group (KRCG), the following comments are made regarding interim guidelines jointly developed with the DOI Bureau of Land Management and USDA Forest Service regarding Stewardship End Result Contracting (SERC) as authorized by section 323 of P.L. 108-7.

We believe there are many potential benefits to communities and the environment sanctioned by this legislation, but to ensure that to the greatest extent possible illegitimate projects are precluded, we urge constraints so that this new capacity may indeed achieve its stated objectives to:

"improve, maintain, or restore forest or rangeland health; restore or maintain water quality; improve fish and wildlife habitat; and reduce hazardous fuels that pose risks to communities and ecosystem values, reestablish native plant species or other land management objectives."

We are very concerned about the generality of "other land management objectives"

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trees becoming the new currency for just about anything money used to buy. We remain concerned, however, that the reality of stewardship contracts may not live up to achieving the lofty ecological restoration goals under which they are promoted. This concern arises from the open-ended nature of Section 323, the incentives and potential for abuse inherent in the new stewardship contracting powers, and the lack of requirements in the law to ensure stewardship contracts actually fulfill the objectives for which they were authorized. In order to achieve these objectives we make the following observations and comments:

1. Stewardship Projects

The original goals of stewardship contracts focused on overall ecological restoration. Section 323 adopts broad "land management goals" for stewardship contracts (P.L. 108-7 § 323(b)). Stewardship guideline #1 is a "resiliency" of ecosystems to a variety of natural anomalies. This guideline is not authorized by law, and is inconsistent with Congressional intent for Section 323.

We recommend Guideline #1 be narrowed to "ecological restoration of naturally functioning ecosystems" – we believe this meets the original purpose of stewardship contracting – through the "land management goals" established in Section 323(b). The guidelines should reiterate the legislative language in Section 323(b) and include benchmarks for the agencies to achieve ecological restoration.

We recommend that the guidelines clearly state that the program shall be completely distinct from timber sale, livestock and mining programs. Stewardship contracting should not be administered through the timber sale program but instead through the service contract program. Stewardship contracting should remain limited to the provision of services to achieving overall ecological restoration.

Section 323 directs the agencies to achieve a broad range of project objectives not solely focused on vegetative removal. Vegetation modification need not be, and should not be directed to be, part of every stewardship contract. Maintaining the broad scope of stewardship activities required by law encompasses the objectives proposed in Guideline #1.

2. Revenue

Interim Guideline #2 states that deriving revenue from the sale of products through stewardship contracts "will be a secondary objective" of stewardship contracts. We feel strongly that deriving revenues should not be an objective of stewardship contracts, period. If revenues are generated as a by-product, then fine, but the objective should be stewardship (i.e. restoration, sustainability), not sale of products.

Further, regarding the removal of large, commercially valuable trees necessary to generate revenue in many instances is going to be inconsistent with the purposes of the law. Science clearly shows the loss of large trees exceeds historic norms. We urge you to use this definition regarding tree removal: "shall maintain the integrity of mature and old growth forest stands appropriate for each ecosystem and emphasize thinning to re-create forest stocking and age levels consistent with the natural range of variability and ecological sustainability."

THE purpose of stewardship projects is ecological sustainability, not projects with a commercial objective. We do not support mixing stewardship contracting authorities or projects with already existing programs for commercial extraction or recreation. The guidelines should explicitly state that stewardship contracting authorities shall in no way be used to build new or temporary roads or motorized trails.

3. Collaborative Processes

In addition to government representatives, we believe the collaborative process should involve stakeholders from a broad cross-section of the public including equal representation from extractive industries (logging, mining, energy and livestock industries) and the conservation community. Decision-making should be by consensus to the extent practicable.

4. Expanded Stewardship Authority

Although we believe that to adequately address ecosystem restoration and wildfire preparedness stewardship activities must occur at the landscape level, it is unclear how such actions will progress beyond the conceptual stage without a funding mechanism? We support and urge the creation of standards that require project planning be at the watershed level.

5. Residual Receipts / Knutson-Vadenberg Act

We do not believe that excess offset value should be placed in KV accounts, but should be placed in an entirely separate account where stewardship project income and expense can be clearly monitored. This provision seems to conflict with objective #17, "use of receipts is limited to direct on the ground project implementation." KV funds are restricted to the project area where income was generated, but in the Interim guidelines receipts can apparently be used for any stewardship project.

6. Environmental Standards and Regulation

We support the applicability of environmental laws, land and resource management plans, and appeals and dispute resolution explicitly reaffirmed in Interim Guideline #6. We request that this guideline state that appeals will be accepted on all stewardship contracts, notwithstanding any other provision of law or regulations, to avoid any confusion that stewardship contracts could be exempted from appeals through recently adopted administrative exemptions from appeals all categorically excluded projects including fuel-reduction projects up to 1000 acres.

Stewardship contracting program will be much more likely to fulfill its original objectives if the key elements of building trust and broad public participation are achieved. Such trust-building assurances are particularly important since Section 323 provides few such assurances or guarantees that stewardship contracts will be implemented as originally conceived, leaving the program wide open for potential abuse and misuse contrary to its stated purposes. Therefore, we recommend clear standards and enforceable regulations be adopted through a formal rulemaking process.

7. Contract or Assistance Instruments

This guideline should make clear that in developing new contracting mechanisms to implement stewardship contracts, the agencies should not establish mechanisms by which the stewardship contracting program could be administered through the timber sale program or timber sale contracts. These programs should be kept separate. Service contracts would be a more appropriate mechanism through which to implement stewardship contracts, reflecting the program and Congress' emphasis on the service component of stewardship contracts as opposed to the timber sale component.

8. Best Value Contracts

The lack of any explicit direction to consider past and future environmental performance in awarding contracts on a best value basis is a glaring omission from Interim Guideline #8. This omission is important since environmental performance is one of the main justifications given as a benefit of the best-value authority – proponents often point out how contracts will no longer have to go solely to low-cost bidders but can go to bidders with a better environmental track record. The failure to explicitly recognize this potential benefit of the best value authority could result in a failure to fully

realize any potential environmental advantages of this new flexibility. Past environmental performance should be taken into account, including prior violations of environmental laws or standards. Ability to operate in an ecologically sensitive manner should also be explicitly considered, for example due to the possession of equipment that leaves a light footprint on the land, forest, and soil.

More explicit direction to consider the benefits to local communities and economies are also needed in this guideline. The guidelines must establish sideboards where stewardship contracting is not appropriate such as inventoried and uninventoried roadless areas, riparian areas and in old growth forests. In addition, this guideline needs to be changed to reflect Congress' mandate that each stewardship contract source "shall be selected on a best-value basis" (P.L. 108-7 § 323(c)(1)). Guideline #8 is written as though this is a discretionary authority.

9. Designation by Description / Prescription

Both mechanisms can be used to implement "end-results contracts" (contracts in which the agency describes its desired end result and the contractor develops and implements a plan to achieve this result). Pilot projects that used this authority often did so to replace the practice of marking trees to be cut, but its use is not limited to the logging context. Under designation by description the agency drafts the contract in such a way as to avoid discretion in project implementation (any two operators would implement the description in the same manner). Under designation by prescription, the contractor receives more general direction, with discretion given on the means to achieve the desired end condition.

The proposed guidelines provide no direction for use of the new "design by description" authority. We are very concerned about this authority because it has a high potential for abuse. Congress, in the National Forest Management Act ("NFMA"), requires that "[d]esignation, marking when necessary, and supervision of harvesting of trees, portions of trees, or forest products shall be conducted by persons employed by the Secretary of Agriculture. Such persons shall have no personal interest in the purchase or harvest of such products and shall not be directly or indirectly in the employment of the purchaser thereof." The drafters of the National Forest Management Act explicitly included this direction out of concern that these important tasks were subject to abuse that would result in undue forest degradation without direct agency involvement.

Section 323 exempts the Forest Service from this requirement. Section 323 and the proposed guidelines do not provide any assurances that trees will be designated in the public's best interest, or any mechanisms to mitigate the inherent conflict of interest or reduce the potential for abuse in this process when it is carried out by companies with a direct financial incentive in the trees selected for removal. The guidance should explicitly require that the descriptions or prescriptions provided by the agency limit a contractor's discretion, that designating and marking trees for exchange in a stewardship contract be done in the public's best interest and overseen by agency staff.

We recommend designation by description be limited to selection logging of understory trees in pre-commercial thinning and restoration projects. Designation by description should not be applied to commercial removal of overstory trees. Standards should be required for retaining sufficient snag trees, down wood, and other ecologically valuable forest components. Guidance should explicitly state that a material violation of the prescriptions and descriptions in a stewardship contract results in an automatic violation and cancellation with penalty of the contract. Programmatic multi-party monitoring should assess the cost-savings associated with contracting out the design, designation, and marking of projects.

10. Retention of Receipts / Goods for Services

Under traditional timber sales, receipts are returned to the treasury, with the exception of certain accounts (i.e. KV, salvage, etc.) Stewardship authorities change this by allowing the USFS and BLM units to retain receipts. The interim guidelines state that "monies received from the sale of forest

products... may be retained by the agencies and applied at the project site or at another stewardship site without further appropriation."

It is obvious that SERC will greatly impact management plans, even though "projects are not a replacement for agencies' existing timber sale program." This incongruous statement doesn't fit with the stated objective that SERC follow "land management objectives."

A rancher fixes a fence and grazing allotments are free, a miner fixes a road to his mining claim and he gets paid for it in trees. The potential for abuse is unlimited and because there are absolutely no safeguards on goods for services we do not support this authority. Trading healthy, green, large, commercially valuable trees for restoration is counter to restoration, no matter how you look at it.

The guidelines should contain much more explicit direction on how fair market value ("FMV") is to be estimated. Interim Guideline #2 simply states products will be appraised at FMV without any indication of how FMV will be established. It is important that the process through which their FMV is estimated be transparent and clearly explained so the public has a reasonable opportunity to ensure it receives FMV for its goods. Reliance on unexplained agency procedures is not sufficient to generate confidence in the FMV estimation process.

We recommend a separate bidding process for any commercial products to be exchanged in a stewardship contract to accurately identify and receive FMV for those goods. This could be effectively accomplished by selling merchantable goods removed from the forest in a stewardship contract separately. In the case of trees, this could be done through a log decking operation. Not only would the FMV of goods be established through the marketplace rather than through agency guesswork, this approach would have the added benefits of reducing any incentive to make projects more financially attractive to loggers by including more merchantable trees (a particular concern when the logger is allowed to choose which trees to cut under the designation by description authority discussed below). The contractor will have a disincentive to cut any more trees than the Forest Service requires because he will not be able to keep the trees and will not get paid for the extra effort to cut and remove them.

Due to these concerns, we urge the agencies to adopt binding requirements that this powerful new authority be employed on a limited basis; to eliminate revenue generation as a potential objective of a stewardship contract (see "revenues" discussion above); and to set caps on the national and per-project value of goods that can be exchanged through stewardship contracts.

11. Multiparty Monitoring

Multi-party monitoring of projects can provide a much greater level of feedback than broad-scale, aggregate monitoring, although that is important as well. All stewardship contracts are envisioned as having strong community and interest group involvement from their inception, so following through with multiparty monitoring by groups already engaged in the project should not be difficult. The agencies have flexibility under Section 323 to employ multiparty monitoring with each project, we recommend that it be required for each stewardship contract, at least until enough feedback has been received on these projects and new authorities to make more informed decisions about their implementation. To date, feedback from only a tiny number of stewardship contract pilot projects has been received, not a sufficient amount of feedback to eliminate an important safeguard like multiparty monitoring.

We also request the addition of an explicit bullet point under Interim Guideline #12 directing multiparty monitoring to focus on the environmental impacts of projects. An important, highly touted benefit of stewardship contracts is that they are all supposed to be designed as environmentally beneficial projects. Feedback from monitors on whether this goal is being achieved would be very useful. We recommend that the guidelines explicitly require that ecological impacts are monitored and documented and the guidelines include benchmarks that will measure whether or not ecological restoration has been accomplished.

We also recommend that the agency not enter into stewardship contracts unless the monitoring will be fully funded. Interim guideline #12 states that monitoring will only be conducted subject to available funding. Pre- and post- project monitoring are essential components of ecological restoration in order to learn from the process and to evaluate the failure or success in achieving restoration objectives.

The interim guidelines on the focus of multi-party monitoring are not clear enough about what is meant by "the specific accomplishments that have resulted" from the stewardship contracting program. This criteria needs to be better explained and more fully described.

12. Long Term Contracts

We do not believe it is appropriate for the guidelines to proactively encourage use of multi-year projects through multiple-year funding (Guideline #13). We are aware there is an urgency to address wildland-fuels reduction, so we fail to understand why projects associated with such activities could be put off for nearly a decade?

Multi-year contracts essentially transfer management authority for federal forest to private entities, we are concerned about potential abuse by timber companies given more control over a tract of land, over time, combined with less direct oversight of their actions. The poor environmental and fiscal track record of prior long term forest management contracts, such as in Alaska, and in Oregon, and current environmental, fiscal, and accountability problems with such contracts in Canada, bolster this concern.

We are pleased to see guidelines explicitly directing continued federal control and oversight of stewardship projects (Interim Guidelines #9 and #15). Consistent with our concerns about other aspects of this untested program, however, it is unclear how this authority will work out or be implemented. The extent of federal oversight and involvement throughout all years of the contract remains to be seen, for example. We do not, therefore, feel it is appropriate to proactively encourage agencies to offer long-term contracts, through the multi-year funding mechanism. It is likely that local land managers will readily employ multi-year contracts, on their own, hopefully only where appropriate, without direction to artificially expand their use of them. Explicit direction to take advantage of this authority is unnecessary.

13. Cost Accounting

Communities are supposed to be the main beneficiaries of the new stewardship contract authorities, nothing in Section 323 requires communities to benefit more than they would from any other Forest Service program or project. The guidelines do not adequately correct this vast discrepancy between the purported objectives of the program to benefit communities and the total lack of requirements that communities actually receive additional benefits. Guideline #18 seems to contradict that benefits will flow to communities, but apparently, are intended for the highest bidder in an openly competitive process.

We strongly recommend that guidelines require stewardship contracting to be tracked at the national level, and in the same manner for projects – separate tracking of goods and services. This could be accomplished by added national reporting requirements in Guideline #13. This will allow Congress and the public to gain insight into how extensively the new authorities are being used, and to better monitor their implementation. Additionally, interim guideline #13 needs to include a requirement to reports on whether projects are achieving ecological restoration goals.

The guidelines should also explicitly require the goods and services from stewardship contracts be accounted for as part of the agencies' overall non-stewardship programs. For example, timber cut in stewardship contracts should be accounted for as all other timber sales are, such as through inclusion in cut-and-sold reports. The effect of a timber sale embedded in a stewardship contract is

the same as any other timber sale, so no reason exists to exempt stewardship contracts from standard accounting practices. The same should hold true for all aspects of stewardship contracts, including accounting for the costs of stewardship contracts the service components.

Finally, full disclosure of how the costs and benefits of stewardship contracts are evaluated and accounted for is important so Congress and the public can verify the accuracy of stated costs and benefits.

We appreciate this opportunity to submit comments and look forward to an improved final rule.

Sincerely,

Timothy J. Coleman
Executive Director
Kettle Range Conservation Group

600 South Clark, Suite 7
P.O. Box 150
Republic, Washington 99166
V:509-775-2667
F:509-775-3454



Stewardship Contracting comments Jul 03.doc



OLYMPIC FOREST COALITION

July 28, 2003

USDA Forest Service
Forests and Rangelands Staff
Mail Stop 1105
1400 Independence Avenue SW
Washington, D.C. 20024-1105

VIA EMAIL: Stewardship@fs.fed.us

To Whom It May Concern:

The following constitute comments of the Olympic Forest Coalition regarding Interim Rules for Stewardship Contracting.

- We are opposed to any “goods for services” contracts, as the abuse potential for this is extremely high.
- The goal of “modifying vegetation to make forests and rangelands more resilient to natural disturbance mechanisms such as wind, flood, fire, insects, and diseases” is not backed by sufficient research to understand how to achieve such goals, nor does the Forest Service, BLM or the timber industry in all of its forms have a clue on how to exert the precautionary principle before going pell-mell ahead.
- The U.S. Forest Service has a highly inadequate track record on monitoring of any nature, contract compliance included.
- Collaboration is a word that has lost any substantive meaning, it tends to mean whatever one wants it to mean; therefore, collaboration for such contracts is highly improbable on most national forests with little or no history of successful collaboration.
- Final rules are inappropriate when pilot projects have not yet been completed and/or evaluated.
- Up to 10 years is too long; even when contract compliance starts out right, the longer it goes, the less the agency is looking out.

Sincerely,

Bonnie Phillips
Conservation Chair

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JUL 30 2003



"Bonnie Phillips"
<bonniebandr@comcast.net>

07/28/2003 03:55 PM

To: <stewardship@fs.fed.us>
cc:
Subject: Comments on Forest Stewardship

Comments from the Olympic Forest Coalition.

Bonnie Phillips
Olympic Forest Coalition
606 Lilly Road NE #115
Olympia, WA 98506
Bonnie@olympicforest.org

"These are the shrines saved from all the land that was once known and lived on by the original people, the little bits left as they were, the last little places where intrinsic nature totally wails, blooms, nests, glints away."



Gary Snyder, "The Etiquette of Freedom," 1990. OFCO-Forest Stewardship Comments July 28.doc



July 28, 2003

VIA EMAIL: stewardship@fs.fed.us

USDA Forest Service
Forests and Rangelands Staff
Mail Stop 1105
1400 Independence Avenue, SW
Washington, DC 20024

RE: COMMENTS ON THE FEDERAL REGISTER NOTICE ON STEWARDSHIP END RESULTS CONTRACTING; INTERIM GUIDELINES

To Whom It May Concern:

We appreciate this opportunity to comment on the interim guidelines for Stewardship End Results Contracting. Charles Spencer of the Ecosystem Workforce Program signed the comments drafted by Sustainable Northwest and the Watershed Research and Training Center on behalf of the Pacific Northwest Regional Multi-party Monitoring Team. As a signatory of that letter, the Ecosystem Workforce Program supports those comments and will not repeat them here. In this letter, we would like provide additional comments on a few issues.

The Ecosystem Workforce Program was founded in 1994 to help communities and their agency partners create high quality employment opportunities performing forest and watershed restoration work on public lands. We provide technical assistance to rural communities and their agency partners and we undertake research about forest workers and businesses, and public land management agencies. Charles Spencer sits on the regional monitoring team and another staff member, Cassandra Moseley, sits on the stewardship contracting multi-party national team.

Guidance #7 states that the agencies are likely to create new stewardship contracting mechanisms. Because there is still a lot to learn about the best way to create stewardship contracts and it is unlikely that a single contract will fit all circumstances, we would like to strongly recommend that:

- 1) These contracting mechanisms widely be circulated in draft format to agency staff and organizations that have participated in the pilot process in order to gather ideas and elicit feedback.
- 2) Several different contract formats be developed to fit with a wide variety of purposes. Our experience with stewardship contracting is that one size will not fit all.

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- 3) All of these new mechanisms include provisions for worker protection and wage standards as required under the Service Contract and Davis-Bacon Acts. The central purposes of stewardship contracting are for the agency to obtain services that will restore public lands while providing benefit to rural communities. In addition, it is important that these contracts are set aside for small businesses.

Guidance #18 states that the agencies will use full and open competition as a standard operating practice. Although this is standard operating procedure in the timber sale arena, both the Forest Service and the Bureau of Land Management are 100% small business set aside agencies. Because of this, large businesses are excluded from bidding on service contracts in most instances, which could be seen as less than free and open competition. Because the sale of timber is not the primary object, the central purpose of the stewardship contract is to obtain services from a contractor, even if the contract involves the removal of timber. Consequently, we believe that stewardship contracts should be set aside for small businesses. Moreover, logging companies and forestry services businesses located in rural communities are almost exclusively small. Setting aside these contracts for small businesses will help meet the objective of the legislation to meet the needs of rural communities; not setting them aside will not.

In addition, guidance #18 implies that the agencies plan to make scant use of the agreements authority as agreements are, almost by definition, not a full and open competition. We urge the agency to use the agreements authority more widely as this law allows. First, agreements require that both parties bring resources to the table. In practice, this means that the cooperator usually provides a cash match. This can provide additional resource to perform public land restoration. In addition, agreements can be used to meet the joint objectives of the agencies and their community partners to perform restoration, train workers, increase local contractor capacity, etc.

Guidance #4. We support this item. (This is the one area where we disagree with the Sustainable Northwest letter.) We support the combination of Wyden Amendment authority with stewardship contracting authority to allow stewardship contracting projects to occur on adjacent private lands, including spending retained receipts on adjacent lands. However, we believe as strongly that these adjacent lands must be included in the project boundary of a stewardship project and decisions about how and where to spend those funds should occur as result of a collaborative process and should be consistent with the management goals and objectives of the stewardship project.

Guidance #5. We would like to discourage the collection of Knudon-Vandenburg Act funds. Because the purpose of a stewardship contract is NOT to sell timber (as stated in item # 2), there should be little need for post-sale KV projects. These funds are unnecessarily restrictive and come with a large overhead charge. The collection of KV funds will limit the money that can be used on the ground, and will make it more difficult for the highest priority restoration projects to be implemented. Instead of collecting KV funds, we would like to see the agencies use the retained receipts authority to perform restoration work.

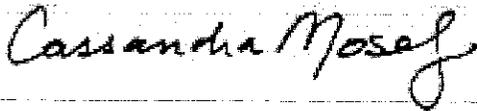
Guidance #8. We support the effort to make use of a diversity of evaluation criteria under best value.

Guidance #11. We support that notion that stewardship contracting will involve considerable training. We would like to see this training include cross training for timber sale and service contractors so that each has the authority to act in the other area. We have learned, for example, that it would greatly smooth out the contracting process if procurement staff had timber sale authority.

Guidance #17. Regarding retained receipts, while we agree with the importance of directing receipts to on-the-ground restoration, we would like to see retained receipts made available for (1) data collection related to the project level multiparty monitoring (e.g. up to 5-10% of receipts) and (2) a limited amount of money be allowed project planning (up to 10-15% receipts).

Again, we thank you for the opportunity to provide feedback on the interim guidelines for stewardship end results contracting.

Sincerely,

A handwritten signature in black ink that reads "Cassandra Moseley". The signature is written in a cursive, flowing style.

Cassandra Moseley, Ph.D.
Director of Research and Policy



Cassandra Moseley
<cmoseley@darkwing.uoregon.edu>

07/28/2003 03:04 PM

To: stewardship@fs.fed.us
cc:
Subject: Comment on Stewardship draft guidelines

Attached please find a .pdf file with the comments on the draft guidelines. Please let me know if you have any difficulty reading this document; I could send it in a different format if needed.

Thanks,

Cassandra Moseley
Ecosystem Workforce Program
University of Oregon



cmoseley@darkwing.uoregon.edu EWPguidcomm.pdf

Dear Forests and Rangelands Staff:

Thank you for the opportunity to comment on the Interim Guidelines for Stewardship Contracting.

Arc-en-Ciel has both general and specific comments on the proposed Interim Guidelines.

The general comments have philosophical bases as to "Whither are we as a nation trending?" While the wording of the Interim Guidelines is couched in admirable terms, the ultimate purpose and ends are questioned. It would appear the Forest Service and Bureau of Land Management agencies are being asked, on a larger scale, to provide for their own competitors in an effort towards deregulation and privatization. I have personally seen on several occasions, the extra time and effort put forth by agency personnel to prepare and plan for these and other provisions. If these professionally trained persons were eventually "downsized" and unemployed in favor of "local rural community" individuals, counties, or corporations, a great disservice would be perpetrated on our nation as a whole. It would not be rational to employ unemployed or underemployed or other employed at the expense of the already employed.

The specific comments deal first with "Who ultimately decides the achievability of stewardship projects to meet local rural community needs?" Especially in the light of 10 years out? And perhaps subject to heavy lobbying by invested interest groups. The wording "by agreement or contract" is too loose. While "Forest Supervisors will select the projects", "Regional Foresters will provide oversight of the program." Again, the terminology is too loose and would most likely impose internal pressure to comply with so-called political realities.

The Interim Guidelines overlay if not duplicate the Title II local employment provisions contained in the *Secure Rural Schools and Community Self-Determination Act of 2000*. It would seem unnecessary to provide additional opportunities for further local employment to benefit forest and rangeland health.

The critical responsibility for the contracting guidelines, developing new contracting mechanisms, enlisting and training contractors, and "multiparty?" monitoring and evaluation

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falls on the agencies' personnel without requisite compensation or ability to short-circuit failing projects without jeopardy. It appears to unduly benefit "outsiders".

While the open collaborative process is admirable, the tracking alone for the new bureaucratic overhead is both time intensive and expensive. With all the Interim Guidelines' bureaucracies, best management practices are not likely to be implemented.

Please reconsider the advisability and wisdom of this major overhaul of "business".

Sincerely yours,

Anita Ward

President



"Anita Ward"
<warda2j@cvc.net>

07/28/2003 03:08 PM
Please respond to "Anita
Ward"

To: <stewardship@fs.fed.us>
cc:
Subject: Stewardship Contracting 7-28-03 Comments

ARC-EN-CIEL

129 Southshore Lane

Klamath Falls, OR 97601

and

**1525 Baldy Creek Road
Ashland, OR 96520**

July 28, 2003

USDA Forest Service

Forests and Rangelands Staff

Mail Stop 1105

1400 Independence Avenue, SW.

Washington, DC 20024-1105

Re: Comments on Interim Guidelines for Stewardship Contracting



"J. R. \ (Randy\
Bush"
<vfpa.randy@att.net
>

To: <stewardship@fs.fed.us>
CC:
Subject: RE: Stewardship End Result Contracting: 68 Fed. Reg. 38285 (June 27,
2003)

07/28/2003 02:49 PM

<?xml:namespace prefix = o ns = "urn:schemas-microsoft-com:office:office" />
<?xml:namespace prefix = st1 ns = "urn:schemas-microsoft-com:office:smarts" /> July 28,
2003

USDA Forest Service
Forests and Rangelands Staff
Mail Stop 1105
1400 Independence Avenue, SW
Washington, DC 20024-1105

RE: Stewardship End Result Contracting: 68 Fed. Reg. 38285 (June 27, 2003)

To Whom It May Concern:

This e-mail is in response to the request for public comments on the notice of interim guidelines for Stewardship End Result Contracting, 68 Fed Reg 38285 (June 27, 2003).

These comments are on behalf of the Virginia Forest Products Association, a non-profit organization composed of individuals, firms and corporations having an interest in the well being of our forestlands and the forest products economy.

We support the expanded authority for both the Forest Service and Bureau of Land Management to be able to utilize end result stewardship contracting. Stewardship contracting provides an excellent tool to be able to perform restorative or maintenance work in our nation's forests while simultaneously improving contract efficiency and reducing costs to the agencies. This is simply common sense contracting and good public policy, as well as being environmentally, socially and economically responsible.

We want to emphasize that this is not just an issue of fiber or timber supply to our members. It is critical to addressing the forest health crisis in our country. If we do not reduce the risk of catastrophic wildfires, insects and diseases, we will continue to destroy millions of acres of critical wildlife habitat, key watersheds and private property, both homes and timberlands. There is simply not enough funding available to do this critically important work without utilizing products that provide value.

A broad concern of the forest products industry is the need for adequate and increasing appropriated funds to the field to accomplish hazardous fuels reduction, insect and disease treatments, and other land condition improvement projects. The first priority, as stated earlier, must be improving the condition of the land. We believe that field units must have funds to

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prepare and accomplish needed projects, and stewardship contracts are one possible means to do the work. We are concerned that there is not currently, nor projected to be in the next few years, sufficient national fire plan or vegetative management funding on many units for these projects. Without such funds, hazardous fuels reduction and other projects using stewardship projects will not even be possible. Therefore, providing appropriated funds must be the highest priority and we highly encourage the Forest Service to reduce project preparation costs (i.e. analysis and NEPA), in order to increase available project funds.

As noted in several of our comments below, there are several areas of the guidelines that are not mandated in the stewardship contracting authorizing law, and are simply redundant to already established Forest Service policies. To avoid confusion, those guidelines should be removed.

AF&PA's specific comments on the interim guidelines are as follows:

1. Stewardship projects authorized by Public Law 108-7 will be designed to achieve land management goals by modifying vegetation to make forests and rangelands more resilient to natural disturbance mechanisms such as wind, flood, fire, insects, and disease. The objectives of these projects may include improving forest and rangeland health, restoring or maintaining water quality, improving fish and wildlife habitat, reestablishing native plant species, and/or reducing hazardous fuels that pose risks to communities and ecosystem values.

We agree wholeheartedly with this statement, but would ask that the objective of reducing hazardous fuels that pose risks to non-federal forests and rangelands be added at the end. This is critically important to our members, many of whom own forest and rangelands intermingled with federal lands, since catastrophic wildfires, insects, and diseases do not recognize property boundaries.

2. Deriving revenue from the sale of any by-products or other materials designated for removal from these stewardship projects will be a secondary objective to the restoration goals. Forest products will be appraised at fair market value. Contracts of a duration longer than 3 years will allow for price adjustment for the value of these materials to protect the public interest as new markets develop.

We generally agree with this statement, although we have concerns with how the agencies will develop a fair market value for forest products that traditionally have had little or no market value. With regards to price adjustments, like the establishment of fair market values, there is not a lot of history in the agencies, nor are we aware of appropriate indices for such adjustments, so we recommend against including price adjustments in stewardship contracts.

3. The agencies will use an open, collaborative process and, as appropriate, will seek early involvement of local government agencies, including tribal governments, and any interested groups or individuals in various phases of project development and implementation.

We are supportive of collaborative processes and the involvement of local governments, tribes, adjacent landowners and people who have a vested interest in the goals and objectives of a given resource management project. However, because this strategy is already part of existing agency processes and is a specific focus of the National Fire Plan, it is unnecessary and confusing to include it in the stewardship contracting guidance.

4. The agencies will seek to use the stewardship authority in conjunction with other land

management authorities to develop and implement stewardship projects across agency administrative boundaries. The agencies will seek to achieve land management goals on a watershed, or larger scale.

We support looking at potential projects on a large, watershed scale, but would discourage multi-national forest or BLM district projects at this stage. Delegated contracting authorities are located at the national forest and BLM district levels and to have overlapping contracting officers, especially at the learning stages of this new program, would be confusing for all parties involved.

5. The Forest Service may collect residual receipts pursuant to the Knutson-Vandenberg Act of June 9, 1930, and the National Forest Management Act of 1976, from excess offset value.

We have no objection to the collection of money for specific funds such as KV, but the Forest Service should adopt the premise that stewardship contracts will not be designed to produce excess or residual receipts; otherwise a regular timber sale contract should be used to complete the land management work.

6. All stewardship projects will comply with applicable environmental laws and regulations, including an appropriate level of environmental review under the National Environmental Policy Act, and will be consistent with applicable agency land and resource management plans. Projects will be subject to applicable agencies' appeals and dispute resolution processes.

Regardless of the form of contracting used, all projects must comply with laws and regulations, as well as existing land and resource management plans.

7. The agencies may use existing contract or assistance instruments, as appropriate, to implement stewardship projects. In addition, the agencies may develop new contracting mechanisms as needed to implement stewardship projects consistent with relevant laws, regulations, and guidelines.

We support the development of model contracts and strongly recommend that risk be fairly allocated between contractor and purchaser. As the Forest Service is aware, the forest products industry has substantial interest and experience in contracts that remove forest products. As such, we recommend that the agencies consult with the Federal Timber Purchasers Committee on the use or development of new contracting mechanisms.

8. In awarding a stewardship contract on a best value basis, the agencies may, in addition to cost or price, consider such criteria as the contractor's past performance, work quality, existing public or private agreements or contracts, on-time delivery, and experience. The agencies may consider the benefits to local and rural community needs when considering award of a stewardship contract on a best value basis. The agencies' may use non-traditional contractors or recipients, such as counties or not-for-profit or non-governmental organizations, if consistent with relevant authorities.

Guidelines for the awarding of stewardship contracts should be based on similar criteria used for timber sales and service contracts and must be an open, competitive process. Successful contractors must have a proven ability to perform or subcontract and manage required work. Non-traditional contractors, such as counties or NGOs, must compete on a level playing field with traditional contractors. The agencies must not deviate from their ultimate land management objective, treating acres in a cost effective way.

9. The agencies may use all available authorities to involve a wide range of contractors or recipients, allow for offsets to be utilized for other restoration treatments. The agencies will

maintain Federal agency control and oversight of operations to assure the protection of public assets and compliance with environmental requirements.

Once again, the open competitive bid process will result in the greatest net public benefits over the longer term. It is critical to the success of the project and the contractor that information about the projects' contractual requirements is clear and concise.

10. Contractors who are awarded stewardship contracts will provide such bonds as may be required under law or regulation. The agencies may require performance and payment bonds in order to protect the government's investment in receipts from forest products to be removed under a contract or agreement under Pub. L. 108-7.

Bonding is critical to risk management and guaranteed performance. Unfortunately insurance companies are not supporting long term, non-cancelable performance bonds. For example, timber sales with terms that exceed three years are becoming more challenging to bond, even for established purchasers. In order to ensure that the contractors who bid on these contracts can provide bonds to protect the public's interest, we would suggest the following options:

- 1) Provide for cancellation of a performance bond, with 90 days notice required, or
- 2) Provide for a definite term contract with date-certain expiration of associated bonds, not to exceed a term of 3 years, with an option for extension of the contract with Consent of Surety.
- 3) -- Another option to consider is the use of a contract form known as *Indefinite Delivery Indefinite Quantity (IDIQ)*. Typically these contracts involve individual task orders that require separate bonds. Usually there are a minimum and maximum number of tasks to be awarded per year. No final bonds would be required until a "task order" was issued. These types of contracts are very common with the Corps of Engineers.

As the stewardship contract form is developed, choosing the appropriate form of guarantee will become clear.

We also urge that the requirement of "multiparty monitoring" not result in these groups being involved in determining adequate contract performance as is guaranteed by the bonds. Only the government can hold this authority or these contracts cannot be bonded.

11. The agencies will develop a two-phased training approach to implement this authority. Internal agency training will focus on allowing for contracting authority to occur as close to the field as practicable and will cover topics such as project management, performance based end-result contracting and trading goods for services. Agencies also will provide external training subject to available funding to assist contractors in developing skills to do the work required by the contract, and knowledge in competing for and performing on stewardship contracts.

While we support limited training for agency personnel in order to ensure their expertise in utilizing these new authorities, we have serious concerns with the agencies providing external training to contractors. Funding is severely limited and any available funding should be spent accomplishing on-the-ground work. Furthermore, neither the Forest Service nor BLM have experience in this arena.

12. The agencies will utilize multiparty monitoring, open to interested groups or individuals, to monitor and evaluate an appropriate sampling of the projects or programs at the appropriate

levels. If supported by the local collaborative process, monitoring will be conducted at the project level, subject to available funding, and will be well coordinated among administrative units to ensure that the sampling of projects monitored is geographically diverse and represents the range of projects undertaken. Multi-party monitoring will focus on: a) The status of development, execution, and administration of agreements or contracts, b) The specific accomplishments that have resulted, and c) The role of local communities in development of agreement or contract plans.

We support the idea of multiparty monitoring of stewardship contracting projects, but encourage the agencies to use existing processes and teams, such as Resource Advisory Committees and Federal Advisory Committees, that are already familiar with local needs. This will reduce the administrative time and cost associated with developing new processes and teams. We support the focus areas for monitoring, but suggest that reporting be specific in regards to project accomplishments. In developing reports based on the monitoring, we encourage the use of tables that would include such information as status of project, acres treated, and community benefits. Reports should also include specific information regarding the use of receipts and excess offset value.

13. When reporting to Congress, the agencies will utilize performance and workload measures consistent with the Government Performance and Results Act. To the extent practicable, these measures will be consistent across the Department of the Interior and the Department of Agriculture.

As noted above, reports should include specific measures of accomplishment and accountability, such as acres treated and the use of receipts and excess offset value.

14. Stewardship contracting provides for multiple year contracts up to 10 years duration. The agencies are encouraged to use multiple-year funding to provide incentives to potential sources to make investments in long-term landscape improvement projects.

We support the opportunity to enter into contracts up to 10 years in duration. This will assist private sector investments into the infrastructure needed to process the forest products removed. Without a long-term guarantee to a raw material supply, the private sector will be reluctant to purchase equipment and establish new business ventures.

15. In accordance with law, the agencies will maintain authority over all phases of development and implementation of contracts and agreements under this authority and will administer them in a manner consistent with their intended goals.

As mentioned in the response to guideline #10, we are concerned with the potential that “multiparty monitoring” may get involved in reviewing contract performance. The stewardship contract will be a legal document between the federal agency and the contractor. Outside involvement or interference with the performance under the contract will only lead to confusion and disputes. Furthermore as mentioned above, such arrangements would be un-bondable.

16. Project managers will separately track the values of the goods being sold and the services being received for each project.

We are interested in ensuring that stewardship contracting is being used as the appropriate tool for meeting land management objectives. As such, we support separate tracking of goods sold and services received, in order to provide for financial accountability. However, we urge that this not become another burdensome process.

17. Use of receipts is limited to direct on-the-ground project implementation. Receipts will not be used for overhead, administrative, or indirect costs or the completion of environmental

studies or other planning and analysis.

We support the concept of using receipts for direct on-the-ground implementation. The Forest Service should adopt the premise that stewardship contracts will not be designed to produce excess or residual receipts; otherwise a traditional timber sale contract should be used. In the rare occurrence where there is positive offset value, receipts should be returned to the forest which generated the receipts.

18. The use of full and open competition will remain standard operating practice and anything less than full and open competition will need to be documented and approved by the appropriate Regional Forester for the FS and the appropriate State Director for BLM.

We support this statement, as noted in the response to guideline #8. We would oppose any selective, preclusive, exclusive or arbitrary contracting process.

In closing, we would like to reiterate that our key objectives regarding stewardship contracting include: adequate and increasing appropriated funds to accomplish projects on the ground, coordination between the agencies and the Federal Timber Purchasers Committee, and financial accountability.

We thank you for the opportunity to comment on these guidelines and request that you move expeditiously to finalize agency policy regarding stewardship contracting.

Sincerely,

J. R. (Randy) Bush, CAE
President
Virginia Forest Products Association
220 East Williamsburg Road
P.O. Box 160
Sandston, VA 23150
E-mail: vfpa@att.net



"Susan Crampton"
 <scrampt@mymetho
 w.com>

To: <stewardship@fs.fed.us>
 cc:
 Subject: stewardship pilot comments

07/23/2003 04:30 PM

USDA Forest Service
 Forest and Range Management Staff
 Mail Stop 1105
 1400 Independence Avenue, SW,
 Washington, DC 20024.

Dear Forest and Range Management Staff:

These comments are submitted as public input against the proposal to use stewardship contracting as an administrative tool for the Healthy Forests Initiative and other forest management.

As a member of the multi-party monitoring team for the Hungry Hunter Stewardship Pilot project in the Okanogan National Forest, I am acquainted with the Stewardship Pilot program and my comments are included below.

- The February, 2003, Congressional rider that made the Stewardship Pilot program "permanent" for the next 10 years was passed when the none of the current pilots have even been implemented, with data collected and analyzed, monitoring followup completed, and a thoughtful decision reached.

- The March 2003 Stewardship Pilot Report prepared by the Pinchot Institute for Conservation to the USDA Forest Service states: "However, with so many projects not having reached the implementation stage, it behooves us to remain prudent in making premature decisions related to evaluating the overall effectiveness of individual authorities and the program, as a whole" (Report, p.43).

- The expanded stewardship contracting approval or the inclusion in the Healthy Forests Initiative is premature.

- The expanded approval returns many of the same authorities that were abused in the past by the Forest Service and Bureau of Land Management agencies and the timber industry.

- The significant difference in the Stewardship Pilots was the project-specific multi-party monitoring required by the Congressional legislation. Now that project-specific multi-party monitoring is deleted. No oversight, no checks and balances. Just Chief Bosworth saying that the Forest Service isn't going to make the same mistakes this time as were made in the past.

- Public "collaboration", but not multi-party monitoring. Public collaboration, but not required by law. Public collaboration, but not funded. Not even the little \$4000 per year that was received for the individual Stewardship Pilots.

- Won't work. Isn't designed to work. Is designed to cut timber. Is designed to get rid of public oversight.

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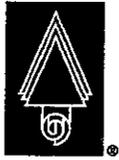
- What a sham.

- No.

Thank you for the opportunity to make public comment on public national forest issues.

Sincerely,
Susan Crampton
PO Box 162
Twisp, WA 98856

AF&PA®


AMERICAN FOREST & PAPER ASSOCIATION

GROWING WITH AMERICA SINCE 1861

July 28, 2003

USDA Forest Service
 Forests and Rangelands Staff
 Mail Stop 1105
 1400 Independence Avenue, SW
 Washington, DC 20024-1105

RE: Stewardship End Result Contracting: 68 Fed. Reg. 38285 (June 27, 2003)

To Whom It May Concern:

This letter is in response to the request for public comments on the notice of interim guidelines for Stewardship End Result Contracting, 68 Fed Reg 38285 (June 27, 2003).

These comments are on behalf of the American Forest & Paper Association (AF&PA) and its members. AF&PA is the national trade association of the forest, pulp, paperboard, and wood products industry. AF&PA represents approximately 200 member companies and related trade associations (whose memberships are in the thousands) which grow, harvest, and process wood and wood fiber; manufacture pulp, paper and paperboard products from both virgin and recovered fiber; and produce solid wood products. We are interested in these guidelines because many forest products companies and their employees have a direct economic interest in the management of our nation's forest lands.

AF&PA supports the expanded authority for both the Forest Service and Bureau of Land Management to be able to utilize end result stewardship contracting. Stewardship contracting provides an excellent tool to be able to perform restorative or maintenance work in our nation's forests while simultaneously improving contract efficiency and reducing costs to the agencies. This is simply common sense contracting and good public policy, as well as being environmentally, socially and economically responsible.

We want to emphasize that this is not just an issue of fiber or timber supply to AF&PA's members. It is critical to addressing the forest health crisis in our country. If we do not reduce the risk of catastrophic wildfires, insects and diseases, we will continue to destroy millions of acres of critical wildlife habitat, key watersheds and private property, both homes and timberlands. There is simply not enough funding available to do this critically important work without utilizing products that provide value.

1111 Nineteenth Street, NW, Suite 800 • Washington, DC 20036 • 202 463-2700 Fax: 202 463-2785 • www.afandpa.org
 America's Forest & Paper People® - Improving Tomorrow's Environment Today®

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JUL 30 2003

A broad concern of the forest products industry is the need for adequate and increasing appropriated funds to the field to accomplish hazardous fuels reduction, insect and disease treatments, and other land condition improvement projects. The first priority, as stated earlier, must be improving the condition of the land. We believe that field units must have funds to prepare and accomplish needed projects, and stewardship contracts are one possible means to do the work. We are concerned that there is not currently, nor projected to be in the next few years, sufficient national fire plan or vegetative management funding on many units for these projects. Without such funds, hazardous fuels reduction and other projects using stewardship projects will not even be possible. Therefore, providing appropriated funds must be the highest priority and we highly encourage the Forest Service to reduce project preparation costs (i.e. analysis and NEPA), in order to increase available project funds.

As noted in several of our comments below, there are several areas of the guidelines that are not mandated in the stewardship contracting authorizing law, and are simply redundant to already established Forest Service policies. To avoid confusion, those guidelines should be removed.

AF&PA's specific comments on the interim guidelines are as follows:

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AF&PA agrees wholeheartedly with this statement, but would ask that the objective of reducing hazardous fuels that pose risks to non-federal forests and rangelands be added at the end. This is critically important to our members, many of whom own forest and rangelands intermingled with federal lands, since catastrophic wildfires, insects, and diseases do not recognize property boundaries.

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such, AF&PA recommends that the agencies consult with the Federal Timber Purchasers Committee on the use or development of new contracting mechanisms.

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Once again, the open competitive bid process will result in the greatest net public benefits over the longer term. It is critical to the success of the project and the contractor that information about the projects' contractual requirements is clear and concise.

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awarded per year. No final bonds would be required until a "task order" was issued. These types of contracts are very common with the Corps of Engineers.

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While AF&PA supports limited training for agency personnel in order to ensure their expertise in utilizing these new authorities, we have serious concerns with the agencies providing external training to contractors. Funding is severely limited and any available funding should be spent accomplishing on-the-ground work. Furthermore, neither the Forest Service nor BLM have experience in this arena.

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AF&PA supports the concept of using receipts for direct on-the-ground implementation. The Forest Service should adopt the premise that stewardship contracts will not be designed to produce excess or residual receipts; otherwise a traditional timber sale contract should be used. In the rare occurrence where there is positive offset value, receipts should be returned to the forest which generated the receipts.

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AF&PA supports this statement, as noted in the response to guideline #8. We would oppose any selective, preclusive, exclusive or arbitrary contracting process.

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We thank you for the opportunity to comment on these guidelines and request that you move expeditiously to finalize agency policy regarding stewardship contracting.

Sincerely,

A handwritten signature in cursive script, reading "John Heissenbuttel". The signature is written in black ink and is positioned above the typed name.

John Heissenbuttel
Vice President, Forestry and Wood Products



"Block, Nadine"
<Nadine_Block@afandpa.org>

07/28/2003 01:11 PM

To: "stewardship@fs.fed.us" <stewardship@fs.fed.us>
cc: "Coulombe, Mary" <Mary_Coulombe@afandpa.org>, "Block, Nadine" <Nadine_Block@afandpa.org>
Subject: Comments on 68 Fed Reg 38285

Attached please find comments on behalf of the American Forest and Paper Association (AF&PA) regarding the Stewardship End Result Contracting Guidelines, 68 Fed Reg 38285 (June 27, 2003).

Sincerely,
Nadine Block

Nadine Block
Manager, Forest Policy
American Forest & Paper Association
Ph: (202) 463-2753
nadine_block@afandpa.org



AF&PA stewardship contracting comments.doc



MCDG
<MCDG@fcresearch.
org>

To: stewardship@fs.fed.us
cc:
Subject: Stewardship End Result Contracting notice of interim guidelines

07/28/2003 03:14 PM

RE: Section on consultation and coordination with Indian tribal governments

The statement is made that these guidelines do not have tribal implications as defined by executive order 13175. However, it is our organizations belief that Native American groups have a great interest and concern regarding all forest activities. Thus, we feel that consultation should occur at all levels. Native American people have specific traditional ecological knowledge that can be utilized in all areas and at all levels of the stewardship program such as understory vegetation, watershed restoration, and fuels reduction to mention a few.

Without a proactive outreach and involvement program and perhaps an orientation of a number of different projects demonstrating TEK across the forests, this critical component of ecosystem knowledge will be missing and may impair the ability of the stewardship program in meeting diverse objectives.

As one of the original 22 pilots we are struck by how urgently collaboration that will allow this knowledge to be recognized and tested is needed and thus needs to become part of program guidance and not just project related consultation.

Thank you,

Farrell Cunningham
Director, Maidu Cultural and Development Group

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JUL 30 2003



"Christopher West"
<cwest@afrc.ws>

07/28/2003 01:03 PM
Please respond to cwest

To: <stewardship@fs.fed.us>
cc: "Tom Thompson" <tthompson@fs.fed.us>, <rprausa@fs.fed.us>, "Dick Fitzgerald" <rfitzgerald@fs.fed.us>
Subject: AFRC Comments on Stewardship End Result Contracting Interim Guidelines

July 28, 2003

USDA Forest Service

Forests and Rangelands Staff

Mail Stop 1105

1400 Independence Avenue, SW

Washington, DC 20024-1105

RE: Stewardship End Result Contracting: 68 Federal Register. 38285 (June 27, 2003)

To Whom It May Concern:

Please accept this letter in response to the request for public comments on the notice of interim guidelines for Stewardship End Result Contracting on behalf of the members of the American Forest Resource Council (AFRC). AFRC represents over 80 forest product businesses and forest landowners in twelve states. Our mission is to create a favorable operating environment for the forest products industry, ensure a reliable timber supply from public and private lands, and promote sustainable management of forests by improving federal laws, regulations, policies and decisions that determine or influence the management of all lands.

AFRC applauds Congress for the passage of Public Law 108-7 and we have actively pushed for expanded authority for both the Forest Service and Bureau of Land Management to be able to utilize end result stewardship contracting. We see this as the perfect opportunity to treat hazardous fuels and thin from below when the value of the material to be removed will not pay its way out of the woods. This is simply common sense contracting and good government, as well as environmentally, socially and economically responsible public policy.

It must be noted that this is not just an issue of fiber or timber supply to AFRC's members, but an issue that if we don't reduce the risk of catastrophic wildfires, insects and diseases, we will continue to destroy millions of acres of

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critical wildlife habitat, key watersheds and private property, both homes and timberlands. Furthermore, there is not enough funding available to do this critically important work unless utilizing some of the material to be removed can reduce costs.

AFRC views stewardship end result contracting as a tool, just like timber sales and service contracts, but not a program. The programs are hazardous fuel reduction, vegetation management, watershed enhancement, wildlife habitat improvement and road & trail maintenance. Furthermore, it is our view that this guidance should only address issues specific to PL 108-7 and stewardship end result contracting.

AFRC's specific comments on the interim guidelines are as follows.

1. Stewardship projects authorized by Public Law 108-7 will be designed to achieve land management goals by modifying vegetation to make forests and rangelands more resilient to natural disturbance mechanisms such as wind, flood, fire, insects, and disease. The objectives of these projects may include improving forest and rangeland health, restoring or maintaining water quality, improving fish and wildlife habitat, reestablishing native plant species, and/or reducing hazardous fuels that pose risks to communities and ecosystem values.

AFRC agrees wholeheartedly with this statement, but would ask that the objective of reducing hazardous fuels that pose risks to non-federal forests and rangelands be added at the end. This is critically important to our membership, many of whom own forest and rangelands intermingled with federal lands, since catastrophic wildfires, insects and diseases, don't recognize property boundaries.

2. Deriving revenue from the sale of any by-products or other materials designated for removal from these stewardship projects will be a secondary objective to the restoration goals. Forest products will be appraised at fair market value. Contracts of a duration longer than 3 years will allow for price adjustment for the value of these materials to protect the public interest as new markets develop.

AFRC generally agrees with this statement. Through a competitive bid process, the public will receive the best value or least cost for doing the prescribed work. We are concerned with the how the agencies will develop a fair market value (residual value or transaction evidence) when they have not been in the business of selling a lot of these marginal valued forest products. This concern applies also to an estimate of the costs to do the work to be completed. It is our view that the most efficient process is to offer a single contract for bid that specifies a given amount of service work to be accomplished and an amount of forest products available for utilization. Therefore the market values reflected in offers will set the values and the cost of doing the work in a net figure. AFRC opposes embedded timber sale contracts. There should not be a minimum bid rates because the values and costs are highly variable. Furthermore, values for the products should not be cycled back into the existing timber sale appraisal systems. With regards to price adjustments, like the establishment of fair market values, there is not a lot of history in the agencies, nor are we aware of appropriate indices for such adjustments, therefore we would recommend against its inclusion in a stewardship contract.

3. The agencies will use an open, collaborative process and, as appropriate, will seek early involvement of local government agencies, including tribal governments, and any interested groups or individuals in various phases of project development and implementation.

AFRC is supportive of collaborative processes and the involvement of local governments, tribes, adjacent landowners and people who have a vested interest in the goals and objectives of a given resource management project. Unfortunately, it has been our experience that such efforts have taken on a life of their own, forgetting the ultimate land management goals and objectives. Line officers and facilitators need to keep the focus on building collaborative efforts around the proposed projects and not periodic gatherings to discuss issues adnauseam. Furthermore, PL 108-7 does not require any additional collaborative process above what is already part of the existing project planning and NEPA processes. Therefore we would recommend this statement being removed from the guidance so that there is no confusion that a new collaborative process is required.

4. The agencies will seek to use the stewardship authority in conjunction with other land management authorities to develop and implement stewardship projects across agency administrative boundaries. The agencies will seek to achieve land management goals on a watershed, or larger scale.

AFRC supports looking at potential projects on a large scale, but would oppose multi-national forest, BLM district or tribal projects unless the administrative units have "zone" teams to perform this work. Delegated contracting authorities are usually located at the national forest and BLM district levels and to have overlapping

contracting officers, especially at the learning stages of this new program would be more trouble than it is worth. It is our view that a forest or district would conduct a planning effort for a watershed and identify the land management priorities as directed by either NFMA or FLPMA through a NEPA process. To implement those land management objectives, a combination of timber sales, service and stewardship contracts would be prepared, bid and awarded. The focus must remain on the land management objective, not the means by which work will be contracted.

5. The Forest Service may collect residual receipts pursuant to the Knutson-Vandenberg Act of June 9, 1930, and the National Forest Management Act of 1976, from excess offset value.

We have no objection to the collection of money for specific funds such as KV, but the premise of stewardship contracts is that there will not be excess or residual receipts, otherwise a regular timber sale contract should be used to complete the land management work. The collection of funds to cover reforestation and herbicide treatments are legitimate resource objectives for which we would support the collection of funds if that work is not required as part of the contract.

6. All stewardship projects will comply with applicable environmental laws and regulations, including an appropriate level of environmental review under the National Environmental Policy Act, and will be consistent with applicable agency land and resource management plans. Projects will be subject to applicable agencies' appeals and dispute resolution processes.

AFRC's position is that, regardless of the form of contracting used, all projects must comply with laws and regulations, as well as existing land and resource management plans.

7. The agencies may use existing contract or assistance instruments, as appropriate, to implement stewardship projects. In addition, the agencies may develop new contracting mechanisms as needed to implement stewardship projects consistent with relevant laws, regulations, and guidelines.

Since the Forest Service has had many years of pilot authority to experiment with different forms of stewardship contracts, we feel strongly that national direction should standardize the forms of contracts to be used by the field. One of our frustrations with the pilot projects is that new contract forms were developed for almost every project, leading to a waste of agency staff time as well as confusion by potential contractors on what was required. The existing timber sale and service contracts allow for project specific provisions and maintaining this flexibility in the stewardship contract will be critical to its success given the variability across the landscape and the country. But, maintaining a consistent contract form for both the government and contractor to rely on is also very important in minimizing potential disputes.

We are encouraged by some standardized contract forms that have emerged from Forest Service Regions 1 and 5 and would hope that the agency headquarters would utilize this expertise. As mentioned above, it is AFRC's view that these would be a contract single bid, versus an embedded contract. Another area that needs to be resolved is the non-productive bickering between service and timber sale Contracting Officers. This unnecessary turf war has been an obstruction to getting work done on the ground. Finally, contracting regulations and forms are very different between the Forest Service and BLM and we would encourage keeping the agency independence to minimize confusion within the agencies and with contractors.

8. In awarding a stewardship contract on a best value basis, the agencies may, in addition to cost or price, consider such criteria as the contractor's past performance, work quality, existing public or private agreements or contracts, on-time delivery, and experience. The agencies may consider the benefits to local and rural community needs when considering award of a stewardship contract on a best value basis. The agencies' may use non-traditional contractors or recipients, such as counties or not-for-profit or non-governmental organizations, if consistent with relevant authorities.

Guidelines for the award of stewardship contracts should be based on the similar criteria used in other government contracting and must be an open competitive process with selection criteria identified in the prospectus. Successful contractors must have a proven ability to perform or subcontract and manage required work. Subjective determinations should be minimized and only come into account when issues and/or concerns are well documented.

AFRC also recommends the consideration of formal "Requests For Proposals" process (RFP) with specific requirements to be solicited as the next step. Offers by respondents to the RFP solicitation can then be evaluated, and scored by the content of the Technical Proposal, including any offered alternatives, financial elements, and a description of the offering entity's qualifications and past experience.

Non-traditional contractors, such as counties, NPO or NGO must compete on a level playing field with traditional contractors. The ultimate land management objective must remain in focus, treating acres in a cost effective way. The environmental, social and economic stability of rural communities is more dependent on the number of acres to be treated, than who is awarded the contract.

9. The agencies may use all available authorities to involve a wide range of contractors or recipients, allow for offsets to be utilized for other restoration treatments. The agencies will maintain Federal agency control and oversight of operations to assure the protection of public assets and compliance with environmental requirements.

This statement is confusing and provides no new guidance to the field. We recommend dropping this statement.

10. Contractors who are awarded stewardship contracts will provide such bonds as may be required under law or regulation. The agencies may require performance and payment bonds in order to protect the government's investment in receipts from forest products to be removed under a contract or agreement under Pub. L. 108-7.

Bonding is critical to risk management and guaranteed performance. Unfortunately insurance companies are not supporting long term, non-cancelable performance bonds. For example, timber sales with terms that exceed three years are becoming more challenging to bond, even for established purchasers. In order to ensure that the contractors who bid on these contracts can provide bonds to protect the public's interest, we would suggest the following options:

- 1) Provide for cancellation of a performance bond, with 90 days notice required, or
- 2) Provide for a definite term contract with date-certain expiration of associated bonds, not to exceed a term of 3 years, with an option for extension of the contract with Consent of Surety.
- 3) Another option to consider is the use of a contract form known as *Indefinite Delivery Indefinite Quantity (IDIQ)*. Typically these contracts involve individual task orders that require separate bonds. Usually there is a minimum and maximum number of tasks to be awarded per year. No final bonds would be required until a "task order" was issued. These types of contracts are very common with the Corps of Engineers.

As the stewardship contract form is developed choosing the appropriate form of guarantee will become clear. We do not support the use of payment bonding for stewardship contracting since the premise is that the value of product utilization will offset the costs of the service work. Bonding is provided to guarantee the completion of the service work, not the payment of stumpage.

11. The agencies will develop a two-phased training approach to implement this authority. Internal agency training will focus on allowing for contracting authority to occur as close to the field as practicable and will cover topics such as project management, performance based end-result contracting and trading goods for services. Agencies also will provide external training subject to available funding to assist contractors in developing skills to do the work required by the contract, and knowledge in competing for and performing on stewardship contracts.

This is not required of the law and should be removed from the guidance. We expect that the agency implementation training will occur. Furthermore, in most regions of the country, there are already contractors available to do this work. If contractor training is needed, it should and has been conducted by the private sector. Finally, we are concerned that the limited funds will be diverted to these training efforts and away from the treatment of acres.

12. The agencies will utilize multiparty monitoring, open to interested groups or individuals, to monitor and evaluate an appropriate sampling of the projects or programs at the appropriate levels. If supported by the local collaborative process, monitoring will be conducted at the project level, subject to available funding, and will be well coordinated among administrative units to ensure that the sampling of projects monitored is geographically diverse and represents the range of projects undertaken. Multi-party monitoring will focus on: a) The status of development, execution, and administration of agreements or contracts, b) The specific accomplishments that have resulted, c) The role of local communities in development of agreement or contract plans.

AFRC reluctantly supports the concept of multiparty monitoring of stewardship contracting projects for the same reason mentioned in response to No. 3 -- they begin to take on a life of their own. Therefore, we would encourage the agencies to use existing formal groups or teams, such as Resource Advisory Committees or Federal Advisory Committees that are already familiar with local needs. This will reduce the administrative time and cost associated with developing new processes and teams.

We support the PL 108-7's specified focus of the monitoring and would suggest that reporting be specific in regards to project accomplishments. We envision a quarterly report, in a table format that would be organized by national forest or BLM district and report on status of NEPA work, appeals, litigation, contract award, acres to be treated, acres accomplishments, and a checklist of multiple use benefits to be achieved. Also, as discussed in No. 16, the monitoring report should identify values of goods being sold and services received for each project. The agencies should compile the monitoring report, which should be reviewed, verified, and signed off by one of the existing formal advisory committees.

13. When reporting to Congress, the agencies will utilize performance and workload measures consistent with the Government Performance and Results Act. To the extent practicable, these measures will be consistent across the Department of the Interior and the Department of Agriculture.

As noted above, reports should include specific measures of accomplishment and accountability, such as acres treated, values of goods being sold and services received.

14. Stewardship contracting provides for multiple year contracts up to 10 years duration. The agencies are encouraged to use multiple-year funding to provide incentives to potential sources to make investments in long-term landscape improvement projects.

We support the opportunity to enter into contracts up to 10 years in duration. This will assist private sector investments into the infrastructure such as biomass cogeneration facilities, composite panel plants or new small log mills. Without some long-term guarantee to a raw material supply, the private sector will be reluctant to purchase equipment and establish new business ventures.

15. In accordance with law, the agencies will maintain authority over all phases of development and implementation of contracts and agreements under this authority and will administer them in a manner consistent with their intended goals.

We agree with this statement. AFRC has a concern that the "multiparty monitoring" may get involved in reviewing contract performance. The stewardship contract will be a legal document between the federal agency and the contractor. Outside involvement or interference with the performance under the contract will only lead to confusion and disputes. Furthermore, such arrangements will be un-bondable.

16. Project managers will separately track the values of the goods being sold and the services being received for each project.

AFRC is keenly interested in ensuring that stewardship contracting is used as the appropriate tool for meeting land management objectives. Therefore, we supports separate tracking of goods sold and services received, in

order to provide for some level of accountability, but we urge that this not become another burdensome process that over shadows the accomplishments on the ground.

17. Use of receipts is limited to direct on-the-ground project implementation. Receipts will not be used for overhead, administrative, or indirect costs or the completion of environmental studies or other planning and analysis.

We are confused by this guidance, is it discussing the receipts from the value of the products to be utilized or any net excess revenues after the costs of the services subtracted. It is AFRC's view that stewardship contracting will be used when the products available to be utilized will not cover the cost of the services to be performed. If there are excess receipts then a timber sale contract should have been used. We acknowledge that there may be those rare occurrences when the values and cost associated with a proposed project are fairly close that a bid maybe positive.

We see the process working as follows: Through the appropriations process and allocation to the field, funds for various programs of work will be available. Project planning, contract preparation and project administration will be handled just as other programs of work, whether it is a new campground or a timber sale. We perceived that with the potential of multiple resource objectives for these projects that it may run into a problem with the Forest Service's primary purpose accounting process. Still, the field unit will have a budgeted amount to accomplish a specified amount of work. Once the contract is bid, the agency assesses if the bid is within its financial means and awards the contract. Cost differences from the budgeted program of work should be handled just like other existing programs, such as a new road that costs more or less than was planned and budgeted. In other words, the guidance should not establish a new way for the agencies to do business. Stewardship contracting is just another tool, like service and timber sale contracts.

A broad concern we have is the need for adequate and increasing appropriated funds to the field to accomplish fuels hazard reduction, insect and disease treatments and other land condition improvement projects. The first priority, as stated earlier, must be improving the condition of the land. We believe that field units must have funds to prepare and accomplish needed projects and stewardship contracts are one possible means to do the work. We are concerned that there is not currently, nor projected to be in the next few years, sufficient national fire plan or vegetative management funding on many units for these projects. Without such funds, fuels hazard reduction and other projects using stewardship projects won't even be possible. Therefore, providing appropriated funds must be the highest priority and we encourage the Forest Service to reduce project preparation costs (i.e. analysis and NEPA), in order to increase available project funds.

18. The use of full and open competition will remain standard operating practice and anything less than full and open competition will need to be documented and approved by the appropriate Regional Forester for the FS and the appropriate State Director for BLM.

We agree, see response to No. 8. We would oppose any selective, preclusive, exclusive or arbitrary contracting process.

In summary and as mentioned several times, AFRC views stewardship end result contracting as just another tool to accomplish agency land management objectives and not a new program. The guidance needs to respond to PL 108-7 and not create the impression that new processes or programs are to be established. The use of this new authority should not negatively impact the existing green and/or salvage timber sale programs, but enhance those opportunities by moving marginal forest products from timber sale to stewardship offerings.

Finally, AFRC's commitment to the agencies is that we will continue to push for more appropriated National Fire Plan and vegetation management funding, but in return we want the agency to choose the appropriate method for accomplishing work, whether it is force account, timber sale, service or stewardship contracts.

Thank you for the opportunity to comment on this proposal and request that you move expeditiously to finalize this guidance and forward it to the field so they may be in effect as soon as possible. Should you or your staff have any questions relating to these comments, please contact me directly at 503-222-9505.

Sincerely,

Thomas L. Partin

Thomas L. Partin

President

cc: Undersecretary of Agriculture Mark Rey
Assistant Secretary of Interior Rebecca Watson
Council on Environmental Quality Chairman James Connaughton

Chris West, Vice President

American Forest Resource Council

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Stewardship Interim AFRC Cmmts.doc



"Cal Mukumoto"
 <cal@mukumoto.co
 m>

To: <stewardship@fs.fed.us>
 cc:
 Subject: Stewardship end result contracting

07/28/2003 11:38 AM
 Please respond to cal

Stewardship end result contracting

I believe that Stewardship end result contracting can be a very important tool in restoring the health of our national forests and BLM lands. I am a member of the Metolius Pilot Multi-party Monitoring Team on the Deschutes National Forest. The following are my comments on the proposed interim guidelines posted in the Federal Register on June 27, 2003.

Due to the large time commitment required, I believe it will become increasingly more difficult to maintain public interest in these groups without dedicated funding. Although the guidelines instruct agencies to utilize multi-party monitoring to monitor projects, it is done so "subject to available funding". Currently there is no dedicated funding available to support Multi-party monitoring activities. Agency incumbents have characterized multiparty monitoring as an "Unfunded Mandate." Although agency incumbents express a desire and spirit for collaborative work, they receive "no budget credit" in doing so. This is a barrier to maintaining agency interest and public involvement with multi-party monitoring activities.

Our Regional Office is presenting another budget barrier to multi-party monitoring. Currently the Regional Office is requesting payment by districts for a national contract with the Pinchot Institute. This payment is for participation in the former pilot project. The payment in my opinion puts a high barrier of entry to Stewardship contracting for the district. Careful monitoring and guidance from the Washington office level is required so that individual regional activities do not stifle implementation of these guidelines.

I consider multi-party monitoring as a Quality Control mechanism to ensure monitoring of results and local involvement. District level perspective of multi-party monitoring, based on no budgetary support, is it is done solely through volunteerism and donations. Due to the high number of hours required to maintain and develop these groups I have a dim view of their future existence without dedicated funding. What company the size of the Forest Service would rely on donations and volunteerism for quality control?

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Another barrier to multi-party monitoring is the standard of "full and open competition". Agency contract specialists have expressed views that contractors cannot fully participate on the multi-party monitoring teams due to potential "conflict of interest." Contractors are an invaluable source for setting monitoring standards and interpreting monitoring results. Clear definition and application of this standard should be established so contractors can participate on a full and equal basis.

These guidelines are an exciting new step in restoration of our forests. However, I believe that consistency of agency implementation and support of these guidelines will require leadership and funding beyond that which reaches the ground. Agency shirking of these guidelines will occur if the proper incentives are not provided to implement them. Therefore stronger language concerning funding, collaboration, and monitoring should be develop as a part of these guidelines.

Calvin Mukumoto

Bend, Oregon

541-382-2708

Calvin Mukumoto
541-382-2708



Carol Daly
 <cdaly1@centurytel.net>

To: stewardship@fs.fed.us
 cc:
 Subject: Comments on stewardship contracting interim guidelines

07/28/2003 11:35 AM
 Please respond to
 cdaly1

Comments on stewardship contracting interim guidelines -- provided both as embedded text and as an attachment.

Flathead Economic Policy Center
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 Tel. (406) 892-8155; FAX (406) 892-8161; cdaly1@centurytel.net

July 26, 2003

Forests and Rangelands Staff
 USDA Forest Service
 Mail Stop 1004
 1400 Independence Avenue SW
 Washington, DC 20024-1105

Ref: Notice of Interim Guidelines
 Stewardship End Result Contracting

TO : Darci Birmingham, Mike Haske, et al.

Thank you for the opportunity to comment on the interim guidelines for implementing stewardship end result contracting as authorized by Section 323 of P.L. 108-7, the Consolidated Appropriations Resolution, 2003.

Community-based forestry collaborative groups have consistently been the most informed and committed advocates for stewardship end result contracting. Around the country, groups like our local Flathead Forestry Project dedicated themselves to helping implement the stewardship demonstration program begun in 1999. We were excited about the progress we were making, working with local Forest Service personnel to use the full suite of special stewardship contracting authorities creatively and effectively to address both ecosystem and community needs.

Therefore, it was with sinking hearts that I read those sections of the interim guidelines which weaken, significantly constrain, or (more ominously) do not even address some of the key concepts and special authorities which make stewardship end result contracting such a potentially powerful tool for restoring and maintaining national forests and public lands. I urge you to re-craft the guidelines and related training programs to fully encourage and facilitate bold and effective use of all the special authorities. Critics' fears of how some authorities might be misused should not be allowed to overshadow the sound and positive way those authorities actually are being used.

Following, by guideline number, are suggestions for strengthening and improving the guidelines.

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1. It is not at all clear why "modifying vegetation" is the only means specified to be used to achieve land management goals. Of course, vegetation removal will provide the source of funding for many stewardship projects, but most restoration projects need to involve many more activities, as the latter portion of this guideline suggests. Further, other sources of funds can be used (as encouraged in Guideline 4) in place of, or to supplement, revenues from removed vegetation. The first part of Guideline 1 should be re-written to say something like, "Stewardship projects...will be designed to achieve land management goals for the national forests and the public lands that meet local and rural community needs. Forests and rangelands will be made more healthy and resilient to natural disturbance mechanisms such as wind, flood, fire, insects, and disease through the modification of vegetation and other means. Other objectives of stewardship contracting projects may include, but not necessarily be limited to, restoring or maintaining water quality, improving fish and wildlife habitat, reestablishing native plant species...." Inclusion of the qualifier "but not necessarily be limited to" is needed because there may be cases where recreational improvements and other non-listed activities may be appropriate to meet both the needs of the land and the community. Certainly this was the case in a number of the demonstration projects.

2. It is good to see the clear statement that revenue generation is a secondary objective of restoration. What is a little concerning is the statement that price adjustments of the value of the materials sold will be made in longer-term contracts. If that is to be done, then -- particularly with a contract based on the goods for services mechanism -- a similar provision needs to be inserted to allow for the adjustment of the contractors' bid prices for performing the various service work items. Just as product values may fluctuate over time, so too will contractors' material and labor costs, overhead, etc. If you are going to adjust one side of the equation, you need to similarly adjust the other side.

3. The emphasis on collaboration throughout the guidelines and in training programs is heartening. There may, of course, be cases where communities and other stakeholders decide they have no interest in, or feel no need to enter into, collaborative planning and/or implementation. That decision, however, should follow their first being asked to participate. Thus, the words "as appropriate" need to be stricken from this guideline. In addition, because many collaborative groups feel that monitoring is directly related to implementation (to determine whether the implementation mechanisms and activities produced the desired results), the last part of the guideline should read, "in various phases [not "phases"] of project planning, development, implementation, and monitoring."

4. The accomplishment of watershed scale, across-ownership-boundaries ecosystem restoration and maintenance projects is an excellent goal.

5. If, as I understand, the Forest Service is going to restrict the percentage of overhead which may be charged against trust fund deposits made using excess offset value (retained receipts) from stewardship

contracts, then the limitation should be specified in this guideline.

6. This clear statement regarding the full compliance of stewardship contracting projects with NEPA and other environmental laws and regulations is very important. To reinforce the point, the agencies should (through local collaborative efforts, agreements, and other means) make a special effort to engage environmental groups as active partners in developing and implementing ecosystem restoration projects that use the full suite of stewardship contracting authorities. Restoration is an area in which there is much common ground to work on.

7. The guideline is good, but the agencies need to make sure that related training for agency personnel and others is consistent with the guideline. In some sessions already held, agency attendees were advised not to "embark too quickly on agreements." Apparently there is still some debate about how this authority can/should be implemented now that stewardship contracting is no longer in a demonstration mode. To advance the goal embodied in Guideline 9 (to involve a wide range of contractors or recipients), the use of agreements should be encouraged and facilitated in appropriate situations.

Also, in the first two national training sessions, agency presenters said the Forest Service will discourage receipt retention, although it will not prohibit it. Retention of receipts is essential to the "separation of the logger from the logs" (delivered log) contracting approach which is much more palatable to many critics than goods for services. It eliminates the perverse incentive which is perceived to exist when the contractors doing on-the-ground restoration work have a financial interest in the products being removed from their project. The use of delivered log contracting, and the continuing ability to use retained receipts to implement it, should be specifically authorized (and, hopefully, encouraged) either in this guideline or in Guideline 17, and any subsequent training programs also need to reflect that commitment.

8. Given the defining statement in Section 323 that stewardship projects are "to perform services to achieve land management goals for the national forests and the public lands that meet local and rural community needs," the second sentence of this guideline needs to be revised to say, "the agencies should [not "may"] consider the benefits to local and rural community needs...."

9. The first sentence of this guideline is confusing. Should there be an "and" between "recipients" and "allow for"? Or should additional items follow "for other restoration treatments"? Or what? Is this guideline attempting to address the authority that provides that the Forest Service may enter into stewardship contracts notwithstanding subsection (g) of section 14 of NFMA that requires that USDA employees designate or mark trees or other forest products that are to be sold and supervise the subsequent harvesting? If so, it should clearly explain that authority and specifically authorize the appropriate use of designation by description and designation by prescription in stewardship projects. DxD and DxD have shown great promise in the demonstrations, enabling land managers to be more flexible in dealing with changing forest

conditions, and taking better advantage of qualified contractors' professional skills and knowledge of the land. The continuing use of DxD and DxP should be encouraged and facilitated. The possible use of non-USDA employees (state foresters, for example) in preparing and administering stewardship projects should also be addressed.

10. No comment.

11. Because of the unique role that communities, collaborative groups, funding partners, and others play in stewardship contracting, all training programs should as a matter of course be designed for and include both agency and non-agency participants and trainers. Stewardship contracting training for potential contractors is essential to long-term program success and should not be "subject to available funding." Collaborative groups, local community-based forestry groups, industry associations, and others can be sources of assistance to the agencies in providing contractor training.

12. The proposed sampling of individual projects to gather information for the annual report to Congress on overall program progress is a good approach. It is also encouraging that the guideline provides for other project-level monitoring if supported by the local collaborative process. The caveat "subject to available funding" is a red flag, however. Multiparty monitoring is a natural outgrowth of collaborative planning and implementation, and is a powerful learning and communication tool. Whether or not to have a local monitoring effort should not hinge solely on an internal financial decision made by a district/forest. A preferred alternative approach is to allow a limited portion of stewardship project receipts to be used to cover out-of-pocket expenses for a project level multiparty monitoring team, a provision which would require a slight modification of Guideline 17.

Some mention should be made in this guideline of the need to continually collect "lessons learned" from new and existing stewardship projects and to share that information in a timely fashion with other projects.

13. No comment.

14. No comment.

15. This guideline seems to be a simply a restatement of the agencies' intent to retain strong authority and control over stewardship contracting, an issue already addressed in Guideline 9. Just as in Guideline 9, it may be necessary to clarify how this guideline relates to the authority that allows the possible use of non-USDA employees (state foresters, etc.) in preparing and administering stewardship projects.

16. The guideline is fine as far as it goes. It is important to understand, however, that community collaborative groups and others have concerns about other project costs, not just the cost of on-the-ground services. Better, more accurate project-level accounting for all costs (including but not limited to planning, environmental analysis, administration, and monitoring) is clearly desired by stakeholders.

17. Again, this guideline should be revised to address the issues raised

above under Guideline 5 (specifying allowable overhead percentages to be applied to retained receipts deposited in trust funds), Guideline 7 (authorizing the use of retained receipts to support the delivered log contracting mechanism), and Guideline 12 (using some portion of retained receipts to cover out-of-pocket project-level monitoring costs).

18. Since agreements are almost by definition not accomplished through full and open competition, those instruments should be positively addressed in this guideline. The use of agreements has clearly been determined appropriate by Congress and should not require substantial further justification and additional levels of approval.

Thank you again for your consideration of these proposed changes. The commitment of the Forest Service and the BLM to making careful and effective use of the stewardship contracting authorities is appreciated, but I urge you not to unduly self-restrict the operational flexibility that forest and rangeland managers have long wanted and finally been given.

Communities, tribes, local collaborative groups, funding partners, and others made enormous contributions of (largely volunteer) time and other resources to help make the demonstration projects work. Many Forest Service employees (particularly those in contracting and timber management) took personal and professional risks in working with local collaborative groups to explore how the stewardship authorities could be innovatively and effectively used to address pressing ecosystem and community needs. Those public/private efforts -- and the successes and the learning that are being achieved through the (former) demonstration projects -- should be built upon, not disregarded. Unless parts of the guidelines are modified, however, I am afraid that enthusiasm for collaborative participation in new stewardship contracting projects will be significantly reduced.

If you have any questions or desire further information, please do not hesitate to call upon me.

Sincerely,

Carol Daly
President



Interim guideline comment.doc



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TO: U.S. Forest Service, Forests and Rangelands Staff,
Mail Stop 1105,
1400 Independence Avenue, SW.
Washington, DC 20024-1105

FROM: Louise Milkman, Director of Federal Programs, The Nature Conservancy

SUBJECT: Comments on End Result Stewardship Contracting Interim Guidelines

DATE: July 25, 2003

The Nature Conservancy appreciates the opportunity to comment on the Administration's Interim Final Guidelines on Stewardship Contracting. As discussed below, we recommend that the Guidelines, or other final policy, incorporate the language outlined in Section III, below. In addition to the language, the list of enumerated items in the guidelines should include the following language:

“All stewardship contracts should include specific, measurable ecosystem restoration objectives, and a multiparty process for monitoring progress toward those objectives, incorporating new information and scientific data, and adapting practices to reflect this new information and data.”

The Nature Conservancy and Restoration of Fire Adapted Ecosystems

The Nature Conservancy is dedicated to preserving the plants, animals and natural communities that represent the diversity of life on Earth by protecting the lands and waters they need to survive. The Conservancy has more than 1.1 million individual members and programs in all 50 states and in 30 other nations. To date our organization has protected more than 14 million acres in the 50 states and Canada, and has helped local partner organizations preserve more than 102 million acres in other nations.

Over the past 40 years, the Conservancy has been engaged in a wide variety of ecological management activities, including managing thousands of prescribed fires to restore ecosystem health at hundreds of sites across the United States. Our restoration work relies on working with partners to set ecosystem restoration goals and then using adaptive management processes to make progress toward those goals. In the federally sponsored Fire Learning Network, The Nature Conservancy and more than 200 partners have been collaborating for 15 months on 25 large-scale ecosystem restoration and hazard reduction projects totaling 45 million acres of federal, state and private lands. Using an efficient adaptive management process, 10 of 25 projects will begin implementing treatments this year using federal and state funding. To date, no project has been litigated or appealed. We expect that all projects will begin implementation of treatments within the next 12 months. Treatments include extensive thinning and prescribed fire.

The Nature Conservancy is currently discussing the possibility of TNC support of Stewardship Contracts on the Apache-Sitgreaves National Forest. The Conservancy proposes to assist the Forest and other interested parties by convening a forest-level multiparty monitoring team to conduct an

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efficient long-term program of goal setting, monitoring and assessment. The assistance provided by The Nature Conservancy would help ensure an efficient, scientifically credible, and inclusive on-going evaluation of how forest thinning, prescribed burning, and other management actions are making progress toward the larger goals of reducing the risk of hazardous wildfires and restoring forest health.

The Interim Guidelines

We believe that Stewardship Contracting is a potentially useful tool for reducing hazards in the wildland-urban interface (WUI) and restoring ecosystem health in some ecosystems beyond the WUI. As contemplated in the guidelines, Stewardship Contracts will address critical issues, including forest restoration, native plants, water quality, and habitat protection, as well as reducing hazardous fuels. We commend the agencies for focusing the Stewardship Contracting program on these important goals. We also support the intent of the guidelines which stipulate that restoration and hazard reduction goals must drive the decisions of where and how to allocate resources, rather than decisions being driven by the ability to offset the cost of services through sale of forest restoration byproducts.

In the majority of cases, and especially when working outside the WUI, stewardship contracts must focus on a set of clearly stated and measurable restoration and hazard reduction desired future ecological conditions on the landscape, and must include monitoring to ensure compliance with the individual goals of Stewardship Contracts. An adaptive management framework is an important component of how The Nature Conservancy manages many of its projects, including projects working with partners in large landscapes across multiple jurisdictions (see examples below). Our experience has shown that when done appropriately, adaptive management is the most effective tool for gaining public trust, engaging stakeholders, overcoming disagreements and advancing large-scale treatments. Adaptive Management is a critical management process that ensures that sound science, information, and lessons learned are incorporated into ongoing and future actions. Our experience also indicates that this can be done cost-effectively.

Recommended Language

We recommend that the following specific direction be given to BLM and USFS units that decide to enter into Stewardship Contracts.

1. Stewardship contracts should use multiparty monitoring teams to set specific, measurable restoration and hazardous fuels reduction goals and then monitor progress toward those goals. Categories of restoration objectives shall include, to the extent applicable:
 - A. change in composition and extent of unnatural and hazardous fuel loads;
 - B. change in ecosystem distribution, structure, function and composition;
 - C. change in fire regimes;
 - D. protection and restoration of at-risk species, such as species listed as threatened or endangered under the Endangered Species Act, 16 U.S.C. §§ 1531 et. seq., and species designated as Forest Service or BLM sensitive species;
 - E. maintenance and/or improvement of water quality and quantity;
 - F. detection and control of ecologically harmful non-native species; and
 - G. prevention of unnaturally severe native insect or disease epidemics.

2. Stewardship Contract restoration objectives shall be directed towards achieving ecological conditions within the historical range of natural variability.
3. For each Stewardship Contract, the Secretary shall monitor through multiparty monitoring teams the accomplishment of the objectives in paragraph (1), issuing a report at least every five years that includes the following information: the monitoring results and other scientific findings; an evaluation of progress towards specific objectives and desired future conditions; and recommendations for modifications to the strategies, projects and management treatments. Projects approved following the issuance of the monitoring reports shall be consistent with any recommendations in the reports.
4. In addition, we recommend adding a specific guideline that says: “All stewardship contracts should include specific, measurable ecosystem restoration objectives, and a multiparty process for monitoring progress toward those objectives, incorporating new information and scientific data, and adapting practices to reflect this new information and data.”

Examples of How Cost-Effective Multiparty Monitoring Was Used to Build Stakeholder Support for Large-Scale Ecosystem Restoration

Adaptive management does not have to be overly expensive or burdensome. Below are two examples of adaptive management in practice – where the process has been collaborative and cost-effective, and the result has been large-scale restoration of forest ecosystems.

1. How cost-effective monitoring was used to overcome stakeholder resistance to large-scale (100,000 and 340,000 acres) and intensive forest restoration: The Ouachita National Forest in Arkansas, 1992-1995.

To address public (and internal agency) concerns identified during scoping for a proposed 100,000 acre shortleaf pine-bluestem ecosystem restoration project (including extensive thinning and prescribed fire), a multi-organizational team (including The Nature Conservancy) implemented a large-scale management experiment. The project included a monitoring plan funded with 10% of the project budget. Initially, monitoring was designed to track vegetative changes and other concerns as restoration was implemented. After three years of monitoring, it was apparent that the restoration treatments had no negative impacts, but also that vegetative change was occurring at a more rapid pace than the project designers had anticipated. As a direct result of the monitoring program that put the public’s fears at ease, the project was expanded to 340,000 acres. The second phase of the monitoring was changed to track both vegetative change and progress toward a mutually defined desired ecological condition. The cost of monitoring and science in the second phase was less than 10% of the budget due to monitoring being better defined and targeted based on the first three years. The information gathered during the second phase of restoration and monitoring was then used to amend the Forest Plan and restore this ecosystem throughout the Ouachitas. Due to the enhanced understanding of the impacts of restoration, monitoring is now focused on tracking changes based on current and desired ecological conditions. The Nature Conservancy’s experience in Arkansas indicates that in actively managed landscapes, the initial monitoring usually runs to 10% of the restoration budget, dropping to 5% after the vegetative changes and the impacts of restoration are better known.

2. How a \$15,000 computer model and a few well-designed management experiments were used to address disagreements, answer key questions, restore ecosystem health, and eventually save millions in forest management costs and improved ecosystem health in a large forested landscape in Northwest Florida, 1993-1998.

At the 463,000 acre Eglin Air Force Base in Florida, Eglin's civilian natural resources management staff had determined that ecosystem restoration, and especially restoring ecosystem resiliency, was an important component of supporting Eglin's military mission. Disagreement within Eglin natural resource management staff, and among Eglin managers and stakeholders, about desired future conditions, uncertainties, and which treatments and at what scale, would move ecosystems toward restoration, led Eglin staff to employ a simple, scientifically credible, and realistic landscape simulation model to assess possible long-term (50-100 year) forest change under a variety of proposed management scenarios and constrained by limited budgets. Because fuel accumulates rapidly in these frequent, low intensity fire regimes, stand-level management and restoration costs can increase ten-fold in as little as 10-years without active management. The spatially and temporally explicit model was developed by a graduate student at the University of Florida working closely with Eglin managers, cooperating scientists, and The Nature Conservancy. At the same time, Eglin managers implemented a number of experimental management treatments coupled with monitoring to answer finer scale questions of concern to stakeholders. Modeling results indicated that most of Eglin's proposed forest and fire management alternatives would lead to major accumulations in forest fuels, a decrease in ecosystem resiliency, declines in populations of the federally listed red-cockaded woodpecker, and a several-fold increase in forest management costs over time. These results led Eglin managers to make major modifications in fire and forest management plans, including desired future conditions, priorities and timetables, and called for stepping up the pace of forest thinning and prescribed fire. Total cost of the model was \$15,000 over 18 months. The management experiments and monitoring refined management prescriptions and rejected some treatments, provided early warning of unexpected consequences (e.g., much higher than expected mortality of old-growth trees), determined which treatments were moving ecosystems toward the desired future condition, and which were most cost effective. Since 1995, more than 300,000 acres have been treated.



**"Adrienne
Wojciechowski"**
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NC.ORG](mailto:awojciechowski@TNC.ORG)>

To: <stewardship@fs.fed.us>
cc:
Subject: Comments on Stewardship End Result Contracting

07/28/2003 11:14 AM
Please respond to
awojciechowski

Attached to this email are **The Nature Conservancy's** comments on the Stewardship End Result Contracting Interim guidelines as published in the Federal Registry on June 27, 2003.

If you have any questions or problems opening this document please don't hesitate to contact me.

Adrienne Wojciechowski
The Nature Conservancy
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Government Relations
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TNC comments on SC interim guidelines.pdf

Clearwater Elk Recovery Team
c/o Ed Lindahl
1685 Damen Street
Moscow, ID 83843
208-883-1308

28 July 2003

USDA Forest Service
Forests and Rangelands Staff
1400 Independence Ave. S.W.
Washington, DC 20024-1105

Reference: Interim Guidelines for Stewardship End Result Contracting

The Clearwater Elk Recovery Team (CERT), a public collaborative group for the Middle-Black Stewardship Project on the Clearwater National Forest in Idaho, has concern for the constraints proposed for some of the most vital of the stewardship contracting authorities. The U.S. Forest Service has caved in to the extreme environmental fringe in the public debate over our national forests.

The CERT advocates full and robust utilization of proceeds coming from the retained receipts for the analysis and planning of future stewardship projects. Utilizing retained receipts would allow expensive stewardship projects to be front-loaded in forests where lack of management has been the rule for too many years. By limiting the goods for services to a zero surplus of moneys, the USFS is ignoring the overwhelming magnitudes of vegetative resotration that must be done in the Inter-Mountain, Western United States.

To ask local citizens to participate in collaborative processes and place "big city environmental" sideboards on the processes is to say that rural America cannot be trusted to do the right thing for our national forests suffering from a lack of sound management applications.

The USFS bureaucracy has missed the point by limiting certain authorities under stewardship contracting. When obliterating roads that create excessive sediment, it is often prudent to create trails of varying sizes and uses so that access to our national forests is not denied to a variety of users. Proposing to limit goods for services proceeds to only non-recreational uses is not a good idea. It is a bad idea.

The USFS should read the Inland Northwest Regional Multiparty Monitoring Team's Report for 2002 and follow the recommendations contained in that report.

Sincerely,

Ed Lindahl
Chairman

EL:ll

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"Lin Lindahl"
<lelindahl@earthlink
.net>

07/28/2003 10:36 AM
Please respond to "Lin
Lindahl"

To: <stewardship@fs.fed.us>
cc:
Subject: Attached letter re Interim Guidelines for Stewardship End Result
Contracting

Please see attached letter.

Ed Lindahl
Chairman



Clearwater Elk Recovery Team CERT ltr USDA Forest Service, 28 July 2003.doc



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July 28, 2003

USDA Forest Service
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1400 Independence Avenue, SW
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RE: Stewardship End Result Contracting: 68 Fed. Reg. 38285 (June 27, 2003)

To Whom It May Concern:

This letter is in response to the request for public comments on the notice of interim guidelines for Stewardship End Result Contracting, 68 Fed Reg 38285 (June 27, 2003).

These comments are on behalf of the Intermountain Forest Association, which represents forest businesses in Idaho, Montana, Utah, Wyoming, Colorado and South Dakota. Our members are forest landowners, forest workers, manufacturers of forest products, and related forest businesses. These comments are submitted on behalf of our members that collectively employ more than 20,000 individuals across the intermountain region.

We support the expanded authority for both the Forest Service and Bureau of Land Management to be able to utilize end result stewardship contracting. Stewardship contracting provides an excellent tool to be able to perform restorative or maintenance work in our nation's forests while simultaneously improving contract efficiency and reducing costs to the agencies. This is simply common sense contracting and good public policy, as well as being environmentally, socially and economically responsible.

We want to emphasize that this is not just an issue of fiber or timber supply to our members. It is critical to addressing the forest health crisis in our country. If we do not reduce the risk of catastrophic wildfires, insects and diseases, we will continue to destroy millions of acres of critical wildlife habitat, key watersheds and private property, both homes and timberlands. There is simply not enough funding available to do this critically important work without utilizing products that provide value.

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A broad concern of the forest products industry is the need for adequate and increasing appropriated funds to the field to accomplish hazardous fuels reduction, insect and disease treatments, and other land condition improvement projects. The first priority, as stated earlier, must be improving the condition of the land. We believe that field units must have funds to prepare and accomplish needed projects, and stewardship contracts are one possible means to do the work. We are concerned that there is not currently, nor projected to be in the next few years, sufficient national fire plan or vegetative management funding on many units for these projects. Without such funds, hazardous fuels reduction and other projects using stewardship projects will not even be possible. Therefore, providing appropriated funds must be the highest priority and we highly encourage the Forest Service to reduce project preparation costs (i.e. analysis and NEPA), in order to increase available project funds.

As noted in several of our comments below, there are several areas of the guidelines that are not mandated in the stewardship contracting authorizing law, and are simply redundant to already established Forest Service policies. To avoid confusion, those guidelines should be removed.

AF&PA's specific comments on the interim guidelines are as follows:

1. Stewardship projects authorized by Public Law 108-7 will be designed to achieve land management goals by modifying vegetation to make forests and rangelands more resilient to natural disturbance mechanisms such as wind, flood, fire, insects, and disease. The objectives of these projects may include improving forest and rangeland health, restoring or maintaining water quality, improving fish and wildlife habitat, reestablishing native plant species, and/or reducing hazardous fuels that pose risks to communities and ecosystem values.

We agree wholeheartedly with this statement, but would ask that the objective of reducing hazardous fuels that pose risks to non-federal forests and rangelands be added at the end. This is critically important to our members, many of whom own forest and rangelands intermingled with federal lands, since catastrophic wildfires, insects, and diseases do not recognize property boundaries.

2. Deriving revenue from the sale of any by-products or other materials designated for removal from these stewardship projects will be a secondary objective to the restoration goals. Forest products will be appraised at fair market value. Contracts of a duration longer than 3 years will allow for price adjustment for the value of these materials to protect the public interest as new markets develop.

We generally agree with this statement, although we have concerns with how the agencies will develop a fair market value for forest products that traditionally have had little or no market value. With regards to price adjustments, like the establishment of fair market values, there is not a lot of history in the agencies, nor are we aware of appropriate indices for such adjustments, so we recommend against including price adjustments in stewardship contracts.

3. The agencies will use an open, collaborative process and, as appropriate, will seek early involvement of local government agencies, including tribal governments, and any interested groups or individuals in various phases of project development and implementation.

We are supportive of collaborative processes and the involvement of local governments, tribes, adjacent landowners and people who have a vested interest in the goals and objectives of a given

resource management project. However, because this strategy is already part of existing agency processes and is a specific focus of the National Fire Plan, it is unnecessary and confusing to include it in the stewardship contracting guidance.

4. The agencies will seek to use the stewardship authority in conjunction with other land management authorities to develop and implement stewardship projects across agency administrative boundaries. The agencies will seek to achieve land management goals on a watershed, or larger scale.

We support looking at potential projects on a large, watershed scale, but would discourage multi-national forest or BLM district projects at this stage. Delegated contracting authorities are located at the national forest and BLM district levels and to have overlapping contracting officers, especially at the learning stages of this new program, would be confusing for all parties involved.

5. The Forest Service may collect residual receipts pursuant to the Knutson-Vandenberg Act of June 9, 1930, and the National Forest Management Act of 1976, from excess offset value.

We have no objection to the collection of money for specific funds such as KV, but the Forest Service should adopt the premise that stewardship contracts will not be designed to produce excess or residual receipts; otherwise a regular timber sale contract should be used to complete the land management work.

6. All stewardship projects will comply with applicable environmental laws and regulations, including an appropriate level of environmental review under the National Environmental Policy Act, and will be consistent with applicable agency land and resource management plans. Projects will be subject to applicable agencies' appeals and dispute resolution processes.

Regardless of the form of contracting used, all projects must comply with laws and regulations, as well as existing land and resource management plans.

7. The agencies may use existing contract or assistance instruments, as appropriate, to implement stewardship projects. In addition, the agencies may develop new contracting mechanisms as needed to implement stewardship projects consistent with relevant laws, regulations, and guidelines.

We support the development of model contracts and strongly recommend that risk be fairly allocated between contractor and purchaser. As the Forest Service is aware, the forest products industry has substantial interest and experience in contracts that remove forest products. As such, we recommend that the agencies consult with the Federal Timber Purchasers Committee on the use or development of new contracting mechanisms.

8. In awarding a stewardship contract on a best value basis, the agencies may, in addition to cost or price, consider such criteria as the contractor's past performance, work quality, existing public or private agreements or contracts, on-time delivery, and experience. The agencies may consider the benefits to local and rural community needs when considering award of a stewardship contract on a best value basis. The agencies' may use non-traditional

contractors or recipients, such as counties or not-for-profit or non-governmental organizations, if consistent with relevant authorities.

Guidelines for the awarding of stewardship contracts should be based on similar criteria used for timber sales and service contracts and must be an open, competitive process. Successful contractors must have a proven ability to perform or subcontract and manage required work. Non-traditional contractors, such as counties or NGOs, must compete on a level playing field with traditional contractors. The agencies must not deviate from their ultimate land management objective, treating acres in a cost effective way.

9. The agencies may use all available authorities to involve a wide range of contractors or recipients, allow for offsets to be utilized for other restoration treatments. The agencies will maintain Federal agency control and oversight of operations to assure the protection of public assets and compliance with environmental requirements.

Once again, the open competitive bid process will result in the greatest net public benefits over the longer term. It is critical to the success of the project and the contractor that information about the projects' contractual requirements is clear and concise.

10. Contractors who are awarded stewardship contracts will provide such bonds as may be required under law or regulation. The agencies may require performance and payment bonds in order to protect the government's investment in receipts from forest products to be removed under a contract or agreement under Pub. L. 108-7.

Bonding is critical to risk management and guaranteed performance. Unfortunately insurance companies are not supporting long term, non-cancelable performance bonds. For example, timber sales with terms that exceed three years are becoming more challenging to bond, even for established purchasers. In order to ensure that the contractors who bid on these contracts can provide bonds to protect the public's interest, we would suggest the following options:

- 1) Provide for cancellation of a performance bond, with 90 days notice required, or
- 2) Provide for a definite term contract with date-certain expiration of associated bonds, not to exceed a term of 3 years, with an option for extension of the contract with Consent of Surety.
- 3) Another option to consider is the use of a contract form known as *Indefinite Delivery Indefinite Quantity (IDIQ)*. Typically these contracts involve individual task orders that require separate bonds. Usually there are a minimum and maximum number of tasks to be awarded per year. No final bonds would be required until a "task order" was issued. These types of contracts are very common with the Corps of Engineers.

As the stewardship contract form is developed, choosing the appropriate form of guarantee will become clear.

We also urge that the requirement of "multiparty monitoring" not result in these groups being involved in determining adequate contract performance as is guaranteed by the bonds. Only the government can hold this authority or these contracts cannot be bonded.

11. The agencies will develop a two-phased training approach to implement this authority. Internal agency training will focus on allowing for contracting authority to occur as close to the field as practicable and will cover topics such as project management, performance based

end-result contracting and trading goods for services. Agencies also will provide external training subject to available funding to assist contractors in developing skills to do the work required by the contract, and knowledge in competing for and performing on stewardship contracts.

While we support limited training for agency personnel in order to ensure their expertise in utilizing these new authorities, we have serious concerns with the agencies providing external training to contractors. Funding is severely limited and any available funding should be spent accomplishing on-the-ground work. Furthermore, neither the Forest Service nor BLM have experience in this arena.

12. The agencies will utilize multiparty monitoring, open to interested groups or individuals, to monitor and evaluate an appropriate sampling of the projects or programs at the appropriate levels. If supported by the local collaborative process, monitoring will be conducted at the project level, subject to available funding, and will be well coordinated among administrative units to ensure that the sampling of projects monitored is geographically diverse and represents the range of projects undertaken. Multi-party monitoring will focus on: a) The status of development, execution, and administration of agreements or contracts, b) The specific accomplishments that have resulted, and c) The role of local communities in development of agreement or contract plans.

We support the idea of multiparty monitoring of stewardship contracting projects, but encourage the agencies to use existing processes and teams, such as Resource Advisory Committees and Federal Advisory Committees, that are already familiar with local needs. This will reduce the administrative time and cost associated with developing new processes and teams. We support the focus areas for monitoring, but suggest that reporting be specific in regards to project accomplishments. In developing reports based on the monitoring, we encourage the use of tables that would include such information as status of project, acres treated, and community benefits. Reports should also include specific information regarding the use of receipts and excess offset value.

13. When reporting to Congress, the agencies will utilize performance and workload measures consistent with the Government Performance and Results Act. To the extent practicable, these measures will be consistent across the Department of the Interior and the Department of Agriculture.

As noted above, reports should include specific measures of accomplishment and accountability, such as acres treated and the use of receipts and excess offset value.

14. Stewardship contracting provides for multiple year contracts up to 10 years duration. The agencies are encouraged to use multiple-year funding to provide incentives to potential sources to make investments in long-term landscape improvement projects.

We support the opportunity to enter into contracts up to 10 years in duration. This will assist private sector investments into the infrastructure needed to process the forest products removed. Without a long-term guarantee to a raw material supply, the private sector will be reluctant to purchase equipment and establish new business ventures.

15. In accordance with law, the agencies will maintain authority over all phases of development and implementation of contracts and agreements under this authority and will administer them in a manner consistent with their intended goals.

As mentioned in the response to guideline #10, we are concerned with the potential that "multiparty monitoring" may get involved in reviewing contract performance. The stewardship contract will be a legal document between the federal agency and the contractor. Outside involvement or interference with the performance under the contract will only lead to confusion and disputes. Furthermore as mentioned above, such arrangements would be un-bondable.

16. Project managers will separately track the values of the goods being sold and the services being received for each project.

We are interested in ensuring that stewardship contracting is being used as the appropriate tool for meeting land management objectives. As such, we support separate tracking of goods sold and services received, in order to provide for financial accountability. However, we urge that this not become another burdensome process.

17. Use of receipts is limited to direct on-the-ground project implementation. Receipts will not be used for overhead, administrative, or indirect costs or the completion of environmental studies or other planning and analysis.

We support the concept of using receipts for direct on-the-ground implementation. The Forest Service should adopt the premise that stewardship contracts will not be designed to produce excess or residual receipts; otherwise a traditional timber sale contract should be used. In the rare occurrence where there is positive offset value, receipts should be returned to the forest, which generated the receipts.

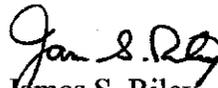
18. The use of full and open competition will remain standard operating practice and anything less than full and open competition will need to be documented and approved by the appropriate Regional Forester for the FS and the appropriate State Director for BLM.

We support this statement, as noted in the response to guideline #8. We would oppose any selective, preclusive, exclusive or arbitrary contracting process.

In closing, we would like to reiterate that our key objectives regarding stewardship contracting include: adequate and increasing appropriated funds to accomplish projects on the ground, coordination between the agencies and the Federal Timber Purchasers Committee, and financial accountability.

We thank you for the opportunity to comment on these guidelines and request that you move expeditiously to finalize agency policy regarding stewardship contracting.

Sincerely,


James S. Riley
President



"Jennifer N. Frades"
<jennifer@intforest.org>

07/28/2003 10:37 AM

To: <stewardship@fs.fed.us>
cc:
Subject: stewardship contracting comments.doc

Attached please find IFA's comments.



Thank you. stewardship contracting comments.doc



"Carla M Monismith"
<cmonismith@fs.fed
.us>

To: stewardship@fs.fed.us
cc:
Subject: comments on guidelines

07/28/2003 10:03 AM

Please accept the following comments on the Guidelines for Stewardship End Result Contracting

1. Item #2 - "Contracts longer than 3 years length will allow for price adjustment" - please fix the computer programming in the Timber Sale Accounting system to allow for the use of tons as the unit of measure on scaled projects with escalation. Currently, if tons are used, the contract must be flat rate as TSA cannot handle escalation. Scaled sales using tons as the unit of measure is a good way to share risk with the contractors (only pay for what they haul) and also a less expensive way to measure the material (100% weight scale as opposed to roll-out scale).
2. Item #7 - Insure that Agency personnel understand that using existing timber sale contract (FS-2400-6/6T) is acceptable for implementing stewardship objectives. We should not be limited to service contracts or the soon-to-be-developed Integrated Resource Contract. The timber sale contract is an excellent tool to accomplish vegetation treatment objectives. The contracting pool has a thorough understanding of this tool; the Agency will see better prices by reducing the risk associated with using a contract the bidder pool has little knowledge of.
3. Item #17 - In order to not charge overhead to stewardship receipts, some kind of programming change must be made in FFIS. Right now, it automatically taps all management codes for overhead. For one pilot stewardship project, we deposited the funds into a CWFS account. When we spent the money, FFIS automatically subtracted 27% for agency overhead.
4. Item #18 - How will this fit with the SBA Set-Aside program?

Thank you,
Carla Monismith

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July 28, 2003

VIA FAX: 202-205-1045
stewardship@fs.fed.us

USDA Forest Service
Forest & Rangelands Staff
Mail Stop 1105
1400 Independence Avenue, SW
Washington, DC 20024-1105

RE: Comments from National Wildlife Federation on June 27, 2003 "Notice of Interim Guidelines; opportunity for public input" relating to implementation of stewardship and end results contracting provisions authorized by Sec. 323 of P.L. 108-7 of 2003.

Dear friends:

The National Wildlife Federation (NWF) is pleased to provide the following comments on the above referenced Interim Guidelines regarding implementation of the USFS/BLM stewardship contracting program.

Given that authorities changed quite rapidly from a pilot demonstration program to what may be called a semi-permanent 10 year program since the passage of Section 323--and that many implementation issues remain to be worked out-- our comments will be necessarily brief and thematic. In our comments we draw on the feedback that the USFS has already received from the April 15, 2003 National Outreach Forum and from the Summary of Regional Discussions and Findings recently compiled by the Pinchot Institute. NWF is also a member of the national oversight team created under the demonstration project phase, and has been developing a collaborative pilot stewardship contract for fish habitat restoration in the White River watershed of the Green Mountain National Forest.

Comments on the 6-point draft interim guidance:

1. We appreciate that the Agencies have developed and articulated this Interim Guidance as a means to direct and inform the preparation of more detailed instructions on: delegation of contracting authority; on soliciting candidate projects on both BLM and USFS managed lands, and the appropriate nexus of new authorities with the many pilot projects (84) still underway.
2. We agree strongly that revenue derived from any stewardship contract "...will be a secondary objective to the restoration goals." (Guidance #1).

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3. We agree strongly that “an open, local collaborative process will be used to identify restoration goals, priorities, and end results.” (Guidance #2)
4. We agree and support Guidance #3 requiring all projects to comply with applicable environmental laws and regulations, and maintenance of appeal and dispute resolution procedures.
5. We find the language of Guidance #4 murky as written. In general, this appears to place an emphasis on current, pre-Section 323 implementing authorities, (best value contracting, cooperator agreements, etc.) while diminishing the more experimental authorities tested during the pilot program, despite the promise of new authorities for achieving certain restoration goals.
6. We agree strongly with the importance and value of multi-party monitoring as expressed in Guidance #5. Although tedious at times, it is precisely the role of multi-party involvement in both project design and monitoring that has helped these project achieve their desired outcomes, or create a climate in which they can better succeed.
7. We agree with Guidance #6 regarding performance and workload measures, and especially the qualifier of “where appropriate” in terms of accountability towards the National Fire Plan. While fuels treatment is undoubtedly important for many restoration projects in the west, we do not feel this should be the only, or primary, driver in stewardship contract selection or design in fire-prone regions.

Miscellaneous

Programmatic versus project level monitoring: At some level programmatic monitoring is needed if the scope and diversity of stewardship contracts continues to expand. Whether programmatic monitoring is needed now, and given the lack of completed pilot projects, is debatable. Our recommendation is to maintain a project level reporting system until at least a critical mass of the pilot projects (e.g. 60%) are completed and use those projects to guide the development of a programmatic monitoring plan. At minimum we would hope for a high level of coordination between a new multi-party programmatic monitoring team and the current, mostly multi-party projects teams administered by the Pinchot Institute.

The new role of the BLM: The interim guidance suggests that BLM has prepared an Instruction Memorandum for the purposes of soliciting candidate stewardship projects at the state level. We encourage that this memorandum be circulated broadly and that the BLM consult widely on the value and propriety of using stewardship contracts on BLM lands.

Best value contracting: There will always be a dynamic tension between competitive bid rules and best value opportunities. Under stewardship contracting, we believe agencies need exercise the option to select for best value contractors (within a common sense pricing framework) especially since experience with the pilot projects has shown there are frequently few bidders for small, multi-faceted restoration contracts. Additional guidance defining best value circumstances or criteria will be helpful to agencies, contractors, and collaborating organizations.

The value of multi-party collaboration: is perhaps the clearest lesson coming from the pilot stewardship project phase. The Section 323 law requires that agencies report annually to Congress on three things, one of which is the “...role of local communities in development of agreements or contract plans”. Communities, of course, are not autonomous organisms but a

collection of interests rooted to a particular place or region. Multi-stakeholder collaboration at a community level has been shown to be one of the essential ingredients in bringing contracts through scoping, through NEPA, and eventually to contract. To the extent that USFS and BLM rely on existing authorities (such as cooperator agreements) to accomplish stewardship objectives, outreach and collaboration will need to be more actively considered.

With less than half of the 84 authorized pilot project having gone to contract at the start of 2003--much less completed for final review--the National Wildlife Federation is naturally skeptical about rapidly expanding the number and pace of stewardship contracts as contemplated under the new law. We're concerned about congressional pressure to report accomplishments annually, since many projects have required more than a year in scoping, community building, and NEPA review to get started. However, noting the early-stage success of several pilots, NWF passed a resolution at our 2002 national annual meeting giving conceptual support to the approach of stewardship contracting, while urging federal agencies to carefully evaluate the pilot phase before initiating a permanent program.

At the conclusion of the Pinchot summary report on regional discussions are several points that we'll summarize NWF's general views at this stage of implementation: *"At the close of the third year of multiparty monitoring and evaluation, we collectively remain in a stage of discovery... while agencies and their partners are eager to find solutions to pressing environmental and socio-economic problems, each party also recognizes a need for careful experimentation and distillation of lessons."*

Thank you for this opportunity to comment. NWF remains interested and committed to assisting in the development of a stewardship contract program that supports ecological restoration and broad participation in identifying restoration objectives on federal lands.

Sincerely,

Eric Palola, Director
NWF Northeast Regional Office
Montpelier, VT



"Eric Palola"
<PALOLA@nwf.org>

07/28/2003 09:03 AM

To: <stewardship@fs.fed.us>
cc:
Subject: NWF Comments on Interim Guidance

Please find attached in WP comments from the National Wildlife Federation on the Interim Guidance related to the federal stewardship contracting program.

Thank for your consideration.

Eric

Eric Palola, Director
Northeast Natural Resource Center
National Wildlife Federation
58 State St.
Montpelier, VT 05602
802-229-0650 ph, 802-229-4532 fax
email: palola@nwf.org
web: www.nwf.org



NWF comments Sec 323_.doc



United States
Department of
Agriculture

Forest
Service

Siuslaw National Forest

4077 Research Way
Corvallis, OR 97333
541 750-7000

File Code: 1600

Date: July 25, 2003

Subject: Stewardship Contracting Guidelines

To: USDA Forest Service, Forests and Rangelands Staff

To Whom it May Concern:

Attached is a document with comments on the 18 guidelines regarding the proposed guidelines for implementing the ten-year Stewardship Authority located in section 323 of Public Law 108-7.

These comments constitute recommendations from the Oregon Coast Province Advisory Committee, a FACA-approved advisory committee representing a diversity of backgrounds and interests, established in 1994 as part of implementing the Northwest Forest Plan with the objective of providing advice to federal managers.

The Province Advisory Committee's comments were reached using a consensus process. Please accept these as comments from a dedicated group of individuals committed to the betterment of Western Oregon federal lands and the ecological and socioeconomic value they represent to the people living in the surrounding communities and the State of Oregon.

Sincerely,

/s/ George T. Buckingham

GEORGE T. BUCKINGHAM
Designated Federal Official
Coast Province Advisory Committee

CAET RECEIVED

JUL 30 2003



**Oregon Coast Province Advisory Committee
Comments to the Federal Register – July 24, 2003
Ten-year Stewardship Authority**

Note: Comments come from Oregon Coast Province Advisory Committee members and the experience they have with management of federal lands located in Western Oregon.

1. Change wording to reference “forest and rangelands more naturally resistant to disturbance”.
2. Okay as is.
3. Correct the word “phrases” to read “phases”. Also, add “the” in front of “various”.
4. Okay as is.
5. Please add a last sentence that would read: “Residual receipts will remain within the Forest or BLM District in which they were generated”.
6. Okay as is.
7. Remove the words “and guidelines” and add “and” before “regulations”.
8. Change the word “may” to “shall”.
9. First sentence, change “allow” to “allowing”.
10. Add the sentence, “Innovative procedures will be considered to allow participation from broadest possible bid base”, to the end of the guideline.
11. Okay as is.
12. Remove “if supported by local collaborative process” and “subject to available funding”. Add in 12b: “including the socioeconomic benefits to local communities from the project”.
13. Okay as is.
14. Okay as is.
15. Okay as is.
16. Add, “Agency” before project managers.
17. Change entire wording to: “Use of receipts is limited to direct on-the-ground project implementation, monitoring, and the completion of environmental study and analysis for further stewardship projects”.
(See the Law, Sec 347, 5F2B.)
18. Add at the end, “...based on the recommendation of the Forest Supervisor or District Manager”.



"Joni Quarnstrom"
<jquarnstrom@fs.fed.us>

07/26/2003 12:13 PM

To: stewardship@fs.fed.us, "George Buckingham"
<gbuckingham@fs.fed.us>, denis_williamson@blm.gov, "Joni
Quarnstrom" <jquarnstrom@fs.fed.us>
cc:
Subject: Comments to Stewardship Authority for the Federal Register - due July
28

(See attached file: 030728cover.letter.doc)(See attached file:
030724comments.to.federal.register.stewardship.doc)

Joni T. Quarnstrom
Siuslaw and Willamette National Forests
Public Affairs Specialist
jquarnstrom@fs.fed.us
541-750-7075
541-750-7142 fax



030728cover.letter.doc



030724comments.to.federal.register.stewardship.doc

NATIONAL



WILD TURKEY

FEDERATION
WILD TURKEY CENTER
Post Office Box 500
Edgefield, SC 29824-0500
770 Augusta Road
Edgefield, SC 29824-1573
803-637-3106
Fax: 803-637-0034
E-Mail: NWTF@nwtf.net

July 25, 2003

USDA Forest Service
Forests and Rangelands Staff
Mail Stop 1105
1400 Independence Ave., SW
Washington, DC 20024

Thank you for the opportunity to comment on Stewardship Contracting as a tool for expediting forest health projects on BLM and USFS lands across the nation. On behalf of the National Wild Turkey Federation, I would like to voice our support for this program.

Stewardship contracting has the potential to get important resource work done on a long term basis in a timely manner. Stewardship contracting is an excellent way to accomplish numerous goals such as fuel reduction, wildlife habitat establishment or improvements, and many other forest health related activities that the agencies currently cannot get done due budget restraints with appropriated funds. This program will help to alleviate that and will be of extreme value to wildlife, communities, and the American people.

Sincerely,

James Earl Kennamer, Ph.D.
Senior Vice President for Conservation Programs

CAET RECEIVED

JUL 30 2003



"Tina Bevington"
<tbevington@nwtf.net>

To: <stewardship@fs.fed.us>
cc: "Dennis Daniel" <dcdaniel@fs.fed.us>
Subject: Stewardship Contracting

07/25/2003 02:25 PM
Please respond to
tbevington

Attn: **USDA Forest Service**
Forests and Rangelands Staff

Please open the attached word document related to NWTF Stewardship Contracting to view the NWTF's comments.

Thank you.

Tina Bevington
Administrative Assistant to
James Earl Kenamer, Ph.D.
Senior Vice President for Conservation Programs
National Wild Turkey Federation
tbevington@nwtf.net or jkenamer@nwtf.net
Phone: 803-637-3106/Fax: 803-637-0034



Stewardship Contracting Comments-USFS 072503.doc



"Luke Lewis"
<llewis@nwtf.net>

07/25/2003 07:17 AM
Please respond to llewis

To: <stewardship@fs.fed.us>
cc:
Subject: Comments in Support of Stewardship Contracting

Dear Sirs,

This letter is in support of Stewardship Contracting on USFS and BLM land across the nation. I work for the National Wild Turkey Federation and Bob Jacobs, regional forester from Region 8 visited our national headquarters July 15th and he along with Rod Salia and gave our organization an overview of the program. This program has great potential to address USFS goals such as: fuels reduction, wildlife habitat/improvements, insect/ disease control and protection, timber stand improvements, and many other forest health related activities.

The NWTF and many other NGO's who have signed partnership agreements certainly fit the niche to be "third party validators" and provide the expertise as well as the local connection through our 2050 chapters and 1/2 million volunteers for support and implementation of the various contract opportunities.

Our organization has 8 regional biologists that already supervise over 7 million dollars of habitat projects in the US and work very closely with forest service biologists and rangers to create and support many healthy forest and wildlife projects.

The NWTF sees this opportunity to improve our forest health by involving local communities with the people who have a stake in protecting the valuable resources the National Forests provide, while strengthening the economy in local communities. The best part of this program will allow the local rangers and biologists to address forest health concerns in a timely manner without the red tape of NEPA, EA's, or court injunctions to provide the proper management of our forests.

Thank you for this new concept and the NWTF eagerly awaits the opportunity to work in partnership with the appropriate forest service employees throughout the country.

Sincerely,

Luke D. Lewis
NWTF Regional Biologist Supervisor
P. O. Box 530
Edgefield, SC 29824
803-637-3106

CAJET RECEIVED

JUL 30 2003



"Bruce Griffith"
<bagriffith@earthlink.net>

To: <stewardship@fs.fed.us>
cc:
Subject: Support Stewardship Contracting

07/24/2003 07:36 PM

Dear USFS:

I want to go on record in support of the Stewardship Contracting Program. I understand that this program is not intended to replace the commercial timber programs on national forest lands. However, it is an excellent way to accomplish a lot of goals such as fuel reduction, wildlife habitat establishment/improvements, and many other forest health related activities.

Bruce A. Griffith, President
Griffith Lumber Company, Inc
1284 Charity Hwy
Woolwine, Virginia 24185

CAET RECEIVED

JUL 30 2003



"STEVE HENSON"
 <shenson1@earthlink.net>

07/24/2003 10:52 AM

To: <stewardship@fs.fed.us>
 cc: "Steve Henson" <shenson1@earthlink.net>
 Subject: Comments on Stewardship Contracting

July 24, 2003

USDA Forest Service
 Forests and Rangelands Staff
 Mail Stop 1105
 1400 Independence Ave., SW
 Washington, DC 20024

Dear Staff:

Thanks for the opportunity to comment on the *Stewardship Contracting* process currently being tested in your agency.

Our organization, the Southern Appalachian Multiple-Use Council, is quite interested in this approach to compliment the commercial timber program and other management strategies for more effective forest health manipulations.

Our mission is to promote the balanced integration and protection of forestland values across the Southern Appalachian landscape. We represent approximately 4000 companies, individuals and organizations in this region.

We strongly support the program as presented on the Pinchot Institute web site and as described in the Federal Register. We agree that the *Stewardship Contracting* program should not be seen as a replacement program for the commercial timber sale program but rather as a complimentary program to accomplish many of the same forest health goals.

We think this program will be quite beneficial to many resource development and maintenance activities on a long term basis without having to jump through so many hoops.

Finally, we encourage you to fully implement the program ASAP as public land forests are in dire need of pro-active care.

Thanks again for the opportunity to comment on the Stewardship Contracting projects.

Sincerely,
 Steve Henson
 Executive Director
 Southern Appalachian Multiple-Use Council
 1544 South Main St.
 Waynesville, NC 28786
 828-452-9712



s bamford
 <inadu02@yahoo.com>

To: stewardship@fs.fed.us
 cc: bamford@rev.net
 Subject: stewardship rulemaking

07/25/2003 04:35 PM

Please confirm receipt to bamford@rev.net. This is an updated version of letter sent today.

Sherman Bamford
 Virginia Forest Watch
 P.O. Box 3102
 Roanoke, Va. 24015-1102
 bamford@rev.net

July 24, 2003

USDA Forest Service, Forests and Rangelands Staff,
 Mail Stop 1105,
 1400 Independence Avenue, SW.,
 Washington, DC 20024-1105.
 Fax (202) 205-1045
 stewardship@fs.fed.us.

To Whomever this Concerns:

The following are comments on behalf of Virginia Forest Watch on the proposed "Stewardship End Result Contracting" rulemaking, Federal Register: June 27, 2003. Virginia Forest Watch (VAFW) is a grass-roots based coalition of individuals and environmental groups organizing throughout the Commonwealth of Virginia. VAFW's mission is "to maintain and restore the natural ecology and biodiversity of woodlands across Virginia through education and citizen participation." Our organization works with a number of ecological restoration practitioners in an effort to promote sustainable forest practices throughout the Commonwealth. We are opposed to a commercial logging program on our national forests because we have witnessed Forest Service's constant abuse of this program. Numerous Forest Service "reinventions," such as the pilot stewardship contracting program or current version of stewardship contracting have not reduced the perverse incentives of logging; instead, they have become more entrenched, as the Forest Service has become less accountable to the public. We recommend that the Forest Service conduct needed restoration activities, but request that they not be tied to the logging program, either directly or indirectly. We recommend that any restoration-oriented stewardship contracting activities be consistent with the Forest Restoration Principles and Criteria at: http://www.americanlands.org/restoration_principles.doc. This link provides more information on the Forest

Restoration Principles and Criteria which are incorporated by reference, into this letter. The authors of the principles advise against conducting activities which are only partially consistent with the Ecological Principles (i.e. mixing and matching), so these Principles should be reviewed and implemented in such a way that all activities are wholly consistent with the Principles. We would like to see more JNF-area communities benefit from environmentally sound restoration work that heals our forests and creates viable jobs for local people.

There is some potential for positive developments within the framework of the stewardship contracting program. For example, the stewardship contracting provisions grant the Forest Service the legal authority to select contract offers on a "best-value basis," meaning the Forest Service can select the best overall bid rather than simply the cheapest one. This will allow the Forest Service to select more responsible contractors and allow them to pursue better quality control with their projects. And it allows the Forest Service to manage a tract of forest comprehensively and to minimize the number of entries into that forest tract. Finally, there is vague direction in the stewardship rules to "meet local and rural community needs." To the extent the Forest Service follows its own rhetoric and voluntarily limits stewardship contracts to local, community-based businesses there will be social and economic benefits for nearby communities.

However, there is nothing in the stewardship contracting rules that assure that these and other positive aspects of the program will actually be followed through. In the Glenwood Ranger District, Jefferson NF, Virginia, we have seen non-motorized trails languish while expensive logging roads are constructed. In the George Washington National Forest, we have seen areas designated as "remote habitat for wildlife" riddled with excessive logging and roadbuilding, far more than permitted under the plan. We have seen clearcuts and even aged logging proposed in the name of scenery (Mt. Rogers NRA and Glenwood RD). In the Clinch RD, we have seen helicopter logging conducted by western U.S. companies decimate the forests. Logging has occurred on steep slopes not conducive to logging; landslides and flooding has occurred in some of these heavily logged/roaded watersheds in this RD. In both the Jefferson National Forest and the George Washington National Forest, forestwide roads analysis has shown that there are far more roads and illegal travelways than these forests can maintain or repair; yet these

two forests propose an extremely low amount of road decommissioning (See, for example, Wildlaw, Comments on JNF Proposed Plan/DEIS, submitted to FS Content Analysis Team, Salt Lake City, UT; and 2003 JNF and GWNF Roads Analyses). The FS is expected to be a good steward of our public assets, but there is no language in the proposed rules that requires that stewardship projects be limited to those that are truly in the public interest that the FS is a steward of. We do not want to see stewardship contracting as a vehicle for more and more projects with misplaced priorities, like those above. The FS needs to include binding language that ensures that the FS will seek the most responsible contractors for the money, will minimize the number of heavy equipment entries into forest tracts, will eliminate unnecessary entries, will restore damaged landscapes and will include the full costs of such restoration within its stewardship contracting packages and all economic analysis, and will emphasize local, sustainable, community based businesses for restoration work.

According to the proposed rules, "The land management goals for stewardship projects may include treatments to improve, maintain, or restore forest or rangeland health; restore or maintain water quality; improve fish and wildlife habitat; and reduce hazardous fuels that pose risks to communities and ecosystem values, reestablish native plant species, or other land management objectives." P.L. 108-7 also included the following other practices, not mentioned in the proposed rules: particularly "road and trail maintenance or obliteration," "soil productivity" work, and "watershed restoration." We believe that road and motorized trail decommissioning, soil productivity restoration, protecting forest interior habitat and remote habitat for wildlife and fish, and watershed restoration ought to be the primary stewardship activities on national forests. The proposed rules downplay these activities in favor of logging, extractive development and other vegetation and habitat manipulation which are of questionable benefits and which will create new problems. Logging, extractive development, and habitat manipulation will undoubtedly necessitate new road and trail maintenance, soil productivity, wildlife and fish habitat, reestablishment of native plant species, and watershed health activities. In addition, habitat manipulation through logging will also be detrimental to "control of invasive species" (one of the stewardship activities listed in P.L. 108-7, but omitted from the list in the rule). The FS needs to recognize that logging and other habitat manipulation may be contrary to many of the objectives in the

stewardship contracting law. The rule needs to provide clear guidance on how the FS will determine whether logging and other habitat manipulation is inconsistent with maintaining and protecting these key values on National Forests. Logging, roadbuilding and other habitat manipulation should not be permitted when these activities will cause resource damage or will be more costly to repair than the purported benefits received.

According to the proposed rule, "Contract length may exceed 5 years but will not exceed 10 years." Multiyear contracts are likely to lead to abuse if contracts are not adequately monitored and if there are inadequate provisions for severing a contract if performance is inadequate. Such provisions should be written into the rules. Experience with multiyear contracting on public lands in Alaska and Canada indicate that long term forest management contracts can evolve into cozy relationships with little or no accountability on the contractees' part and little oversight on the FS's part. In addition, the FS should not rely on outdated NEPA analysis, including that more than 5 years old. The FS does not state how it will avoid these problems.

According to the proposed rules, "Deriving revenue from the sale of any by-products or other materials designated for removal from these stewardship projects will be a secondary objective to the restoration goals. Forest products will be appraised at fair market value." And "Monies received from the sale of forest products or vegetation removed from a stewardship project site may be retained by the agencies and applied at the project site or at another stewardship project site without further appropriation." The FS does not explain how the costs and benefits of logging, roadbuilding, prescribed burning, and other activities that are part of stewardship contracting packages will be quantified, and isolated as line items (in contract, project, Ranger District, National Forest, Regional Office, and WO economic reports) and fully accounted for, in order to determine whether the Forest Service and contractees are satisfactorily serving as stewards of the public's assets on public lands.

The congressionally mandated annual report on existing stewardship contract pilot projects found that "[i]n many instances, annual allocations and spending could not be easily calculated. A considerable amount of confusion was expressed as to how to account for 'goods for services' transactions." (Pinchot Institute for Conservation, p. 20.)

In an e-mail to Region One, economic analyst Robert Wolf wrote of the stewardship program:

"Bob Schrenk R-1
May 19, 1999

"Bob: I read the Missoulian piece on Stewardship Contracting. As you know I have reservations about it's efficacy. Nevertheless, I hope, and I am sure you'll do your best, that it will have a fair test....."

"My view is that in the long run trading timber for ~~work is an~~ inefficient process. It would be far smoother and quicker to have the money to let contracts for needed and desired work.

The experience with KV, even before the profligate use of the Salvage Fund, was that many sales didn't generate enough revenue to do the needed post-sale work. The long-standing "Essential KV +\$0.50/M" puts this in focus - along with the number of sales priced at the artificial base rates. A hard-nosed look at whether a Forest has enough left to cover desired KV work would give you a working "benchmark" on probable outcome."

In addition, since the TSPIRS report can no longer be used to satisfy the economic monitoring requirements, there appears to be no fiscal monitoring occurring. Numerous government studies confirm the Forest Service's financial losses and lack of accountability. According to the most recent General Accounting Office (GAO) report on the timber sale program, released in 1998, the USFS lost over \$1 billion selling National Forest timber between 1995 and 1997.

In a report released in January 2001, the GAO found the USFS has not provided Congress and the public with a clear understanding of what is accomplished with appropriated funds. According to the report, "the Forest Service and Congress do not have accurate financial data to track the cost of programs and activities and to help make informed decisions about future funding."

The GAO states:
For fiscal years 1995, 1996, 1997, and previous years,

the Office of the Inspector General reported that because of significant internal control weaknesses in various accounting subsystems, the Forest Service's accounting data were not reliable. Despite these weaknesses, we used the data because they were the only data available and are the data that the agency uses to manage its program.

In January 1999, the GAO named the financial management system of the USFS to its "High Risk List" of government programs susceptible to waste, fraud and abuse. The GAO reported the problems were worsened by a new accounting system that had not been able to produce necessary reports on assets, liabilities and revenues. In January 2001, the GAO reported, "the Forest Service does not appear to be fully committed to making performance accountability one of its top priorities, and major hurdles to achieving performance accountability remain."

Since fiscal year 1996, the Department of Agriculture Inspector General has been unable to form an opinion on the financial health of the USFS, due to a lack of supporting documents to verify accounts for land, buildings and equipment, as well as errors in financial statements.

On March 26, 1998, Barry Hill, Associate Director of Energy, Resources and Science Issues at the GAO, testified before the House Committees on Resources, Budget, and Appropriations and the Subcommittee on Interior and Related Agencies. Mr. Hill concluded:

Forgone revenue, inefficiency, and waste throughout the Forest Service's operations and organization have cost taxpayers hundreds of millions of dollars. The agency's financial statements are unreliable, and expenditures of significant amounts cannot be accounted for. Inefficiency within the Forest Service's business processes is accompanied by numerous shortcomings in the agency's accounting and financial and information systems that preclude the Forest Service from presenting accurate and complete financial information. For example, in reporting its fiscal year 1995 financial results, the Forest Service could not identify how it spent \$215 million of its \$3.4 billion in operating and program funds.

Trees for Services amounts to a massive federal subsidy for the timber industry. The Forest Service want to pay contractors with trees rather than appropriated money. Fiscal conservatives and conservationists just ended a similar program, the Purchaser Road Credit Program, that lead to massive subsidization of industry, numerous environmental abuses, and flouted general accountability that

democracy necessitates. The similar Purchaser Road Credit Program had no congressional oversight and resulted in \$8.4 billion maintenance backlog on the road system.

These rules do not provide any guidance on how the FS will account for these stewardship contracting activities lest these problems be compounded further.

The proposed rules state: "The agencies will utilize multiparty monitoring, open to interested groups or individuals, to monitor and evaluate an appropriate sampling of the projects or programs at the appropriate levels. If supported by the local collaborative process, monitoring will be conducted at the project level, subject to available funding, and will be well coordinated among administrative units to ensure that the sampling of projects monitored is geographically diverse and represents the range of projects undertaken." This is appropriate. In addition, before undertaking stewardship projects, the FS should expressly ensure that funding for appropriate monitoring is available, especially for projects with the potential to disturb the ground or other extractive development. An interdisciplinary, scientific approach to monitoring should be employed. And all implementation monitoring, effectiveness monitoring, validation monitoring (including MIS and TESLR species monitoring) should take place using appropriate, knowledgeable persons. Nothing less than full monitoring should occur.

The FS states that "Forest products will be appraised at fair market value," but provides no information on how this will be achieved. P.L. 108-7 requires the FS to use "appropriate" methods commensurate with the quantity of product to be removed, but the FS includes little information on how it will determine what methods are accurate or "appropriate." Without such guidance, stewardship project provisions may lead to looser appraisal methods, monitoring techniques and other provisions that are inconsistent with laws, regulations and Forest Plan provisions. The FS should have incorporated mitigation measures to ensure that this does not occur and to ensure that resources are protected. In addition, looser appraisal methods, monitoring techniques, bidding protocols and other provisions inherent in the stewardship contracting program could contribute to inefficiency and serious cost overruns.

Moreover, the proposed rule does not limit the scale of stewardship projects or take any steps to ensure that unforeseen resource or fiscal problems do not

result.

Since "stewardship" is the goal for this program, the FS should have expressly provided for a large number non-commercial, non-extractive projects to be included in all phases of the program. The proposed rules should have required the FS to use the NEPA process to examine at least one non-commercial, non-extractive alternative in the course of analysis for every stewardship contract/stewardship project in which it engages. When selling logs becomes somebody's priority, it becomes inevitable that the focus will be on the trees, not the ecosystem. The FS needs to ensure that projects are not pushed forward simply because they lead to logging, or benefits to private interests. The ecosystem must be the primary concern here.

According to the proposed rule, "The agencies' may use non-traditional contractors or recipients, such as counties or not-for-profit or non-governmental organizations." We agree with this provision. However, the proposed rule does not assure the public that proposed contracts will be attractive to non-traditional contractors and recipients. There is no assurance that projects will be of the size, length, or nature (ethical) to attract non-traditional contractors. As we have seen in the Clinch RD and elsewhere, the FS is adept at lumping needed recreation and watershed projects with harmful timber and roadbuilding projects (see, e.g., the controversial Bark Camp timber sale). The proposed rule is lacking because it provides no safeguards to ensure that the FS will not structure contracting packages to favor large-scale industrial logging and other extractive interests over small, conscientious non-traditional contractors. There is no assurance that the FS will actually meet the "best-value" contracting provisions mandated in the bill.

And "The agencies will use an open, collaborative process and, as appropriate, will seek early involvement of local government agencies, including tribal governments, and any interested groups or individuals in various phases of project development and implementation." Time and time again, the FS has proposed using an "open, collaborative process" but in the end, has stonewalled the public and gone its own way in an effort to boost extractive development. One example, is the Rolling Alternative developed for the Jefferson National Forest plan revision. In the late 90s, the FS promised that the Rolling Alternative would be developed using an open, collaborative process, but beginning with the Bush presidency in

2001, the collaborative process was abandoned and, absent public input, the plan revision was restructured to a much more pro-timber document. The same danger exists here.

"The FS will apply lessons learned from the Stewardship Pilot Program when developing and implementing stewardship projects under the expanded authority" before results or evidence are collected. Currently, there are 84 pilot projects, some authorized over three years ago, that should be completed and evaluated. These projects should be completed and evaluated first. One stewardship project I am familiar is the proposed Threemile Stewardship project in the Custer NF, Montana. This project involves 10s of 1000s of logging and burning and 10s of miles of roadbuilding in potential northern goshawk, old growth, and black-backed woodpecker habitat. This massive project will harm more habitat than it will help and it will build roads just so more roads can be removed. It is an example of taxpayer money wasted for no good reason. We do not need similar boondoggles in this or other national forests.

How would the proposed rules affect timber marking and timber cutting using "Designation by Description"? Forest Service employees are currently responsible by law for designing timber sales, marking which trees can be cut, and supervising the work.(16 U.S.C. § 472a(g)) The drafters of the National Forest Management Act thought these tasks sufficiently important and subject to abuse to mandate that USDA staff designing, marking, and supervising timber sales "shall have no personal interest in the purchase or harvest of such products and shall not be directly or indirectly in the employment of the purchaser thereof." (Id). The Fiscal Year 2000 report on existing stewardship contracts identifies a loosely written contract which allowed the contractor to remove all of the largest trees in the area if he chose. (Pinchot Institute , p. 19) Also, in the controversial Burned Area Recovery project (Bitterroot NF), the FS allowed Designation by Description. As a result, there were numerous instances where large trees were highgraded and removed by helicopter loggers (See for example, Ecology Center, letters to Ass't Supervisor Spike Thompson on the subject). The objective of the project was "burned area recovery," not highgrade logging. Designation by Description is a further erosion of the public's control over management of their forests. The proposed rule should provide for all timber to be appropriately marked by properly trained FS employees.

Thank you for the opportunity to comment.

Sincerely yours,

Sherman Bamford
Virginia Forest Watch

Do you Yahoo!?

Yahoo! SiteBuilder - Free, easy-to-use web site design software

<http://sitebuilder.yahoo.com>

Federal
Timber
Purchasers
Committee

July 28, 2003

USDA Forest Service
Forest and Rangelands Staff
Mail Stop 1105
1400 Independence Avenue, SW
Washington, DC 20024-1105

VIA FAX: 202-205-1045

RE: Stewardship End Result Contracting: 68 Federal Register, 38285 (June 27, 2003)

To Whom It May Concern:

The Federal Timber Purchasers Committee (FTPC) hereby submits comments on the interim guidelines as referenced in Volume 68, Number 124, page 38285 of the Federal Register on June 27, 2003.

The FTPC is a nationwide coalition of companies and organizations with interest and specific expertise in federal timber sales and related contract issues. Many of our members purchase, harvest, and process timber from the Forest Service and have a direct economic interest in the interim guidelines being considered.

General Comments

The FTPC applauds Congress for the passage of Public Law 108-7 because we strongly support any initiative that facilitates on-the-ground treatment and management of our nation's forests. However, we have serious reservations about the interim guidelines as written. In general these include:

- Concern about adverse impacts on existing timber sales programs
Despite stating that "*stewardship projects are not a replacement for agencies' existing timber sales programs.*" there is every indication that this is a possibility. Agencies are already diverting limited timber resources to implement stewardship contracting. Stewardship projects must supplement the existing timber program, and strengthening the existing timber program remains the best hope of treating more acres. The interim guidelines need to clearly indicate that stewardship projects

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will focus on timber stands of low value, high access costs, or stands otherwise not conducive to commercial timber sales.

- **Concern that overemphasis on "collaboration" and multi-party monitoring will lead to more process gridlock**
Stewardship contracting pilot projects have already demonstrated that more "community collaboration" does not equate to less appeals. We have witnessed with dismay how the emphasis of "multi-parties" has been on limiting/restricting management authorities and increasing "community collaboration." The interim guidelines need to clearly indicate how collaboration and multi-party monitoring will be limited to achieve less process gridlock, not more as is currently conceived.

Specific Comments

1. We agree that the primary objective of stewardship projects should be "modifying vegetation" to achieve forest health objectives.
2. We agree that "deriving revenue" should be a secondary objective. Timber stands with commercial value should be sold via existing timber sales mechanisms. Contracts for longer than 3 years' duration should also include an adjustment for the value of services as well as materials.
3. We are extremely concerned about the intent and execution of "collaborative processes." The interim guidelines need to clearly indicate how collaboration and multi-party monitoring will be limited to achieve less process gridlock, not more as is currently conceived.
4. Focus on the land management objective, not the means by which the work will be contracted.
5. Collecting residual receipts for purposes such as KV funds may be appropriate, but again our expectation is stewardship projects will not replace traditional timber sales.
6. We clearly support the guidance that all stewardship projects comply with applicable environmental laws and regulations. Because existing laws and regulations provide more than ample opportunity for public involvement, more "collaboration" and "multiparty monitoring" under stewardship contracting is not warranted and should be de-emphasized.
7. We support the development of model contracts and strongly recommend that risk be fairly allocated between contractor and purchaser. This is a particular area of FTPC concern, expertise, and interest.
8. We strongly recommend that the interim guidelines be revised to indicate that all stewardship contractors must be qualified, experienced contractors for the job at

hand. Please strike guidance that indicates *"the agencies may use non-traditional contractors or recipients, such as counties or not for profit or non-governmental organizations."* This is a recipe for more gridlock, not less. We question the legality, and all such organizations represent a pre-conceived, mostly anti-management agenda and are not qualified to do on-the-ground work.

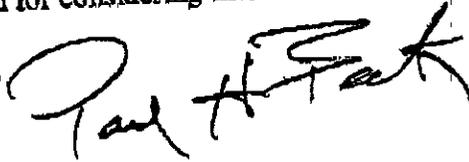
9. We support the use of a competitive bid process, the encouraging use of all available authorities, and recommend that unnecessary restrictions on the use of those authorities be eliminated.
10. Additional guidelines for bonding are needed since insurance companies will not support long-term, non-cancelable performance bonds. We also encourage the agencies to require performance bonds for appellants of stewardship contracting projects. Stewardship projects incorporate upfront multi-party collaboration; appeals will clearly be obstructionist in nature.
11. We cannot support external training "to assist contractors in developing skills to do the work required by the contract." This proposes a costly, unnecessary job training program. All contractors that submit bids should be pre-qualified to perform the work.
12. We are extremely concerned that "multi-party monitoring" will duplicate existing public involvement opportunities, create more process burdens, and lead to more gridlock. Specific guidelines that limit multi-party monitoring and focus efforts on the programmatic level, not project level, should be incorporated.
13. Progress reporting should specifically include measures of acres actually treated; excess receipts/positive offset value, and levels of collaboration versus appeals.
14. Without dedicated appropriations, how can the agencies "be encouraged to use multiple-year funding to provide incentives?"
15. We support professional Forest Service resource managers maintaining control over all phases of development and implementation of projects. The term "intended goals" is too broad and should be clarified to read "the intended goal of on-the-ground vegetation management."
16. We question the ability of the agencies to "track the values of goods being sold and the services being received for each project" and urge that this not become another process burden.
17. We support the concept of using receipts for direct on-the-ground implementation. The Forest Service should adopt the premise that stewardship contracts will not be designed to produce excess or residual receipts; otherwise a traditional timber sale contract should be used. In the rare occurrence where there

is positive offset value, receipts should be returned to the Forest Supervisor.
Progress reporting should clearly indicate that this is rare occurrence.

18. We support the concept of full and open competition. The best value for the agencies and the public will be obtained through a competitive bid process.

Thank you for considering these comments.

Sincerely,



Paul Beck
Herbert Lumber Company
Chairman, Federal Timber Purchasers Committee (FTPC)



Forest Products FAX

USDA Forest Service
Forest & Rangelands Staff
1400 Independence Avenue, SW
Stop Code 1103
Post Office Box 96090
Washington, DC 20250-1103
FAX (202) 205-1045



Environmentally Managed, Renewable Resources for America's Homes

Date: 7/29/03

From:

- Dick Fitzgerald (202) 205-1753, rfitzgerald@fs.fed.us
- Rex Baumbach (202) 205-0855, rbaumbach@fs.fed.us
- Darci Birmingham (202) 205-1759 dbirmingham@fs.fed.us
- Rod Sallee (202) 205-1766, rsallee@fs.fed.us
- Dick Zaborske (202) 205-1180, rzaborske@fs.fed.us

To: Mike Hoske / Roger Poirier

FAX No: 452 7702 / 406 329 3021

Comments:

Letters received via FAX

Total number of pages including this cover sheet: _____



NATIONAL ASSOCIATION OF STATE FORESTERS
444 North Capitol Street, NW, Suite 540, Washington, DC 20001

July 28, 2003

2003
Executive
Committee

USDA Forest Service
Forests and Rangelands Staff, Mail Stop 1105
1400 Independence Avenue, SW
Washington, DC 20024-1105

To Whom It May Concern:

President
James L. Sledge
Mississippi

Vice President
Burnell C. Fischer
Indiana

Treasurer
Pat McElroy
Washington

*Northeastern
Representative*
Phillip Bryce
New Hampshire

*Western
Representative*
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Colorado

*Southern
Representative*
Timothy C. Boyce
Alabama

*Immediate
Past President*
Larry A. Kotchman
North Dakota

Executive Director
Anne E. Heissenbuttel

On behalf of the National Association of State Foresters (NASF), I appreciate the opportunity to offer our comments on the interim guidelines for Stewardship End Result Contracting published in the June 27, 2003 edition of the *Federal Register* (pp. 38285-68288). NASF is a non-profit organization that represents the directors of the fifty state forestry agencies, eight US territories, and the District of Columbia. State Foresters manage and protect state and non-industrial private forest lands across the US, which encompass two-thirds of the nation's forests.

NASF is pleased to see the release of the interim guidelines jointly developed by the USDA Forest Service and USDI Bureau of Land Management to govern the implementation of the recently authorized stewardship contracting authority. The interim guidelines are comprehensive, and we believe that such long-term contracts offer a tool to restore and maintain the health of our forests, including the water quality, wildlife habitat, and other natural resources that resilient, properly functioning forests provide.

By placing emphasis on restoration goals, stewardship contracts that are consistent with the interim guidelines will improve the implementation of the 10-Year Comprehensive Strategy and contribute to the overall health of forests. Keys to the success of this cost-effective approach will be open collaboration, compliance with existing laws and regulations, efficient multi-party monitoring, and selecting contractors who perform high-quality environmental restoration that fit the needs of the local watershed and community.

Thank you for the opportunity to provide comments.

Sincerely,

James L. Sledge, Jr.
President

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JUL 29 2003
07-28-03 16:23

2:33PM
FROM-NASF

USDA FS/ FOREST MGMT

202-6245407

NO. 753 P. 6/76
T-350 P. 01/02



NATIONAL ASSOCIATION OF STATE FORESTERS
444 North Capitol Street, NW, Suite 540, Washington, DC 20001

FAX

TO: Forests and Rangeland Staff (Stewardship Contracting comment)

FROM: Jim Sledge, NASF President

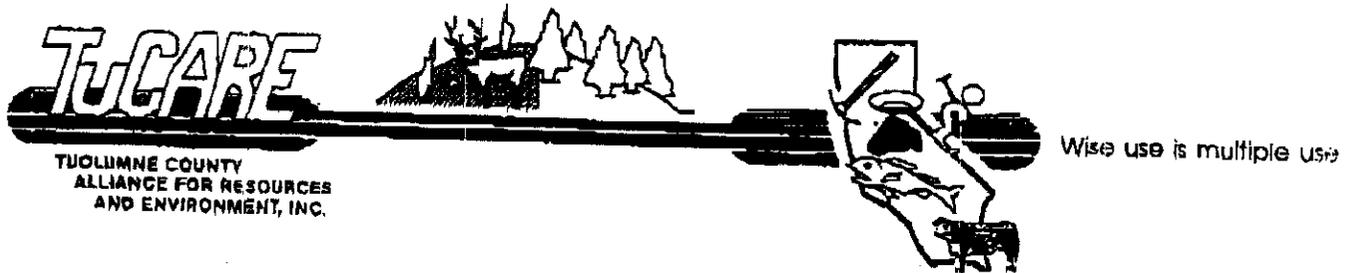
DATE: July 28, 2003

TIME: 4:30 PM Eastern

NUMBER OF PAGES TO FOLLOW: 1

MESSAGE:

Attached you will find the comment letter from the National Association of State Foresters on the interim guidelines for Stewardship End Result Contracting.



July 21, 2003

USDA Forest Service
Forest and Rangelands Staff
Mail Stop 1105
1400 Independence Avenue, SW
Washington, DC 2004-1105

Dear Chief Bosworth:

Subject: Stewardship End Result Contracting, 68 Federal Register, Number 124, pages 38285-88 (June 27, 2003)

TUCARE (Tuolumne County Alliance for Resources and Environment) offers the following comments on the interim guidelines for stewardship end result contracting.

TUCARE supports the concept of stewardship end result contracting. This can be an extremely strong tool in the management of our natural resources. Stewardship end result contracting will further environmental benefits, including the sustained furnishing of goods and services to the citizens of this country.

Critical to the success of stewardship end result contracting is the careful consideration and development of reasonable requirements and actions for inclusion in a proposed bid offering. The resultant proposed contract to be offered for bid must contain feasible requirements while providing an opportunity for a bidder to realize a profit at reasonable risk. It is our experience that this has not always been done.

Following are additional comments referencing items enumerated in the Description of Interim Guidelines.

- Item 10. This item references performance and payment bonds. Following a rather general statement, specific mention is made to the requiring of performance and payment bonds relative to the receipts of forest products to be removed.

TUCARE feels that this is appropriate. However, it is our believe that further consideration should be given to the incorporation of values related to possible habitat damage in the event of an uncompleted contract or contractual failure on the part of the successful contract holder. Do existing provisions as used in present-day service contracts and/or timber sale contracts cover the broad array of possible damage situations should a contract failure result?

- Item 12. This item focuses on the utilization of multiparty monitoring open to interested groups or individuals

TUCARE commends the drafters of these interim guidelines for the inclusion of multiparty monitoring. This can be a strong tool for the furthering of sound natural resource management. Additionally, it provides a venue for further public involvement in the management of our natural resources

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P. O. BOX 1056 TWAIN HARTE, CA 95383 209/586-7816 Fax 209/586-6490

However, TuCARE is concerned that this process could give rise to an inappropriate bias by the groups or individuals doing the monitoring depending upon their present associations. TuCARE believes that the "collaborative process" alluded to in the interim guidelines will be insufficient to mitigate the potential damage resulting from the inappropriate intrusion of bias in the monitoring of an otherwise acceptably completed project. Extreme care must be used in this process to avoid unwarranted bias.

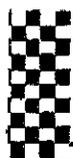
TuCARE is a community based non-profit organization founded in 1988. Our membership is made up of a cross-section of our community including local business persons, educators, retirees, and those actively engaged in working on a daily basis with our local natural resources. TuCARE supports conservation and the multiple-use of the many natural resources on our federal lands. Multiple-use policies allow for everyone to benefit. TuCARE firmly believes that man must play an active role to ensure our resources are available both now and in the future—for the benefit of all. TuCARE seeks stability for our resource industries in order to ensure the economic soundness and stability of our local communities.

Thank you for your consideration.

Sincerely,

TUOLUMNE COUNTY ALLIANCE FOR RESOURCES & ENVIRONMENT

Roger Stevens, Sr
President



TUCARE



wise use is multiple use

TUOLUMNE COUNTY
ALLIANCE FOR RESOURCES
AND ENVIRONMENT, INC.

FAX TRANSMITTAL COVER SHEET

TO: Forest + Rangeland Staff

FAX NUMBER: 202 205-1045

TOTAL PAGES: 3 (INCLUDING COVER SHEET)

FROM: Tuolumne County Alliance for Resources & Environment, TuCARE

FAX # 209/586-6490

DATE: 7-24-03 TIME: 2:15

BY: Ginger Armstrong

MESSAGE: Thank you for the opportunity
to comment.



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July 25, 2003

USDA Forest Service
Forests and Rangelands Staff, Mail Stop 1105
1400 Independence Avenue, SW
Washington, D.C. 20024-1105

Dear Sir:

With regard to the proposed rules for "Stewardship End Result Contracting" please consider the following comments.

1. Stewardship contracting is an important tool for the Forest Service to use in management of our National Forests. Having been involved in one of the original stewardship contracts on the Flathead National Forest, I have had first hand experience. There certainly have been problems with this project, however, it is another way to provide for "on the ground" management. We need to learn what has worked and concentrate on using the positive points in future contracts.
2. Under item #8, it would be very beneficial for consideration of SBA shares for small mills during awarding contracts. A suggested change in the verbiage would be "the agencies may consider the benefits to local and rural community needs, and small business share when considering award of a stewardship contract on a best value basis.
3. In the past, there has been an effort to separate the on the groundwork from the mills who purchase the products generated. This is not a good practice and most likely a situation where the out come for the entire project will be a failure. Best results will be obtained by allowing the contract holder the opportunity to determine how they dispose of the products(s) produced.

Companies such as ours are in desperate need of sawlogs for our plant. The simpler the process, the better the opportunity will be for us to remain in business.

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JUL 30 2003

Boise Cascade Corporation
 Timberland Resources
 1171 West Jefferson Street, PO Box 50 Boise, ID 83728
 T 208-324-7926 F 208-324-7999
 BillDryden@BC.com

SE-35

BOISE

Bill Dryden
 Director, Forest Resources Affairs

July 28 2003

USDA Forest Service
 Forests and Rangelands Staff
 Mail Stop 1106
 1400 Independence Avenue, SW
 Washington, DC 20024-1106

RE: Stewardship End Result Contracting; 68 Fed. Reg. 38285 (June 27, 2003)

To Whom It May Concern:

Thank you for the opportunity to comment on the interim guidelines for Stewardship End Result Contracting, 68 Fed Reg 38285 (June 27, 2003). Boise Cascade Corporation (Boise) has several interests in commenting on the interim guidelines. First, Boise owns 2.3 million acres of forestlands in the United States. These lands are managed to sustain a variety of forest resources including fish and wildlife habitat, water quality, grazing and timber. Much of our land and especially the 1.2 million acres of Boise ownership in the Northwest are intermixed with Forest Service and Bureau of Land Management ownership. The forest health crisis on these federal lands has already impacted Boise lands. It is critical that the Forest Service use every available tool to improve forest health conditions on their lands to mitigate the impact across the landscape. In addition, Boise has wood and paper products manufacturing facilities in Yakima, Kettle Falls and Waiulla, Washington; Medford, LaGrande, Independence and St. Helens, Oregon; Horseshoe Bend, Idaho; International Falls, Minnesota and other resource dependent communities. These facilities and the thousands of jobs they provide rely upon a dependable supply of timber from private and public lands. That fiber supply is linked in many ways to federal agency actions and policy statements including the stewardship contracting.

We support the expanded authority for both the Forest Service and Bureau of Land Management to utilize end result stewardship contracting. Stewardship contracting provides an excellent tool for performing restorative or maintenance work in our federally owned forests while simultaneously improving contract efficiency and reducing costs to the agencies. Stewardship contracting is critical to addressing the forest health crisis in our country. If the risk of catastrophic wildfires, insects and diseases is not reduced, we will continue to destroy millions of acres of critical wildlife habitat, key watersheds and private property, both homes and timberlands. There is simply not enough funding available to do this critically important work without utilizing products that provide value. Stewardship contracting is simply common sense and good public policy, as well as being environmentally, socially and economically responsible.

Boise strongly supports adequate and increasing appropriated funds to accomplish hazardous fuels reduction, insect and disease treatments and other land condition improvement projects. The first priority, as stated earlier, must be improving the condition of the land. We believe that field units must have funds to prepare and accomplish needed projects and stewardship contracts. We are concerned that there is not currently, nor projected to be in the next few years, sufficient national fire plan or vegetative management funding for these projects. Without such funds, hazardous fuels reduction and other projects using stewardship contracting will not be developed. Therefore, providing appropriated funds must be the

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Boise stewardship contracting comments:

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highest priority. We emphatically recommend that the Forest Service reduce project preparation costs (i.e. analysis and NLEPA) in order to increase available project funds.

Boise's specific comments on the interim guidelines are as follows:

Stewardship projects authorized by Public Law 108-7 will be designed to achieve land management goals by modifying vegetation to make forests and rangelands more resilient to natural disturbance mechanisms such as wind, flood, fire, insects, and disease. The objectives of these projects may include improving forest and rangeland health, restoring or maintaining water quality, improving fish and wildlife habitat, reestablishing native plant species, and/or reducing hazardous fuels that pose risks to communities and ecosystem values.

The objective of reducing hazardous fuels that pose risks to non-federal forests and rangelands should be added to the list of objectives for stewardship projects. This is important to Boise and many other private landowners who own forest and rangelands intermingled with federal lands as catastrophic wildfires, insects, and diseases have spread from federal lands to private lands causing economic and environmental damage to the private lands.

The agencies will use an open, collaborative process and, as appropriate, will seek early involvement of local government agencies, including tribal governments, and any interested groups or individuals in various phases of project development and implementation.

Boise supports collaborative processes and the involvement of local governments, tribes, adjacent landowners and people who have a vested interest in the goals and objectives of a given federal lands resource management project. However, because this strategy is already part of existing agency processes and is a specific focus of the National Fire Plan, it is unnecessary and confusing to include it in the stewardship contracting guidance.

All stewardship projects will comply with applicable environmental laws and regulations, including an appropriate level of environmental review under the National Environmental Policy Act, and will be consistent with applicable agency land and resource management plans. Projects will be subject to applicable agencies' appeals and dispute resolution processes.

Regardless of the form of contracting used, all projects must comply with laws and regulations, as well as existing land and resource management plans.

The agencies may use existing contract or assistance instruments, as appropriate, to implement stewardship projects. In addition, the agencies may develop new contracting mechanisms as needed to implement stewardship projects consistent with relevant laws, regulations, and guidelines.

Boise supports the development of model contracts and strongly recommends that risk be fairly allocated between contractor and purchaser.

In awarding a stewardship contract on a best value basis, the agencies may, in addition to cost or price, consider such criteria as the contractor's past performance, work quality, existing public or private agreements or contracts, on-time delivery, and experience. The agencies may consider the benefits to local and rural community needs when considering award of a stewardship contract on a best value

Page 3
July 28, 2003

basis. The agencies' may use non-traditional contractors or recipients, such as counties or not-for-profit or non-governmental organizations, if consistent with relevant authorities.

Guidelines for the awarding of stewardship contracts should be based on similar criteria used for timber sales and service contracts and must be an open, competitive process. Successful contractors must have a proven ability to perform or subcontract and manage required work. Non-traditional contractors, such as counties or NPOs, must compete on a level playing field with traditional contractors in meeting the awarding criteria, contract performance requirements and business practices such as wages, workers' compensation costs, safety, etc.

Contractors who are awarded stewardship contracts will provide such bonds as may be required under law or regulation. The agencies may require performance and payment bonds in order to protect the government's investment in receipts from forest products to be removed under a contract or agreement under Sub. L. 108-7.

Bonding is critical to risk management and guaranteed performance. All traditional and non-traditional contractors should be required to provide adequate bonding to assure contract completion.

The agencies will develop a two-phased training approach to implement this authority. Internal agency training will focus on allowing for contracting authority to occur as close to the field as practicable and will cover topics such as project management, performance based end-result contracting and trading goods for services. Agencies also will provide external training subject to available funding to assist contractors in developing skills to do the work required by the contract, and knowledge in competing for and performing on stewardship contracts.

We support limited training for agency personnel in order to ensure their expertise in utilizing these new authorities. Given the limited funding and their lack of expertise, we suggest that the Forest Service not get involved in external training of contractors. If a contractor needs additional training to successfully complete a project, the contractor can obtain that training from a variety of existing publicly and privately funded programs such as community college job training programs or logger training programs available in most states. In addition, contractor efficiency, the ability to do the work in a professional manner, must be part of the contract awarding process.

The agencies will utilize multiparty monitoring, open to interested groups or individuals, to monitor and evaluate an appropriate sampling of the projects or programs at the appropriate levels. If supported by the local collaborative process, monitoring will be conducted at the project level, subject to available funding, and will be well coordinated among administrative units to ensure that the sampling of projects monitored is geographically diverse and represents the range of projects undertaken. Multi-party monitoring will focus on: a) The status of development, execution, and administration of agreements or contracts, b) The specific accomplishments that have resulted, and c) The role of local communities in development of agreement or contract plans.

We encourage the agencies to use existing processes and teams, such as Resource Advisory Committees and Federal Advisory Committees, which are already familiar with local needs to provide the main party monitoring. This will reduce the administrative time and cost associated with developing new processes and teams. We support the focus areas for monitoring, but suggest that reporting be specific to project accomplishments. In developing reports based on the monitoring, we encourage the use of tables

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that would include such information as status of project, acres treated and community benefits. Reports should also include specific information regarding the use of receipts and excess offset value.

Finally, the agencies must retain the final authority regarding contractor performance and compliance. Multi-party monitoring can assist the agencies in their efforts by providing information, but 100% of the decision-making must remain with the agency with the contracting authority.

When reporting to Congress, the agencies will utilize performance and workload measures consistent with the Government Performance and Results Act. To the extent practicable, these measures will be consistent across the Department of the Interior and the Department of Agriculture.

As noted above, reports should include specific measures of accomplishment and accountability, such as acres treated and the use of receipts and excess offset value.

Stewardship contracting provides for multiple year contracts up to 10 years duration. The agencies are encouraged to use multiple-year funding to provide incentives to potential sources to make investments in long-term landscape improvement projects.

Boise supports the concept of contracts up to ten years in duration. This will assist us in making investments into the infrastructure needed to process the forest products removed. Without a long-term guarantee in a raw material supply, any prudent investor will be reluctant to purchase equipment and establish new business ventures.

Tracked managers will separately track the value of the goods being sold and the services being received on each project.

Boise supports separate tracking of goods sold and services received in order to provide for financial accountability. We urge that this not become another burdensome process.

The use of full and open competition will remain standard operating practice and anything less than full and open competition will need to be documented and approved by the appropriate Regional Forester for the FS and the appropriate State Director for BLM.

Boise supports this statement and would strongly oppose any selective, preclusive, exclusive or arbitrary contracting process.

Thank you for the opportunity to comment on these guidelines and request that you move expeditiously to finalize agency policy regarding stewardship contracting. Please keep this office informed regarding other opportunities to comment and the anticipated decisions from this review of the interim guidelines.

Sincerely yours,

William A. Dryden
Director, Forest Resources Affairs

(208)384-6161
7/29/03 - left message for
Mr. Dryden to re fax his letter
as I have pages 3 & 4

Boise stewardship contracting comments

7/29/03 - left message for Mr. Dryden
that we have his 4 page letter & re need to FAX



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July 28, 2003

USDA Forest Service
Forests and Rangelands Staff
Mail Stop 1105
1400 Independence Avenue, SW
Washington, DC 20024-1105

RE: Stewardship End Result Contracting: 68 Fed. Reg. 38285 (June 27, 2003)

To Whom It May Concern:

This letter is in response to the request for public comments on the notice of interim guidelines for Stewardship End Result Contracting, 68 Fed Reg 38285 (June 27, 2003).

These comments are on behalf of the Intermountain Forest Association, Rocky Mountain Division (IFA) and its members. IFA represents to forest products industry in the Forest Service Rocky Mountain Region. We are interested in these guidelines because many forest products companies and their employees have a direct economic interest in the management of our national forests.

IFA supports the expanded authority for the Forest Service to be able to utilize end result stewardship contracting. Stewardship contracting provides an excellent tool to be able to perform restorative or maintenance work in our nation's forests while simultaneously addressing improving contract efficiency and reducing costs to the agencies. This is simply common sense contracting and good public policy, as well as being environmentally, socially and economically responsible.

This is not just an issue of fiber or timber supply to IFA's members. It is critical to addressing the forest health crisis in our country. If we do not reduce the risk of catastrophic wildfires, insects and diseases, we will continue to destroy millions of acres of critical wildlife habitat, key watersheds and private property, both homes and timberlands. There is simply not enough funding available to do this critically important work without utilizing products that provide value.

A broad concern of the forest products industry is the need for adequate and increasing appropriated funds to the field to accomplish fuels hazard reduction, insect and disease treatments, and other land condition improvement projects. The first priority, as stated earlier, must be improving the condition of the land. We believe that field units must have funds to prepare and accomplish needed projects, and stewardship contracts are one possible means to do

the work. We are concerned that there is not currently, nor projected to be in the next few years, sufficient national fire plan or vegetative management funding on many units for these projects. Without such funds, fuels hazard reduction and other projects using stewardship projects will not even be possible. Therefore, providing appropriated funds must be the highest priority and we highly encourage the Forest Service to reduce project preparation costs (i.e. analysis and NEPA), in order to increase available project funds.

IFA's specific comments on the interim guidelines are as follows (note that numbers correspond to the published guidelines):

1. Stewardship projects authorized by Public Law 108-7 will be designed to achieve land management goals by modifying vegetation to make forests and rangelands more resilient to natural disturbance mechanisms such as wind, flood, fire, insects, and disease. The objectives of these projects may include improving forest and rangeland health, restoring or maintaining water quality, improving fish and wildlife habitat, reestablishing native plant species, and/or reducing hazardous fuels that pose risks to communities and ecosystem values.

IFA agrees wholeheartedly with this statement, but would ask that the objective of reducing hazardous fuels that pose risks to non-federal forests and rangelands be added at the end. This is critically important to our members, many of whom own or purchase timber from forest and rangelands intermingled with federal lands, since catastrophic wildfires, insects and diseases, do not recognize property boundaries.

2. Deriving revenue from the sale of any by-products or other materials designated for removal from these stewardship projects will be a secondary objective to the restoration goals. Forest products will be appraised at fair market value. Contracts of a duration longer than 3 years will allow for price adjustment for the value of these materials to protect the public interest as new markets develop.

IFA generally agrees with this statement, although we have concerns with how the agencies will develop a fair market value for forest products that traditionally have had little or no market value. We feel strongly that values from traditional timber sales and values from Stewardship Contracts should not be combined in a Transaction Evidence Appraisal database.

We recommend against including price adjustments for forest products to be removed in stewardship contracts, because 1) we are not aware of appropriate indices for traditionally low value materials, 2) without prior knowledge of the operations of such indices, prospective contractors would not be able to predict future prices in preparing their proposals, and 3) we do not feel that adjusting forest product values without making commensurate adjustments for contract work requirements is appropriate.

3. The agencies will use an open, collaborative process and, as appropriate, will seek early involvement of local government agencies, including tribal governments, and any interested groups or individuals in various phases of project development and implementation.

IFA is supportive of collaborative processes and the involvement of local governments, tribes, adjacent landowners and people who have a vested interest in the goals and objectives of a given resource management project. However, because this strategy is already part of existing agency

in the prospectus. Successful contractors must have a proven ability to perform or subcontract and manage required work. Non-traditional contractors, such as counties, NPO or NGO must compete on a level playing field with traditional contractors. The agencies must not deviate from their ultimate land management objective, treating acres in a cost effective way.

9. The agencies may use all available authorities to involve a wide range of contractors or recipients, allow for offsets to be utilized for other restoration treatments. The agencies will maintain Federal agency control and oversight of operations to assure the protection of public assets and compliance with environmental requirements.

Once again, the open competitive bid process will result in the greatest net public benefits over the longer term. It is critical to the success of the project and the contractor that information about the projects' contractual requirements is clear and concise.

10. Contractors who are awarded stewardship contracts will provide such bonds as may be required under law or regulation. The agencies may require performance and payment bonds in order to protect the government's investment in receipts from forest products to be removed under a contract or agreement under Pub. L. 108-7.

Bonding is critical to risk management and guaranteed performance. Unfortunately insurance companies are not supporting long term, non-cancelable performance bonds. For example, timber sales with terms that exceed three years are becoming more challenging to bond, even for established purchasers. In order to ensure that the contractors who bid on these contracts can provide bonds to protect the public's interest, we would suggest the following options:

- 1) Provide for cancellation of a performance bond, with 90 days notice required, or
- 2) Provide for a definite term contract with date-certain expiration of associated bonds, not to exceed a term of 3 years, with an option for extension of the contract with Consent of Surety.
- 3) Another option to consider is the use of a contract form known as *Indefinite Delivery Indefinite Quantity (IDIQ)*. Typically these contracts involve individual task orders that require separate bonds. Usually there is a minimum and maximum number of tasks to be awarded per year. No final bonds would be required until a "task order" was issued. These types of contracts are very common with the Corps of Engineers.

11. The agencies will develop a two-phased training approach to implement this authority. Internal agency training will focus on allowing for contracting authority to occur as close to the field as practicable and will cover topics such as project management, performance based end-result contracting and trading goods for services. Agencies also will provide external training subject to available funding to assist contractors in developing skills to do the work required by the contract, and knowledge in competing for and performing on stewardship contracts.

IFA supports the necessary training for agency personnel in order to ensure their expertise in utilizing these new authorities. With limited funding and the need for on the ground accomplishments, we recommend the Forest Service develop a succinct training package for use with industry trade associations and community organizations.

processes and is a specific focus of the National Fire Plan, it is unnecessary and confusing to include it in the stewardship contracting guidance.

4. The agencies will seek to use the stewardship authority in conjunction with other land management authorities to develop and implement stewardship projects across agency administrative boundaries. The agencies will seek to achieve land management goals on a watershed, or larger scale.

We have no objection to large-scale projects.

5. The Forest Service may collect residual receipts pursuant to the Knutson-Vandenberg Act of June 9, 1930, and the National Forest Management Act of 1976, from excess offset value.

We have no objection to the collection of money for specific funds such as KV. However, we recommend that the Forest Service not utilize stewardship contracts for projects designed to produce excess or residual receipts.

6. All stewardship projects will comply with applicable environmental laws and regulations, including an appropriate level of environmental review under the National Environmental Policy Act, and will be consistent with applicable agency land and resource management plans. Projects will be subject to applicable agencies' appeals and dispute resolution processes.

Regardless of the form of contracting used, all projects must comply with laws and regulations, as well as existing land and resource management plans. Including this guideline is unnecessary.

7. The agencies may use existing contract or assistance instruments, as appropriate, to implement stewardship projects. In addition, the agencies may develop new contracting mechanisms as needed to implement stewardship projects consistent with relevant laws, regulations, and guidelines.

We support the development of model contracts and strongly recommend that risk be fairly allocated between contractor and purchaser. As the Forest Service is aware, the forest products industry has substantial interest and experience in contracts that remove forest products. As such, IFA recommends that the agencies consult with the Federal Timber Purchasers Committee on the use or development of new contracting mechanisms. The Forest Service must also clarify Contracting Officer authorities and responsibilities between Timber Sale COs and Service Contract COs.

8. In awarding a stewardship contract on a best value basis, the agencies may, in addition to cost or price, consider such criteria as the contractor's past performance, work quality, existing public or private agreements or contracts, on-time delivery, and experience. The agencies may consider the benefits to local and rural community needs when considering award of a stewardship contract on a best value basis. The agencies' may use non-traditional contractors or recipients, such as counties or not-for-profit or non-governmental organizations, if consistent with relevant authorities.

Guidelines for the awarding of stewardship contracts should be based on the criteria used for timber sales and service contracts: an open competitive process, with selection criteria identified

12. The agencies will utilize multiparty monitoring, open to interested groups or individuals, to monitor and evaluate an appropriate sampling of the projects or programs at the appropriate levels. If supported by the local collaborative process, monitoring will be conducted at the project level, subject to available funding, and will be well coordinated among administrative units to ensure that the sampling of projects monitored is geographically diverse and represents the range of projects undertaken. Multi-party monitoring will focus on: a) The status of development, execution, and administration of agreements or contracts, b) The specific accomplishments that have resulted, and c) The role of local communities in development of agreement or contract plans.

IFA supports the idea of multiparty monitoring of stewardship contracting projects, but encourages the agencies to use existing processes, including forest plan monitoring and evaluation, and teams, such as Resource Advisory Committees, to the extent possible. This will reduce the administrative time and cost associated with developing new processes and teams. IFA supports the focus areas for monitoring, but suggests that reporting be specific in regards to project accomplishments.

16. Project managers will separately track the values of the goods being sold and the services being received for each project.

IFA agrees with the need to ensure that stewardship contracting is being used as the appropriate tool for meeting land management objectives. As such, IFA supports separate tracking of goods sold and services received, in order to provide for financial accountability. However, we urge that this be done in as an efficient a manner as possible.

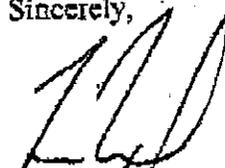
17. Use of receipts is limited to direct on-the-ground project implementation. Receipts will not be used for overhead, administrative, or indirect costs or the completion of environmental studies or other planning and analysis.

IFA supports the concept of using receipts for direct on-the-ground implementation. Again, however, we recommend that the Forest Service not utilize stewardship contracts for projects designed to produce excess or residual receipts.

In closing, we would like to reiterate that our key objectives regarding stewardship contracting include: adequate and increasing appropriated funds to accomplish projects on the ground, coordination between the agencies and the Federal Timber Purchasers Committee, and financial accountability.

We thank you for the opportunity to comment on these guidelines and request that you move expeditiously to finalize agency policy regarding stewardship contracting.

Sincerely,



Tom Troxel
Director

AOC

Association of Oregon Counties
P.O. Box 12729
Salem, Oregon 97309

O & C

Association of O&C Counties
P.O. Box 2327
Harbor, Oregon 97415

July 28, 2003

USDA Forest Service
Forest and Rangeland Staff
Mail Stop 1105, 1400 Independence Ave., SW.,
Washington, D.C. 20024

Re: Stewardship End Result Contracting

Oregon's two associations of county governments are interested in and support the concept of Stewardship End Result Contracting. We are however, concerned with the legislation and the department's interim guidelines as they relate to shared receipts with states and counties.

The Association of O&C Counties is made up of counties in Western Oregon within which lie a special category of BLM-managed timberlands known as the Oregon and California Grant Lands. The O&C Lands are dedicated by the O&C Act of 1937, 16 USC §1181a et seq., to the production of timber for the purpose of supporting local communities. The O&C Counties are, according to statute, both the recipients of shared timber receipts from the O&C Lands and the local governments most concerned with the community economic stability promised by the O&C Act. The purpose of the Association of O&C Counties is to cooperate with the managing agencies in the development of policies for the management of these lands and to work with members of the Oregon Congressional Delegation in matters concerning national legislation and administration of federal laws affecting the O&C Lands.

The Association of Oregon Counties ("AOC") is an intergovernmental entity of Oregon's 36 counties, of which 31 have within their borders lands managed by the Forest Service. The purpose of the AOC is to represent the interests of counties and their citizens in issues involving other governments. As the coordinating authority for land use planning, Oregon's counties have a special role and interest in the use of public lands within their boundaries, both federal and state. Forest management actions by federal and state agencies also significantly affect the social, economic and environmental well being of rural communities, which look to the county governing bodies to represent their interests with state and federal governments. Counties containing Forest Service lands are also the recipients of shared timber receipts from the Forest Service Land, with such receipts dedicated by federal law to the support of schools and roads in those counties.

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AOC and the Association of O&C Counties believe that the proposed Stewardship End Result Contracting Interim Guidelines need to recognize and reflect the historical relationship between the federal government and the states and counties. Any revenues derived from the sale of material removed from a Stewardship project must be shared with states and counties as dedicated by federal law to support schools, roads and county services.

AOC and the Association of O&C Counties also strongly support the proposal that the agencies will use an open, collaborative process on project development and implementation. To avoid future misunderstandings, clarification is needed of the following language: "Description of Interim Guidelines, 3. as appropriate, will seek early involvement of local government agencies." We suggest that you drop the phrase "as appropriate," and add "and frequent" after the word "early". This will make clear that local governments will be invited to be active partners in project development and implementation.

The Stewardship End Result Contracting, Interim Guidelines as written do not meet community needs of Counties containing Forest Service and BLM managed lands.

Please consider AOC and the Association of O&C Counties as interested and affected parties.

Very truly yours,

ASSN. OF OREGON COUNTIES

By: Robert Cantine
Robert Cantine, Executive Director T.B.

ASSN. OF O&C COUNTIES

By: Rocky McVay
Rocky McVay, Executive Director



1883 Highway 93 South ▲ Hamilton, Montana 59840
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28 July 2003

USDA Forest Service
Forest and Rangelands Staff
Mail Stop 1105
1400 Independence Ave, SW
Washington, DC 20024-1105

1045

via fax: 202.205.1610

Re: Stewardship End Result Contracting, RIN 0596-AC03

Gentlemen or Ladies:

Rocky Mountain Log Homes is a privately owned small business that has actively participated in SBA Setaside Timber Sale offerings with Regions One, Two, and Four over the last 16 years that I have held the resource responsibility for the firm. We reside in the Bitterroot Valley, scene of the 348,000 acre wildfire in 2000, and have actively supported the notion of "Stewardship" throughout the regions. I personally am on the Ravalli County Resource Advisory Council (RAC) as well as on the Bitterroot Stewardship monitoring committee.

I believe that the Forest Service's opportunity to nurture and expand the Stewardship style contracting has a huge positive potential, along with many benefits for the national forest system. However, it is necessary to retain the trust of your contractors, and the orderly method of contracting, and protection of small independent contractors throughout your vast system. The only way to do so is to recognize the benefits not only to the Agency, but to local and rural communities when receiving bids from small business contractors for these projects. To do less would be to ignore the local commitment that the agency historically supported in the SBA setaside program.

Regards,

Patrick O. Cornell, Certified Forester
Vice President, Resource Operations

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Hedstrom Lumber Company, Inc.

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Grand Marais, MN 55604
(218) 387-2995
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July 28, 2003

USDA Forest Service
Forests and Rangelands Staff
Mail Stop 1105
1400 Independence Avenue, SW
Washington, DC 20024-1105

Via Fax 202-205-1045

RE: Stewardship End Result Contracting: 68 Fed. Reg. 38285 (June 27, 2003)

To Whom It May Concern:

This letter is in response to the request for public comments on the notice of interim guidelines for Stewardship End Result Contracting, 68 Fed Reg 38285 (June 27, 2003).

Hedstrom Lumber Company has been in the sawmilling business in Grand Marais, MN since 1914. We provide important jobs to our community, and have been partners with the Forest Service over these 89 years in managing our forests.

Hedstrom Lumber supports the expanded authority for both the Forest Service and Bureau of Land Management to be able to utilize end result stewardship contracting. Stewardship contracting provides an excellent tool to be able to perform restorative or maintenance work in our nation's forests while simultaneously addressing improving contract efficiency and reducing costs to the agencies. This is simply common sense contracting and good public policy, as well as being environmentally, socially and economically responsible.

Hedstrom Lumber is a member of AFPA and Federal Timber Purchasers, and concur with comments sent in by them, so will not repeat them here.

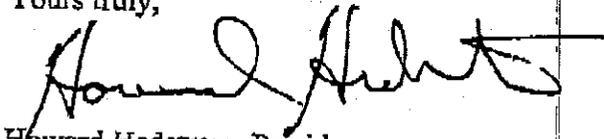
We think that Red pine thinnings may be a good place to utilize these new stewardship contracts. There is a greater need for thinnings and stand replacement cuts and replanting than is currently occurring. A stewardship contract for layout, treatment and replanting

could be a way to get this needed work done, reduce the work and cost to the Forest Service and add stability to this rural community. Red pine thinnings, or stand improvement, could easily be defined by description. Putting the TSI of these stands under a Stewardship contract could save the Forest Service money, get more work done, provide more jobs in the community and provide a more predictable supply of products.

In closing, we would like to reiterate that our key objectives regarding stewardship contracting include: adequate and increasing appropriated funds to accomplish projects on the ground, coordination between the agencies and the Federal Timber Purchasers Committee, and financial accountability. Here in the Lake States, there may be opportunities to Red pine timber stand improvement with these new contracts.

We thank you for the opportunity to comment on these guidelines and request that you move expeditiously to finalize agency policy regarding stewardship contracting.

Yours truly,



Howard Hedstrom, President
Hedstrom Lumber Company



EASTERN NEVADA LANDSCAPE COALITION

25 July 2003

P.O. Box 150266 - Ely, Nevada 89315
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USDA Forest Service
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Mail Stop 1105
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Washington D.C. 20024-1105

Re: RIN 0596-ACO3
Stewardship End Result Contracting

Dear Sirs:

The Eastern Nevada Landscape Coalition would like to thank you for the opportunity to comment on the proposed Stewardship End Result Contracting regulations.

The Eastern Nevada Landscape Coalition (ENLC) is a 501(c) (3) non-profit organization incorporated in Nevada. Our mission is to facilitate and implement restoration of ecosystem health on a landscape scale in the Great Basin, particularly in eastern Nevada, working cooperatively with the Bureau of Land Management (BLM) and the U.S. Forest Service. We work collaboratively with our partners and local communities on restoration issues and projects. We are reviewing the proposed stewardship contracting regulations as potential applicants for contracts.

We applaud the overall concept of stewardship contracting but have great concerns that the program as proposed fails to adequately consider the unique circumstances which exist in the Great Basin, particularly in Nevada. Neither the Humboldt-Toiyabe National Forest nor the BLM have timber programs in Nevada because, although there are millions of acres of woodlands, mainly pinyon-juniper, there is not enough suitable timber to support self-sustaining commercial enterprises. It is our opinion that the proposed regulations and policies fail to adequately consider how to achieve the stated restoration goals on the millions of acres of federal land in the Great Basin where there is little or no opportunity for extraction of commercially valuable products.

We would urge that the following concerns and questions be addressed:

1. How will "ecosystem health" be defined and how will restoration goals be prioritized? Will short or long-term considerations be paramount in the decision making process? For example, will fuel reduction have higher priority than rehabilitating habitat for threatened or endangered or sensitive species?
2. Will projects be proposed by the agencies or can stewardship groups make proposals?
3. While watershed scale projects are obviously desirable these large projects will be considered major federal actions and will require preparation of environmental impact statements (EIS) to

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meet NEPA requirements. These statements often take years to prepare. We suggest that the regulations include provisions for smaller projects that could be done without EIS preparation. The Forest Service "Categorical Exclusion" provision might provide a model which could also be applicable on BLM land.

4. It is not clear how the guideline "The use of full and open competition will remain standard operating practice" will apply to projects where there is no commercially valuable product that can be sold. Also, how would this apply to groups that have existing assistance agreements with the agencies?
5. Multi-party monitoring may be a useful technique to resolve protests and lawsuits but needs to be clearly spelled out. Who would be eligible to perform monitoring? What parameters would be monitored? How would this data be used, and who would be responsible for archiving the data?
6. Bonding: non-traditional groups may not have the up-front cash to bond for even modest projects. Also, it is becoming increasingly difficult to procure bonds.
7. The proposed regulations fail to address the experimental nature of most restoration work. There is a real need for clear guidelines on project protocols, monitoring, and evaluation so that everyone can learn about what restoration techniques are most effective and what the real costs (and benefits) are.
8. As these proposed regulations and policies are overlaid upon existing regulations it may become clear that the whole process is so cumbersome that in many instances it will be unworkable. We would urge that there be provision for and emphasis on expanded pilot projects to determine what parts of the program are effective and which parts need to be revamped.

Again, thank you for this opportunity to comment on the proposed stewardship contracting regulations and policies.

We look forward to reviewing the final guidelines.

Sincerely,



Betsy Macfarlan
Executive Director

Cc: Nevada Congressional Delegation



Eastern Nevada Landscape Coalition
PO Box 150266
Ely NV 89315
775-289-7974

facsimile transmittal

To: Office of Director of Forests & Rangelands Fax: 202-205-1045

From: Betsy Macfarlan, Executive Director Date: 7/25/2003

Re: Stewardship Contracting Pages: 3

CC: Nevada Congressional Delegation

Urgent For Review Please Comment Please Reply Please Recycle

Notes: Please find attached the Eastern Nevada Landscape Coalition's comments on the proposed Stewardship End Result Contracting guidelines (RIN 0596-AC03)





"Dennis R Dietrich"
<drdietrich@fs.fed.us>
s>

07/01/2003 05:25 PM

To: stewardship@fs.fed.us
cc: "Michael Daugherty" <mداugherty@fs.fed.us>, "Craig V Courtright"
<cvcourtright@fs.fed.us>, "Slater R Turner" <sturner@fs.fed.us>
Subject: Comments on the Interim Guidelines

Hi,

I have a little experience with stewardship and a lot with timber sale contracting. From that perspective, here is my input on the Draft Interim Stewardship Guidelines:

1. You need a Definitions section. These terms inspire different meanings in different people all the time: Stewardship, offset, excess offset value, fair market value, price adjustment, goods for services, full and open competition. There are probably others. Save us the time debating over what you meant and tell us in the guidelines.
2. Guideline 2. The "Price Adjustment" concept. How will this work if we are doing goods for services, and we are not receiving payments from the contractor?
3. Guideline 4. "...across agency administrative boundaries."
Inter-agency boundaries, intra-agency boundaries, or both? Please be very specific.

Thanks for the chance to comment! Dennis

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pic12878.pcx



"Tim Lengerich"
<timlengerich@hotmail.com>

To: stewardship@fs.fed.us
cc:
Subject:

07/01/2003 02:04 PM

Stewardship program comment: get the goddamn cows off public land!!!
Tim Lengerich

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Cutting the Gordian Knot of Forestry Finance

© July 15, 2003 Robert Hennkens

BACKGROUND

. Continuing drought conditions in states such as New York, Florida, Georgia, Virginia, West Virginia, the Carolinas and eighteen western states have created extreme fire danger in much of the 700 million acres of Public Trust Lands. It is a shocking statistic, that nearly seventy-three million citizens live in 23,000 communities adjoin a magnificent Public Trust Land asset at the risk of wildfire devastation.

Congress can no longer ignore the fact that new federal programs must be brought to fruition to re-build rural infrastructure to promote forest, woodlands and grassland health and well-being, public safety, and social benefits without the annual drama of federal budget debate and OMB intervention.

The economic viability and future of much of America's forested communities is in serious jeopardy. New job creation spawned by sustainable business platforms has practically been eliminated by increasingly restrictive tangles of law, rules, regulations and litigation. In this essay, I suggest two initiatives to cut these Gordian Knot roadblocks to stimulate self-help initiatives supported by and in cooperation with innovative national policies.

PROPOSED SOLUTION

Under the proposed U.S. Department of Agriculture (USDA) National Forest Service (NFS) stewardship program, Congress plans to provide as yet unspecified stimuli to promote the health, biodiversity and habitat of the Public Lands. through re mediation of the fuels generate thousands of self-help business initiatives for Americans living in communities at risk of the ultimate devastation of wildfire. The proposed program ignores the need to create economic and social benefits that will accrue to the local communities who benefit from the program.

Our Understanding of the Program. It seems almost impossible to gather information from members of Congress, the USDA or other federal agencies concerning stewardships. Based on what we can find, our understanding of the proposed stewardship program is as follows:

- The NSF will solicit bids and provide contracts to access at least 150,000 acres of National Environmental Protection Act (NEPA) approved forest and woodland cellulose to locally owned and managed organizations. This represents only a small fraction of the 190 million acres of our National Forests, but at least it is an effort in the right direction.
- Private management organizations, working in conjunction with National Forest Service rangers, will

be contracted to remediate and maintain the health and biodiversity surrounding their communities. Contracted organizations will receive Congressional authority, responsibility, resources, and incentives to stimulate the development and infrastructure to support thousands of distributed, sustainable, and environmentally acceptable small business platforms and jobs. The stewardship program can provide a perpetual resource while only 10% of the land area is worked each year. Thus at year ten, the process can be started over.

A major objective of the stewardship program is to alleviate wildfire danger by eliminating the large amounts of dead and dying brush and small trees. This non-traditional cellulose will allow new economic viability and non-service jobs in the rural communities. This will substantially reduce wildfire fuel hazards and the danger of wildfire devastation. This is an exciting and potentially valuable combination to protect national assets through the renewable energy of these American citizens and the federally-owned local resources.

Congress projects great opportunities for growth and concerned care of the forest assets by restricting stewardship contracts to small business management and operating companies located in the immediate region of the National Forest lands to be re mediated. However, this may not be possible or feasible under current financial rules. Forestry stewardship contract holders will still face the same dilemmas which small businessmen in most rural communities face trying to finance infrastructure, management and personnel to build their small companies. This is a difficult problem to solve: a Gordian Knot. Let us cut it apart so we can propose solutions to this impasse.

THE GORDIAN KNOT

Many forest communities have been nearly completely destroyed by well intentioned, but crippling government actions. Congressional mandates and laws, as well as federal and environmental land captures have eliminated many jobs and shattered hope in small rural communities. Dynamic new thinking is required, right now.

SLASHING THE FINANCING KNOT - OPTION A:

Federal Agency guarantees from agencies such as the Small Business Administration (SBA) and the USDA encourage the agencies to require the due-diligence cover of a potential financing bank. The financing banks in rural communities are frequently small locals with limited resources or owned by a "holding companies" in far-away major cities such as New York or San Francisco. The small locals are

frequently disqualified for financing infrastructure loans, even when guaranteed by 75% to 80% Federal Agency authority. Major banking organizations insist on a personal guarantee and require that physical assets be pledged to the bank to secure the non-insured portion of the loan. This practice has practically eliminated small business and young entrepreneurs in poor rural communities from obtaining federally guaranteed loans for the large and patient debt required for infrastructure investment.

We propose bundling a large number of forest resource stewardship contracts pledged to a Forestlands Cooperative Management Association. The Forestlands Coop can use the model of the Production Credit Association, the Federal Bank for Cooperatives and the Federal Land Bank. Those programs place equity, structure insurance, provide collateral guarantees, provide qualified securities, and legal and audit resources, items that are often out-of-economic-reach for the small business owner.

The Forestlands Cooperative Association can wrap insurance for both business and personal needs, provide security to a financing organization in form of management, science, engineering, market development, purchasing, resource management, manufacturing assistance, training, education and promotion, maintenance and business continuation guarantees.

There is little money, management or infrastructure capital remaining from the family businesses or the major corporations that once provided the life- blood of our rural communities. Thus the rural community has very little to offer other than quality and quantity of hard-working and dependable labor.

Without the hope of infrastructure, management or financing in the small business communities, the federal forestry stewardship contracts will provide very little local business development stimulus. Our proposed best-practice use of the cellulose resource and the human energy found in the rural forested communities will create numerous new businesses sited in and owned by local persons in the immediate region of each rural community. With local ownership, short drive distances, and the ability to “go-home-for-lunch to feed the dog or milk the cow, can result in community renaissance, dependable job creation and the sustainable basis for forestry management and productive use of resource.

With these new, non-service forestry and manufacturing jobs, the communities can once again structure tax-related community services, build new schools and cultural amenities, provide a basis for environmental and ecological work. Residents can enjoy a community that worries about productivity and delivery of a job, rather than worrying about wildfire devastation.

Qualified bidders on Federal Forest Service Stewardship Contracts are required for success. Bidding by family logging operators from the '60's, fellows with a chain-saw, bankers who know someone with a saw and little old ladies who remember the good old days may unleash another rash of

bad or incomplete management decisions ready for the litigation hammer of the federal judge. Qualifications for bidding must not be skewed towards large corporations, and must be fair and equitable. They must not discriminate as to size of bid-bonds required, minority set-asides, and must be easily financed. Otherwise, the stewardship contract procedure may be as chaotic as the Oklahoma Land Rush, the great dot.com trade-name bids, or the FCC contracts for new band-width frequencies.

If a company gets a contract with the idea to “flip-it” to a large corporation based in Atlanta, Germany, or Latin America, then the local resource will once again be insignificant to the local area and the forest management opportunities will soon be extinguished once again. A large corporation will see that no significant investment capital will be required. Just get the contracts and seek out an organization that has capital and management or sell out to the highest bidder. There will be little participation by the most important stakeholders; the people in the local forested communities.

To counter this potential problem, we suggest a “Marshall Plan” type rural forested community-based cooperative program. The cooperative can bring to bear \$10 billion dollars of annual federal guarantees specifically dedicated to qualified local small business owners, along-with sustainable and long-term renewable contracts for resources growing in the forests

If loans, training, product technologies, markets and resources are available to all community members, and not just the few large corporations, then great continuing successes can be gained. Certainly there will be failures, but with the guidance of the cooperative, the federal guarantees and resource assurances will be employed to privately finance new infrastructure to re-weave the threads of rural community life, re mediate our forests and provide a safe home for flora, fauna and families alike.

BENEFITS OF THIS NEW APPROACH TO FORESTRY INFRASTRUCTURE FINANCING:

The approach we are suggesting has a number of significant, specific benefits. Some of these are as follows:

- A. Remediation of landscape and communities through economic opportunity;
- B. Funds privately raised and administered;
- C. New investment in rural communities, forests, biodiversity, watershed, infrastructure, and agriculture;
- D. Homeland Security programs in forests and rural communities implemented;
- E. Distributed programs for the “Forestlands” business and capital Cooperative based on community member/owners, production credit and production and manufacturing capital and market models;
- F. Creation of small business opportunities in the emerging and strategic industries of bio-Products and bio-Fuels;
- G. Employ new technologies for protection and aquifers and water supplies;
- H. Implement new technologies to remediate land-fill, Brownfield and Blackstick sites;
- I. Generate and employ new technologies for distributed “Immediate-Strike” wildfire war strategies;

- J. Installation of enhancement and efficiency projects for automobiles, trucks, buses, tractors, and pumps to reduce dependence on foreign oil;
- K. Explore technologies to build new homes and community structures with energy efficient materials and architecture;
- L. To annually provide millions of new jobs in business sectors suited to rural communities;
- M. Bring "Downtown" back into the rural community equation; and
- N. Provide National Demonstration, Education and "Best Practice" for Sustainable Living Programs.

SLASHING THE KNOT: OPTION B:

An alternative to the Marshall-type plan offers a cost-shared approach between the Federal Government and an individual state. This approach may be more attractive to the political aspects of Congress and to the American public. The Robert T. Stafford Act (42 USC 5121) provides that 75% of the funds for rehabilitating a Federal Disaster Emergency, such as forest fuels hazards, beetle-killed and drought-stressed trees and watershed, comes from the federal government (in form of guarantees which can be privately financed) and 25% from the State.

For example in Arizona, the state currently is devastated by over 470,000 acres of wildfire burned timber and another 650,000 acres of beetle-killed timber, which presents the greatest risk to the public living on the edge of devastation by wildfire in the history of the state. The assessment costs to harvest and remediate the beetle-killed forests total amounts to \$360,000,000 from the Federal Government and \$120,000,000 from the State (to be financed under the waste-to-energy provisions of the tax-code in form of IDA bonds). Arizona has annual authority for \$400 million for IDA bonds. The harvesting and bio-energy disposal of 650,000 acres of beetle-killed trees is a waste-to-energy program.

Therefore, the (practically bankrupt) state can provide \$120 million in bonds, but only count as 50% of the bond portfolio, or \$60,000,000 against the portfolio. It is estimated that the cost to cut 650,000 acres of beetle-killed forest at \$350 per acre equals about \$227,500,000. The cost to build and operate 20 5-megawatt biomass energy plants in the rural communities (considering financing transportation, interconnects, legal, financing, etc.) is \$200,000,000, for a sub-total of \$427,500,000. This provides the mechanism to support the remainder of the bonding by bundling 100 megawatts of green and renewable electricity for power purchase agreements and green credit production and marketing.

The remaining \$52,500,000 is to be dedicated to building a large number of distributed and sustainable small business platforms for bio-products and bio-fuels in the rural communities; for funding the capital for the Forestlands Cooperative Credit and Insurance infrastructure in forested communities; for educational facilities and personnel to train in the community colleges and technical high schools in

counties where the beetle-kill along the drought has exacerbated the incredible hazards of wildfire.. This will justify the Arizona Department of Commerce IDA bonding authority and personnel.

In as much as several investment bankers are interested in placing bonds of over \$100 million, it seems that 75% guarantees from the Federal Government and the 25% Waste to Energy, double-tax free IDA bonds provided by the nearly bankrupt states can set the national best-practice demonstration for beetle-killed and seriously out-of-control forests.

SUMMARY

By reshaping existing finance options within the existing laws would benefit the several social and economic beneficiaries and stimulate the local economies while simultaneously diminishing risks of catastrophic wildfires and senseless waste of valuable national and private resources. It makes sense to cut the Gordian Knot of finance for our forest programs and projects.

For additional information:

Robert G. Hennkens,

Director, the Barry M. Goldwater Center for Renewable Forest Technologies

Director, Prescott Industrial Development Authority

Director, Environmental Technologies Industries Cluster

Director, Advisory Council, the Federal Laboratory Consortium for Technology Transfer

Principal, Healthy Acre Forestry

Principal, BioGen Technologies

Principal, Superdrive, Inc.

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**<newfrontier@earthl
ink.net>**

07/24/2003 12:21 AM

To: <stewardship@fs.fed.us>
cc:
Subject: Section 323 of P.L. 108-7, the Consolidated Appropriations Resolution,
2003 (16 U.S.C. 2104 note)

USDA Forest Service, Forests, and Rangelands Staff
Mail Stop 1105
1400 Independence Avenue, SW
Washington DC 20024-1105

Dear Department of Agriculture, Forest Service and DOI:

Please include the enclosed monograph concerning the real problems of public lands remediation.

Sincerely,

Robert G. Hennkens



Cutting the Gordian 03.doc

Concerned Sportsmen of Idaho, Inc.
c/o Jim Hagedorn
P. O. Box 100, 1008 Main Street
Viola, Idaho 83872
208-883-3423

23 July 2003

USDA Forest Service
Forests and Rangelands Staff
1400 Independence Ave., S.W.
Washington, DC 20024-1105

Re: Interim Guidelines for Stewardship End Result Contracting

The Concerned Sportsmen of Idaho, Inc. (CSI) supports using "retained receipts" to start new restoration Stewardship Projects. Watershed analyses are expensive undertakings and "seed money" from excess proceeds from the goods for services component of a completed restoration project can help generate the initial phase (planning and analysis) of another project.

The CSI recommends that "retained receipts" be used for the above situations within the national forest generating those receipts.

The CSI believes that certain recreational-oriented components should be authorized support from goods for services monies. Those components, especially trails of varying uses and size, include trailhead facilities that facilitate entry into Western backcountry areas. Such infrastructure elements are important components in Western states.

Please keep the CSI informed of new developments that deal with Stewardship Projects.

Sincerely,

Jim Hagedorn

Jim Hagedorn
President

JH:ll



"Lin Lindahl"
<lelindahl@earthlink
.net>

07/23/2003 12:56 PM
Please respond to "Lin
Lindahl"

To: <stewardship@fs.fed.us>
cc:
Subject: Attached letter re Stewardship Projects

Please see attached letter.

Thank you,

Jim Hagedorn



President, Concerned Sportsmen of Idaho, Inc. (CSI) csi ltr to Forest Service, 23 July 2003.doc

Frank Stewart
Counties' QLG Forester

Lassen, Plumas, Shasta, Sierra, Tehama Counties

18 Premier Court
Chico, California 95928

Phone/Fax 530-345-3876
rpf235@digitalpath.net

USDA Forest Service
Forests and Rangelands Staff
Mail Stop 1105
1400 Independence Avenue, SW.
Washington, DC 20024-1105

July 23, 2003

Dear Staff:

Thank you for the opportunity to comment on the interim guidelines for implementing Stewardship End Result Contracts that were recently authorized under P.L. 108-7, the 2003-Consolidated Appropriations Resolution. This collaborative based contracting method is critically important to the social, economic and fire protection needs of the citizens, businesses and private property owners in rural communities that are constantly threatened by the hazardous fuel conditions that exist on adjoining National Forest and/or Bureau of Land Management lands.

You are in the third year of implementing the National Fire Plan and it is imperative that Stewardship Contracts be included in the contracting authorities that agency personnel have at their disposal to address the reduction of hazardous fuel conditions. As the enclosed attachment demonstrates, the Forest Service has only achieved 55% of the fuel reduction targets at the national, regional and local level and contracting authorities that allows "goods for services" is critically important to achieving the goals and objectives of the NFP.

The following comments are intended to enhance the Interim Guidelines for implementing Stewardship Contracts and relate to the guideline numbers that are listed on pages 38286 and 38287 of the June 27, 2003 Federal Register:

GL-1: The fifth land management objective of Stewardship Contracts must be expanded to read: *reducing hazardous fuels that pose risks to communities and ecosystems at the annual pace and scale of acres treated that is specified in the National Fire Plan.*

GL-2: Although deriving revenues from the sale of by-products or other materials are considered secondary to the overriding land management objectives of the projects, cost efficiencies and effectiveness considerations must be incorporated in the project appraisal.

GL-3: The agencies promotion of "open collaborative processes" must recognize the existence of current citizen collaborative efforts such as County Fire Safe Councils, Resource Advisory Committees, Resource Conservation Districts, Watershed Organizations and the Quincy Library Group. There are over 125 community and County Fire Safe Councils in California and they are investing over \$5,000,000 of NFP Community Assistance Grants and Title II and III funds under the Secure Rural Schools and Community Self-determination Act for the development and implementation of County Fire Plans.

GL-5: The collection of residual receipts from projects must be expanded to include Forest Reserve Revenues for distribution to roads and schools in impacted counties. Goods for services contracts must pay their fair share for the county infrastructure that supports each project.

GL-6: Categorical Exclusions for hazardous fuel reduction and forest restoration projects must be utilized in accordance with environmental laws and Limited Operating Periods (LOP's) must be applied in a judicious fashion in order that fuel reduction and fire protection objectives are achieved in a timely manner.

GL-7: In the Quincy Library Group Pilot Project area, twenty one Service Contracts with imbedded Timber Sale Contracts (STS) have been utilized for hazardous fuel reduction projects in FY-2001 and FY-2002 and they should be expanded to the fullest extent possible in order to incorporate the goals, objectives and authorities of Stewardship Contracts.

GL-8: Awarding of Stewardship Contracts on a "best value basis" must also consider the historic economic needs of local small business contractors who are qualified to perform the tasks designed into each project.

GL-12: Multiparty monitoring must only include citizens and organizations that participated in the original planning, design and development of the project. The second focusing point of multiparty monitoring "specific accomplishments" must include social and economic benefits that are achieved by the citizens and businesses of local communities as well as the environmental ramifications of the project.

GL-16: The tracking of project values "goods sold and services received" must be monitored and data collected on an annual basis for sharing with interested parties through individual national forest web sites.

GL-17: Include authority for the use of project receipts for NEPA and environmental planning of projects by Forest Service employees or qualified private contractors. This is the single biggest stumbling block in project development and utilization of a portion of the receipts to meet this phase of the project is critical to successful implementation.

With diminishing budgets and increasing hazardous fuel conditions, it is imperative that we provide the managers of our public lands with this additional opportunity to meet the challenge ahead. Every effort must be made to utilize this contracting authority at the local level for the enhancement and leveraging of the limited funding resources that are annually appropriated for hazardous fuel reduction.

Again, thank you for the opportunity to comment.

Cordially,

Frank Stewart

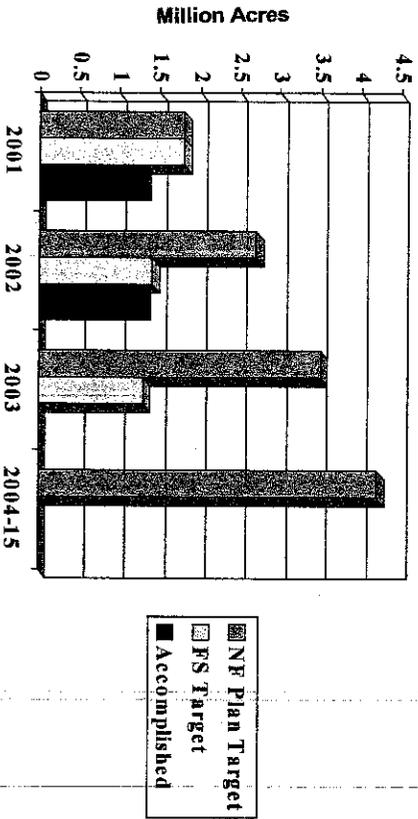
Attachment (1)

Ccs

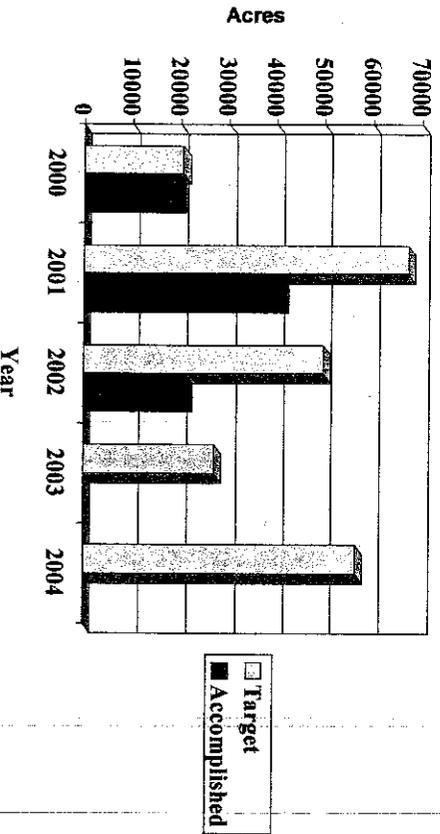
Shasta County Board of Supervisors
Lassen County Board of Supervisors
Tehama County Board of Supervisors
Plumas County Board of Supervisors
Sierra County Board of Supervisors

U.S. Forest Service - National Fire Plan Hazardous Fuel Reduction Acreage Accomplishments

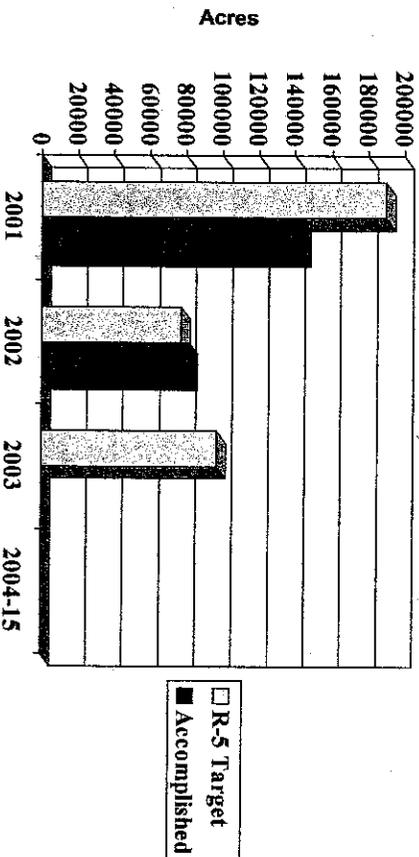
National Targets



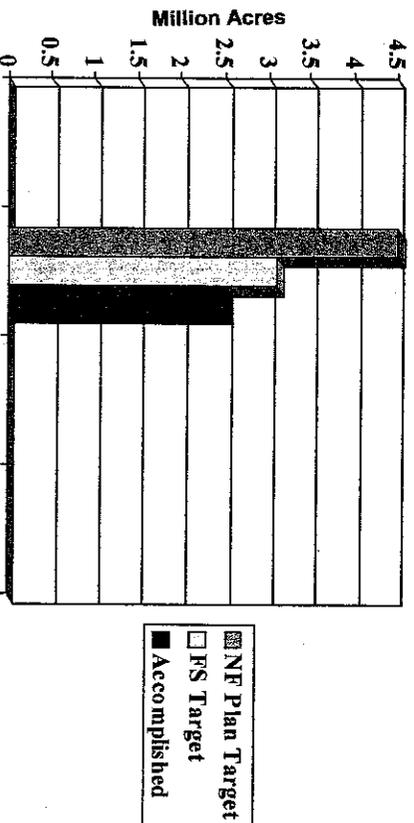
OLG Pilot Project Targets



Region-5 Targets



What's it all mean? After two years of implementing the National Fire Plan, the Forest Service has only accomplished 55% of the hazardous fuel reduction targets in the NFP.





"Frank Stewart"
<rpf235@digitalpath
.net>

07/23/2003 04:38 PM

To: "USFS Stewardship" <stewardship@fs.fed.us>
cc: "Brooks Mitchell" <logit1@juno.com>, "Bill Dennison"
<dennison@citlink.net>, "Charles Willard"
<mwillard@rbuhsd.k12.ca.us>, "Chapman, Jim"
<lassenadd@citlink.net>, "Trish Clarke" <suptrish@c-zone.net>
Subject: Stewardship Contract Comments

Attached are my comments for improving the guidelines for implementing Stewardship Contracts. With diminishing budgets and increasing levels of hazardous fuels, it is important that local forest managers have additional opportunities to get the job done in a timely manner.

Thanks,
Frank Stewart



Counties' QLG Forester Stewardship Contracts Comment Letter.doc



National Fire Plan 4 on page.ppt

Mark Belles
9318 Willard Street
Rowlett, Texas 75088

USDA Forest Service
Forest and Rangelands Staff
Mail Stop 1105
1400 Independence Avenue, SW
Washington, D.C. 20024-1105

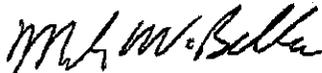
02 July 2003

Dear Forest and Rangelands Staff,

Regarding the "Notice of interim guidelines; opportunity for public comment" for the Stewardship End Result Contracting as published in the Federal Register dated 27 June 2003 (Volume 68, Number 124), please place my name on the mailing list for this project.

I am generally pleased with the proposed guidelines, but would like to make one comment/question. What will be the means of publicizing the NEPA activities associated with the stewardship projects? It will be important for public input to have easy access to the list of projects that may be commented upon.

Thank you for the opportunity to comment,



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JUL 21 2003
Forest & Rangelands

USDA Forest Service
FOREST AND RANGELANDS STAFF
MAIL STOP 1105
1400 INDEPENDENCE AVE. SW
WASHINGTON, D.C. 20224-1105

202241105

Mr. Mack Bellis
9118 Willard St.
Rowlett, TX 75088





Forest Products FAX

USDA Forest Service
Forest & Rangelands Staff
1400 Independence Avenue, SW
Stop Code 1103
Post Office Box 96090
Washington, DC 20250-1103
FAX (202) 205-1045



Environmentally Managed, Renewable Resources for America's Homes

Date: 7/23/03

From:

- Dick Fitzgerald (202) 205-1753, rfitzgerald@fs.fed.us
- Rex Baumbach (202) 205-0855, rbaumbach@fs.fed.us
- Darci Birmingham (202) 205-1759 dbirmingham@fs.fed.us
- Rod Sallee (202) 205-1766, rsallee@fs.fed.us
- Dick Zaborske (202) 205-1180, rzaborske@fs.fed.us

To: Roger Poirier

FAX No: 406 329 3021

Comments:

Attached letter mailed USPS on stewardship contracting

Total number of pages including this cover sheet: 3



Wayne Hirst
 <dwHirst@montanas
 ky.net>

To: stewardship@fs.fed.us
 cc: cdaly1@centurytel.net
 Subject: interim guidelines for stewardship contracting

06/21/2003 07:05 PM

To USFS:

The following are my comments regarding proposed interim guidelines for Stewardship Contracting:

1. I have been involved in Stewardship issues since 1998, and am on the Northwest Stewardship Monitoring Oversight Committee, and also am the Contract holder for the Yaak Community Stewardship Contract, a very unique, community involved, project, with support of environmental groups. (BUT - I am a local accountant - not in the timber business).

2. It appears that the flexibility that Congress appeared to have intended in the Legislation may well be destroyed by some of these proposed guidelines. It appears that "End Results" are going to be sacrificed to insure the "Process" does not become uncomfortable for some. So, the importance here is for the "Process" to be done well, and the "End Result" becomes secondary. I thought the job here was to manage the land, not manage the bureauocracy.

3. Locally, we had alot of local support for Stewardship Projects, but it appears that many proposed guidelines shall discourage Community involvement, because much of that input will be wasted.

4. The removal of much of the local flexibility shall result in "Public Collaborative involvement" to be a goal that cannot be attained.

So, please do not think you make this a very tight set of contracting tools, give littel flexibility, and still have the public interested.

How much of the public is interested in development of timber sales?

5. Why does the USFS not trust it's own contracting officers by removing flexibility? Does not the positive potential outweigh potential negatives?

6. Designation by Description can be a very valuable tool in some cases - the Yaak Project for one - since beginning last fall - the local plywood mill closed, an adjacent mill located in Northern Idaho close by also closed(these removed key local markets for wood), we went to war, and the mill in the Northern Part of the County closed for a while, and may well close permanently. The market also took a dive, whereas, \$70/ton average prices went down to \$55/ton average - and at 7,000 tons - that's a drop of like \$100,000, due to market changes.

Without designation by description, trees would have been marked where the market for those trees dried up.

7. It was stated that authorities provided by Congress will be "significantly constrained". Why? I do not believe this is the intent of Congress. If constrained, then the result will be that Stewardship shall turn into just another way to do timber sales.

This is exactly what environmental groups have predicted.

8. Working with local and State environmental groups to gain support for these types of projects, it is clear it can be accomplished. But by constraining the potential of Stewardship Contracting, much of that support will fade away.

9. The Constraining of less than full and open competition will do nothing but discourage Community involvement. Why should they get involved if the

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JUL 30 2003

project just goes to some out-of State large Corporation, that is only interested in profit - not the end result? Why would a citizen get involved in that process?

10. To remove, or discourage, potential recreational projects accomplished through Stewardship, shall lose local support. Why do that?

11. Bonding is the biggest roadblock to other than Large logging Contractors (read - more Corporate Logging, from environmental groups), like local groups, to get involved in this. the requirement of a Payment Bond is addition to a Performance Bond, shall effectively kill the entire idea of community involvement. Is this what Congress wanted?

The bottom line is - I have spent much time, effort, and money in regards to Stewardship because I believed that it is an excellent set of Contracting tools that Congress gave to the USFS. Other people, such as those in Priest Lake, Idaho, have done the same.

Now, it looks to me that the USFS Bureaucracy is setting out to destroy the very positive aspects of this which caused us all to get involved in the first place.

Here in Region #1, those of us who are actually doing these projects have (we have all talked together on this) figured out just how this could be very successful, and that is, in general:

A. The USFS uses a Collaborative approach to the local community in developing the work to be done.

B. The contract is arranged as a service contract, with logging as a service, and the USFS retains the receipts of the logs harvested, thus removing the market risk from the contractor. In order to attract Community Groups, an Administration cost is included as a Service item.

However, this will cause the "Timber" people to oppose this, as they would not be in charge. I believe I see this happening RIGHT NOW, out of the WO, because they don't like losing control. Too bad. Congress had a good idea for management of our Forest Lands, and many in the public liked it, but perhaps the USFS itself shall put the knife to the whole idea. It looks like that is a definite possibility to me.

Sincerely,

Wayne Hirst
209 Mineral Ave.
Libby, Montana 59923
(406)293-8132

July 16, 2003

USDA Forest Service
Forests and Rangelands Staff
Mail Stop 1105
1400 Independence Ave., SW
Washington, DC 20024-1105

RE: Stewardship End Result Contracting RIN 0596-AC03

To Whom It May Concern:

The American Farm Bureau Federation (AFBF) is pleased to offer its comments in support of the interim guidelines for stewardship end result contracting.

AFBF supports efforts to maintain and restore the health of our nation's forests and rangelands set forth in the President's Healthy Forest Initiative. Many of America's forests and rangelands are severely overgrown with dense underbrush and invasive species that creates a recipe for potentially catastrophic wildfires. With approximately 190 million acres of federal lands at risk of severe damage from devastating wildfires, the challenges are great. Preventative measures in the form of thinning and restoration projects are much less costly to the environment and to the federal treasury than a strategy of waiting until fires occur before fighting them.

It is clear that government agencies and personnel cannot complete this task alone. Partnerships with the private sector through stewardship contracting are key elements in the success of the Healthy Forest Initiative. If the risk of catastrophic fires is to be reduced on our nation's forests and rangelands, it is up to the private sector, working together with federal agencies, to perform much of the work. Appropriate standards and guidelines are necessary to define the relationship between the agencies and private contractors.

The interim guidelines spell out this relationship. Federal agencies will still be responsible for the management of federal lands subject to these contracts. Contracts will be subject to full and open competition. The program provides extensive monitoring of the projects and their results.

We support the interim stewardship contracting guidelines. We look forward to working with the agencies in the development of the program.

Sincerely,

Richard W. Newpher
Executive Director
Public Policy

RWN:rk/mw
f:\stm\foresthealth03.716



Marissa Woodhull
<MarissaW@fb02.fb.org>

07/17/2003 02:01 PM

To: "stewardship@fs.fed.us" <stewardship@fs.fed.us>
cc:
Subject: FW: STEWARDSHIP END RESULT CONTRACTING RIN 0596-AC03

<<foresthealth03.716.doc>>

Marissa L. Woodhull

American Farm Bureau Federation

ph: 202/484-3634

fax: 202/484-3604

email: marissaw@fb.org

www.fb.org



foresthealth03.716.doc



"The Culhams"
 <culham@teleport.com>

06/27/2003 10:52 PM

To: <stewardship@fs.fed.us>
 cc:
 Subject: Comments Regarding Stewardship Interim Guidelines

The following comments are offered with regard to the interim guidelines published for the Stewardship initiative that were published in the Federal Register of June 27, 2003.

Comments are offered in order of the guidelines as stated in the Federal Register at "Description of Interim Guidelines".

1. This guideline is absent some very important language found in the implementing legislation, especially Sec. 347 of PL 105-277. Specifically, the "objective of these projects" language of the guidelines leaves out guidance that the legislation allows water quality projects to include among other things "road and trail maintenance or obliteration" etc. (See Section (b) of Sec. 347) While it is apparent that the guidelines attempt to provide broad coverage the legislative language is important to ensure there is no argument that certain work can in fact be done.

Recommendation: In lieu of the wording provided for in the Federal Register I suggest that the language of Sec 347 be quoted as the guideline.

2. With regard to the price adjustment language is the intent of the public interest to allow for adjustment either up or down? I propose that the public interest is best served if an upward or downward adjustment is allowed. Additionally it seems inappropriate in the new way of conducting business that the same opportunities and protections are not offered to both the owner and the contractor. Simply, a "fair" contractual arrangement should allow both the owner and the contractor the opportunity of adjustment.

Recommendation: Change the language of the last sentence to allow for "adjustment, either upward or downward, for the value of these materials to protect the public interest as new markets develop or current markets disappear."

3. No comment.

4. I find no legislative language that limits the projects to goals related to "watershed, or larger scale". On this basis the guidelines appear to make an attempt at narrowing the legislative language. Such narrowing is not appropriate within the context of law in that policy or regulation can not narrow legislative or statutory intent.

Recommendation: The last sentence should be stricken.

5. Sec 347 of the PL 105-277 specifically states that Knutson-Vandenberg **shall not** apply to stewardship contracts.

Sec 323 of PL 108-7 does not eliminate this proviso. On this basis it appears inappropriate to state that residual receipts may be collected pursuant to Knutson-Vandenberg (KV) specifically because KV does not apply to any stewardship contract.

Recommendation: This section should be stricken in its entirety.

6. No comment.

7. Read in its entirety of the two Acts it is clear that intent of the legislative language provides for new ways of doing business. In this light the language of this guideline should be broadened to specifically include the term "agreement" and not just contract or contracting.

Recommendation: Change the wording of the second sentence to state that "the agencies may develop new contracting and agreement mechanisms, such as a "Stewardship Agreement", as needed, to implement..."

8. This guideline appears to replace the requirements of the Federal Acquisition Regulations with regard to considerations that shall be used when doing negotiated "best value" contracts. Such things as past performance is a required criteria of the FAR unless a determination is made by the Contracting Officer that past performance is not appropriate.

Recommendation: Change the wording of the first sentence to read as follows: "In making the award determination for a stewardship contract on a best value basis, the agencies shall comply with applicable Federal Acquisition Regulations such as but not limited to FAR 15.304 and any amendments thereto, and may consider additional criteria such as but not limited to existing public or private agreements or contracts, on-time delivery, and experience." The rest of the wording of the guideline should remain the same.

9. No comment

10. The first sentence of the guideline states the obvious and is not needed as all contracts that are awarded require contractors to follow all applicable federal, state and local laws. Additional surety bonding in the form of performance or payment bonding may be allowed due to the legislation therefore this guideline should be limited to this allowance only.

Recommendation: Strike the first sentence of the guideline.

11. Again contracting procedures is highlighted and the absence of "agreements" is obvious.

Recommendation: This guideline needs to be reworded to make reference to training on agreements, to internal and external audiences, as well.

12. Recommendation: This guideline must highlight and emphasize that the monitoring conducted should be coordinated and be commensurate between the BLM and Forest Service. Different approaches to monitoring by each agency can not be afforded in presenting an overall view of the success or failure of the stewardship initiative.

13. No comment.

14. No comment.

15. The wording seems confusing especially in reference to the wording "in accordance with the law". This is a very broad statement that could provide serious debate when conflicting laws are present.

Recommendation. Suggest dropping from the first sentence the words " In accordance with law" and start the sentence with "The agencies..."

16. The guidelines do not define who a "Project Manger" is. This term may not have universal meaning throughout the Forest Service or BLM.

Recommendation: The language of this guideline needs to clarify the who the term "Project Manager" is making reference to.

17. There are two issues related to this guideline. The first being that the wording is not clear as to who the limitation applies to - the agencies using the receipts or the contractor using the receipts for other elements of the contract work. This needs to be clarified.

Secondly, and more important, the intent of this language is not found in the legislation. Again the guideline attempts to narrow legislative language that states (Sec 347 (d)(2) "Use. Monies from an agreement or contract ...shall be available for expenditure without further appropriation at the demonstration site..." This language does not further limit to only "on the ground activity" but only limits the monies for use at the demonstration site or another demonstration site . The Forest Service has a long history of not doing business in a business wise way. Simply overhead/general and administrative expenses are legitimate expense for a Federal agency and therefore a rightly expenses of a "demonstration site" just like they are for a business (for profit or non-profit). To not allow for these legitimate business expenses that are related to a demonstration site is just plain dumb business.

Recommendation: The wording of 17. should be deleted all together or at a minimum place parameters around use of funds by agencies for overhead and general and administrative expense of the agency in performing a stewardship endeavor. Something like "no more that 10% of the receipts generated may be used by the agencies for agency overhead and general and administrative expenses to implement a stewardship endeavor."

18. The wording of this guideline is problematic and it's intent is unclear.

If the intent is to prevent single and/or sole source procurements, which it appears to imply, then adding a new level of approval outside the Federal Acquisition Regulations presents a conflict. Simply the FAR already provides for, in both Part 13 and Part 6, standards for justifications for single source and sole source procurements. With these requirements in place it seems over burdensome to require yet another set of approvals which is a direct contradiction to the intent of stewardship. Stewardship is to provide a new, innovative and productive method to accomplish land management goals. Further approval/controls dampen the ability of the agencies to use the new tool within allowable authorities and still be innovative. Simply, nothing is 100% and allowing all opportunities for use of stewardship is a must.

Recommendation: Change the wording of 18. to read as follows:

"18. The intent of stewardship is to provide all contracting opportunities through full and open competition (as defined in Part 2 of the Federal Acquisition Regulations). Single or sole source endeavors for stewardship shall be used in very limited situations. Any single/sole source proposed contract, regardless of value of the proposed contract, shall be supported by a full justification prepared pursuant to FAR 6.303 and such justification must be approved in writing by the agency competition advocate."



Mark Megalos
<Mark.Megalos@nc
mail.net>

06/30/2003 09:35 AM

To: stewardship@fs.fed.us
cc:
Subject: Favorable response

Like the rules as proposed with a caveat that **all projects seek to achieve multiple resource objectives and employ local, diverse workforces with the ultimate objective that local economies are enhanced rather than harmed by the project, practices and contracting entities.**

Sincerely,

Mark Megalos
NC Registered Forester # 723



NC Forest Stewardship Coordinator Mark.Megalos.vcf



"W.V. McConnell"
<millmac@supernet.net>

07/12/2003 08:19 AM

To: stewardship@fs.fed.us
 cc: Bob Schrenk <rschrenk@fs.fed.us>, Gary Hegg <ghegg@fs.fed.us>, George Hemingway <ghemingway@fs.fed.us>, dbirmingham@fs.fed.us, dfarnsworth@fs.fed.us, Tom Peterson <tpeterson01@fs.fed.us>, Jim Naylor <jnaylor01@fs.fed.us>, Richard Sheffer <rshelfer@fs.fed.us>, Tony Anderson <anderson_t2@popmail.firm.edu>, Robert Hill <clerkliberty@yahoo.com>, Johnny Eubanks <jbe@gtcom.net>, Carl Petrick <cpetrick@fs.fed.us>, Anrea Bedell Loucks <pinchot@igc.apc.org>, Cliff Hickman <chickman@fs.fed.us>
 Subject: Comments on proposed interim guidelines

Here are my comments on the proposed guidelines for Stewardship End Result Contracting published in the Federal Register (38285) on June 27, 2003. They concern items 3, 12 and 17 under the "Description of Interim Guidelines". They are based on my personal experience with the Apalachicola stewardship project and conditions in the field on that forest, on discussion with personnel on the Apalachicola and Wakulla R.D., Jim Naylor of R-8, Bob Schrenk of R-1, and Darci Birmingham of your office. I represent Liberty County as a member of the monitoring board for this forest's first stewardship contract.

Item (3) mandates that local communities will be involved in the all phases of the project including development (aka planning) and implementation. This is required regardless of the formation of a monitoring board. Excellent! I strongly believe that the current scoping and commenting process does not allow a true dialog between the agency and the people it serves. The F.S. proposes, the public responds and the F.S. disposes. Collaboration with the Forest Service, beginning at the earliest stages of project planning, is something that local governments have long desired. Such partnership will act to resolve the tension and estrangement which has developed in many communities as a result of past Forest Service uni-lateral decision making.

(12) It appears that local monitoring boards will be formed only, as a sampling basis, on some projects. My feeling is that all projects should have a board, both to promote a citizen sense of ownership and also to ensure (1) that the Forest Service and its contractors fulfill their obligations to the public and (2) that the reasons for success are recognized and incorporated into future projects and (3) that the reasons for any failure to achieve expected results is made clear and avoided in the future. It adds a measure of Forest Service accountability for its actions which now does not exist.

Guideline 12-c says that the Board will focus on "the role of local communities in development of agreement or contract plans". I'm not sure what this means. Could you clarify it? You might consider strengthening this guideline by adding a sentence to 12 to require that boards be formed and meet as soon as possible after the project is approved and before the formulation of the agreement or contract. Board members, with specific expertise and a knowledge of community concerns, can help the district ranger and his staff structure the project so as to achieve maximum benefit. Such early

participation also can help ensure that the expectations by both the F.S. and the community for specific accomplishments are realistic.

(17) Prohibits the use of retained receipts for environmental studies or other planning and analysis. The language of the authorizing legislation is quite permissive and says the monies collected "shall be available for expenditure without further appropriation at the demonstration project site from which the monies are collected or at another demonstration project site" It is my understanding is that the prohibition now contained in item 17 is an expression of the Chief's wish that all retained receipt dollars are to be spent on the ground. This is an admirable goal and cannot be faulted, However, the reality is that nothing can be accomplished on the ground until the agreement or contract is approved and this can take place only after all of the project planning and documentation is completed. The attached graphic shows the present rate of on-the-ground accomplishment on the Apalachicola National Forest. You will note that, during the first 3 years of the current plan period, only 16.6% of the planned annual sell volume has been sold. and only 33.9% of the planned annual silvicultural examinations have been completed. I suspect that many forests have similar records. The principal reason for the this non-accomplishment, on our local forest at least, is the non-completion of the needed pre-sale field work and environmental documentation. I was advised earlier this month by the ranger that the marking crew has just completed marking the Arran timber sale (a stewardship project) and there are no other planned sales on which NEPA work has been completed. This means the marking crew will spend its time doing something else other than putting paint on trees. It means another delay in sale offerings and further reduction in the accomplishment rate. This is due to the usual reasons: transfers and retirements, other higher priority projects, special assignments and emergency un-scheduled jobs, holidays, annual, sick and administrative leave, training, family, safety, leadership, sensitivity, and a host of other on- and off-forest meetings. You may be sure that these justifications for non-accomplishment will continue. Additionally, we are looking at a banner western fire year which means that some of the key district personnel will spend much of the summer detailed to western project fires.

All this boils down to the fact that there just aren't enough F.S. people to do the job. Under these circumstances, out-sourcing would be the logical solution except for the fact that appropriated monies are being fully spent funding the present workforce. Which makes the use of retained receipts for accomplishing the undone pre-sale work under service contract an absolute necessity if we're ever to get out of the hole in which we find ourselves (Please look again at the chart).

To resolve this dilemma, I suggest that guideline 17 be modified to allow, where needed, forests to use retained receipts for service contracting for environmental studies (including EAs), and other planning and analysis directly relating to an approved stewardship project. This will allow local needs to determine local action and give the folks on the ground the flexibility they need to get the job done. Please consider the

following wording:

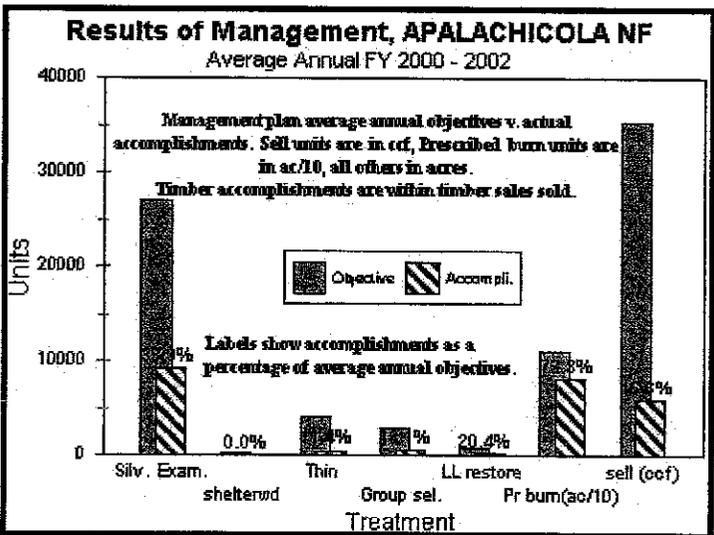
"17. Use of receipts is limited to direct on-the-ground project preparation and implementation, including data gathering, environmental studies or other planning and analysis directly relating to an approved stewardship project. Receipts will not be used for overhead, administrative or indirect costs."

The authorizing legislation fully supports this approach while the revised wording provides the guidance needed to ensure that receipts are used to further the stewardship program, rather than diverted to other areas where funding should properly be done by appropriated monies.

The proposed guidelines are a giant step forward in F.S.- community relationship as well as in accomplishing much needed work. The next logical step is to move beyond stewardship contracting and make the process a part of all Forest Service activities.

W.V. McConnell
Forest Service, retired (1943-'73)

1023 San Luis Road
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"Bill Clark"
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07/09/2003 09:12 PM

To: <stewardship@fs.fed.us>
cc:
Subject: Stewardship Contracting

To Whom It May Concern,

The Stewardship Contracting program might work if strict regulations are created and enforced.

In too many cases clearing of lower branches and brush in the forests here in California has caused major damage and wildfires within the forests that it was supposed to help. The only safe way to clear the understory is by hand removal, using manpower. This would make excellent work projects for inmates already in minimum security prisons. Controlled burning is a total waste of time because fire cannot be controlled. It has a mind of it's own.

No private contractor should have the right or power to control what happens to public lands without strict federal, enforceable regulations and inspection.

"Stewardship contracts will help us focus on what we leave on the ground, not on what we take," said Forest Service Chief Dale Bosworth. What is left on the ground is controlled by what is taken and how it is taken. Clear cutting that I witnessed last year in Washington state, indicates that there is much to be done in how we log and what we leave on the ground!

Care must be taken to "Chicken house is not given to the fox".

Bill Clark, Vice President
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"Clarice Holder"
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s.com>

To: <stewardship@fs.fed.us>
cc:
Subject: SERC

07/13/2003 03:54 PM

The time and money invested in development of Stewardship End Result Contracting will show immediate return on the tax payers dollars.

The agency team's time and creativity are applauded. It has been hard, often impossible to do what is good for the land.

Excellent proactive program that will breed trust and teamwork.

James and Clarice Holder
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"James G Gerber"
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>

07/15/2003 03:29 PM

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cc:
Subject: Comments on Stewardship End Results Contracting

CITIZENS FOR A USER FRIENDLY FOREST

"Red Meat, Board Feet, Dig Deep, Drive Jeep"

July 15, 2003

To: USDA Forest Service

Forests and Rangelands Staff

Subject: Stewardship End Result Contracting

Dear Staff:

Enclosed are our comments concerning the interim guidelines implementing stewardship end results contracting. We appreciate the opportunity to comment.

Our major concerns with stewardship contracting are:

1. That the stewardship contracting projects be subject to public involvement and comment;
2. It is subject to NEPA analysis and disclosure;
3. That projects be implemented by competent professional foresters and the emphasis is placed on what is **left** on the ground, not on what is removed;
4. The contract be compliance checked by competent, well-trained people to ensure the provisions of the contract are adhered to with no short cuts; and
5. The contract results be monitored to ensure the physical work actually accomplishes the objectives for the project.

In reviewing the interim guidelines we find our concerns are generally met. Section 1 outlines the objectives to be accomplished by the projects; Section 2 provides that restoration (what's left on the ground) takes precedence over deriving revenues (what is taken); Section 3 provides for public involvement; Section 6 says all projects will comply with applicable environmental laws and regulations; Section 15 provides that agencies will maintain authority over all phases of development and implementation of

contracts in a manner consistent with their intended goals and, finally, that Section requires monitoring to evaluate the projects.

We are not sure what "best value" in Section 8 means. This is not typical economic terminology we are familiar with. We would like to see this term defined.

Given that the guidelines generally address our concerns we fully support their implementation. We believe our forests and rangelands will be healthier as a result of their use.

Jim Gerber

Pres. CUFF

514

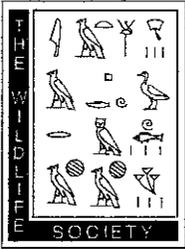
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18 July 2003

USDA Forest Service
 Forests and Rangelands Staff
 Mail Stop 1105
 1400 Independence Avenue, SW
 Washington, DC 20024-1105

Public Comment Review Team:

The Wildlife Society would like to offer comments on the interim guidelines for Stewardship End Result Contracting, as authorized by section 323 of Public Law 108-7, the 2003 Consolidated Appropriations Resolution. The Wildlife Society is the organization of professional wildlife biologists and managers who have an interest in improving, maintaining, and restoring forest ecosystems, of which wildlife is an integral part. We support the concept of using stewardship projects to focus management on reaching a desired resource result, such as restoring forest functions and values or enhancing wildlife habitat.

The pilot program authorized in the 1999 Interior Appropriations bill to test stewardship contracting procedures was interrupted -- perhaps before empirical evidence demonstrated that contracts were effective -- when Congress passed the 2003 Consolidated Appropriations Resolution, removing the "pilot" status of the program and extending its authorization nine years to 2013. The new language also changed the requirement that "non-commercial cutting or removing of trees" meets "non-commercial objectives," to the requirement that "removing vegetation" meets "land management objectives." We understand that these modifications were intended to expand the applicability of stewardship contracts to make them a more useful tool for reducing fire risk and promoting forest health, but we urge the agencies to closely monitor the program to ensure the expanded authorization does not result in unintended.

In particular, we are concerned about blurring the line between stewardship contracts and commercial timber sales. The interim guidelines state that deriving revenue from the sale of by-products removed will be a secondary objective to the restoration goals of stewardship projects; however, contractors may want to include more commercially valuable timber in their contracts to make fuels reduction and restoration projects more lucrative. The Forest Service and Bureau of Land Management must ensure that stewardship contracts clearly indicate how the projects will contribute to improving forest health, restoring forest values, and/or enhancing wildlife habitat, to delineate them from traditional timber sales.

While we understand that making forests and rangelands more resilient to fire was the primary purpose of expanding the stewardship contracting program, we recommend that project objectives support multiple activities to address forest health and ecological concerns, not just

hazardous fuels treatments. Forestlands must be managed with full consideration of wildlife, fish, native plants, air, and water as products of these lands.

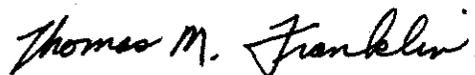
We suggest that a reasonable and sustained funding mechanism for fire management activities is needed. In the past, vital funding sources have been pulled from on-going stewardship projects to cover expenditures in emergency situations. If improving forest and rangeland health is a high priority for the Service, then the leadership should demonstrate its commitment by allocating sufficient resources to support multi-year contracts with complex goals that achieve **non-commercial** land management objectives.

The interim guidelines state that stewardship projects must meet the appropriate level of environmental review under the National Environmental Policy Act. We caution the agencies against making significant modifications to this statute, as has been suggested, to streamline the review and appeals processes. Allowing categorical exclusions for fuels treatment projects may not be prudent, as the impact of different projects on forest ecosystems will vary, depending on the size, location, and methods used. Also, if the NEPA appeals process is going to be modified, then public involvement in the initial contracting process must be open, transparent, and inclusive, so that knowledgeable professionals can participate in project development and review. This will ensure that the needs of all forest ecosystem components and surrounding communities are considered in fuels management and restoration projects.

Finally, The Wildlife Society feels strongly that useful indicators and performance measures must be identified at the local and regional levels to ensure effective forest management. TWS published a technical review "Performance Measures for Ecosystem Management and Ecological Sustainability" (enclosed) that outlines a hierarchical framework for determining whether biological objectives have been met in a given ecosystem. These objectives include maintaining biological diversity and ecosystem integrity while integrating economic and social objectives. Such guidance can ensure data comparability, facilitate programmatic assessment, and provide accountability in managing forest resources through adaptive management.

Thank you for considering the comments of professional wildlife biologists and managers in developing the interim guidance for stewardship contracting. We will continue to participate in public forest planning and management, so that wildlife needs are identified and met in forest management activities.

Sincerely,



Thomas M. Franklin
Wildlife Policy Director

Enclosure



"Thomas Franklin"
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07/18/2003 06:47 AM

To: <stewardship@fs.fed.us>
cc:
Subject: Stewardship Contracting Comments

Public Comment Review Team,

Attached are the comments from The Wildlife Society regarding the interim guidelines for Stewardship End Result Contracting, published in the Federal Register 27 June 2003, and a PDF file of a Wildlife Society technical review (Performance Measures for Ecosystem Management and Ecological Sustainability), which we believe is pertinent to these guidelines. Please let me know if you have any questions.

Sincerely,

Thomas M. Franklin

--

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Wildlife Policy Director
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"Excellence in Wildlife Stewardship Through Science and Education"

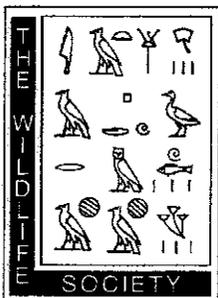
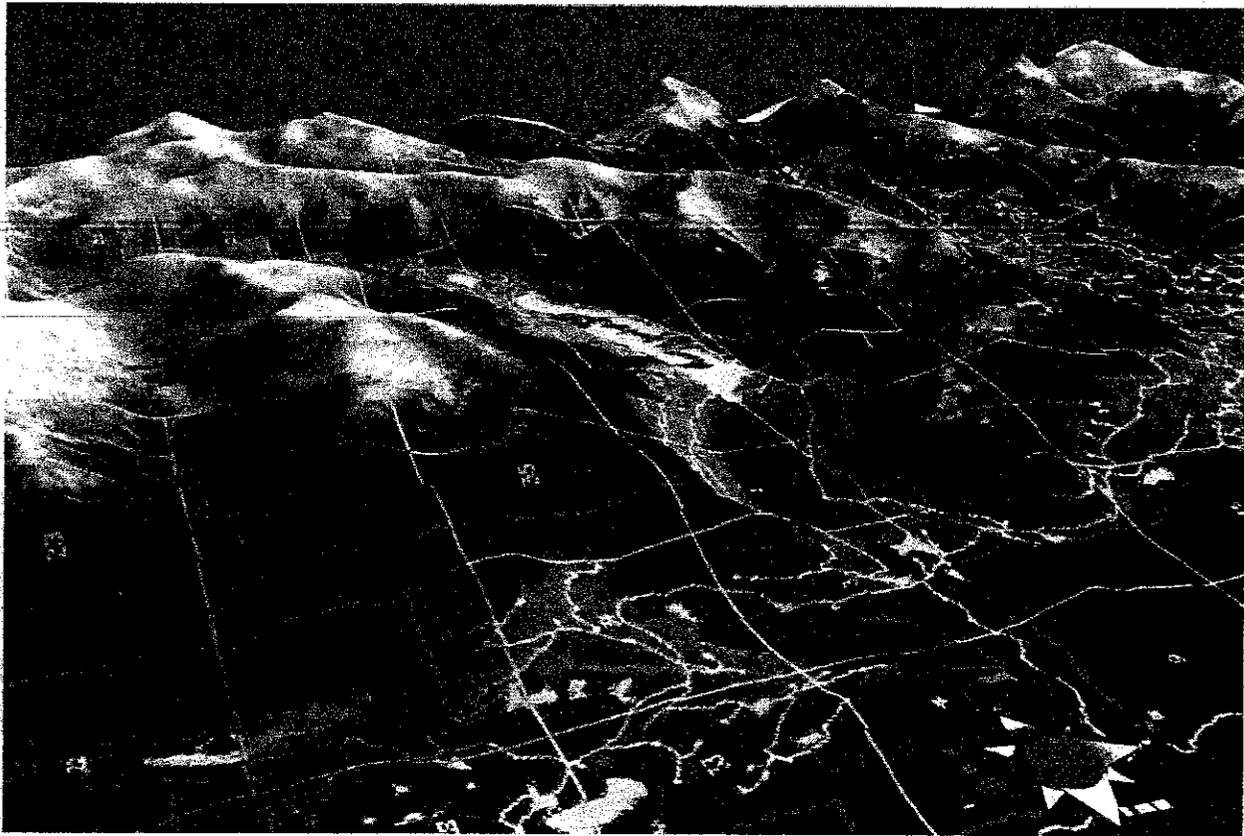


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Performance Measures for Ecosystem Management and Ecological Sustainability



THE WILDLIFE SOCIETY
Technical Review 02-1
2002

PERFORMANCE MEASURES FOR ECOSYSTEM MANAGEMENT AND ECOLOGICAL SUSTAINABILITY

The Wildlife Society

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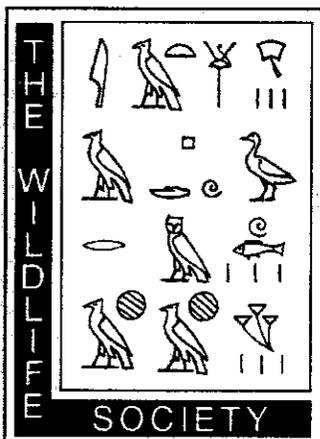
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The Wildlife Society
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Technical Review 02-1
March 2002

Foreword

Presidents of The Wildlife Society occasionally appoint ad hoc committees to study and report on select conservation issues. The reports ordinarily appear as either a Technical Review or a Position Statement. Review papers present technical information and the views of the appointed committee members, but not necessarily the views of their employers. Position statements are based on the review papers, and the preliminary versions are published in *The Wildlifer* for comment by Society members. Following the comment period, revision, and Council's approval, the statements are published as official positions of The Wildlife Society.

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This report may be cited as: Haufler, J. B., R. K. Baydack, H. Campa, III, B. J. Kernohan, C. Miller, L. J. O'Neil, and L. Waits. 2002. Performance measures for ecosystem management and ecological sustainability. *Wildl. Soc. Tech. Rev.* 02-1, 33 pp.

Acknowledgments

Numerous people have contributed to the preparation of this report, and their help is greatly appreciated. Tom Franklin was instrumental in helping form this committee and in supporting its efforts through a long process. Harry Hodgdon provided valuable support and assistance to the committee. TWS Council provided support, advice, and comments, and we especially thank Dianna Hallett and Jerry Kobriger for their reviews of a draft of this report. Chris Risbrubt, Larry Vangilder, and Monica Schwalbach as well as one anonymous reviewer all contributed to the report. Bertie Weddell and Gary Skiba contributed to the committee's work. Final copyediting and layout were performed by The Wildlife Society editorial staff. We thank all for their support, constructive input, and ideas.

Cover: GIS 3-D map of Admiralty Island, Alaska, courtesy of Atterbury Consultants, Beaverton, Oregon.

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SYNOPSIS

Ecosystem management is a landscape planning approach to natural resource management that has the objectives of maintaining the full complement of biodiversity as well as ecosystem integrity while also integrating economic and social objectives. In this report we discuss ecological performance measures of ecosystem management that are also the basis for ecological sustainability. Performance measures are described based on a reference to the historical range of variability at 4 levels: landscape, ecosystem (ecological community), species, and genetic. A hierarchical approach to characterizing performance measures is presented. At the landscape level, measures relate to the mix of ecosystems that occur in the planning landscape relative to the mix that occurred under historical disturbance regimes. At the ecosystem level, each ecosystem can be described in terms of measures of composition, structure, function, and processes, and these measures can be related to the same measures under historical ranges of variability. At the species level, viability and population parameters can be compared to estimates of these same measures under historical ranges of variability. The genetic level addresses genetic content of populations, the occurrence of evolutionary significant units, and the rate of change in the genetic composition within a landscape. Examples are provided of performance measures at each of the 4 hierarchical levels.

INTRODUCTION

Management of natural resources is constantly changing as improvements are made to the understanding of ecological relationships, management methods, and the values of natural resources to diverse stakeholders. Today, managers are expected to plan for more than a single species or vegetation type and to evaluate the ecological and socioeconomic effects of their management activities. Management activities are expected to be conducted so as to assure the maintenance of ecological sustainability. New emphasis has been placed on the maintenance and enhancement of biological diversity and in maintaining or restoring ecosystem integrity, 2 generally accepted components of ecological sustainability. To address these challenges, many natural resource managers have embraced ecosystem management. Ecosystem management, in this report, is simply defined as a process of landscape planning that integrates specific ecological objectives with social and economic objectives.

The definitions, goals, and objectives of ecosystem management have been presented in various ways (Grumbine 1994, Kaufmann et al. 1994, Christensen et al. 1996,

Keystone Center 1996, Meffe and Carroll 1997, Cortner et al. 1999). These reports generally agree, however, that ecosystem management involves planning land management activities to integrate and accommodate ecological, social, and economic objectives (Fig.1).

The ecological objectives of ecosystem management are often vaguely stated, but usually emphasize the need to conserve biological diversity and ecosystem integrity (Grumbine 1994, Kaufmann et al. 1994). Biological diversity is the variety of life and its processes (Keystone Center 1996). Maintaining and enhancing biological diversity involves the consideration of landscape, ecosystem, species, and genetic levels of organization. Ecosystem integrity refers to the system being complete, unimpaired, and sound. The concept recognizes the temporal aspects of ecosystem management, and emphasizes the need to consider ecosystem dynamics, processes, and functions. Our definition of ecosystem management is vague, but we distinguish ecosystem management from other efforts such as ecosystem approaches and ecosystem-based management in several ways. Ecosystem approaches and ecosystem-based management are terms that typically describe management activities that address and incorporate ecological processes or multiple species interactions across larger planning landscapes than often addressed in the past. However, they typically do not address the full attainment of the ecological objectives of maintaining and enhancing biological diversity and ecosystem integrity, nor do they typically allow for the full integration of ecological

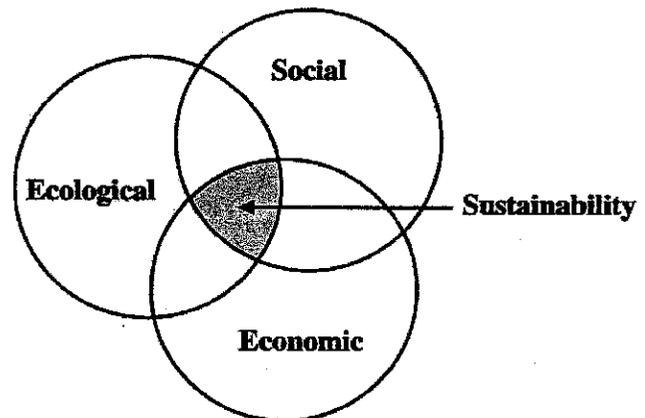


Figure 1. Ecosystem management is concerned with the intersection of ecological, economic, and social factors. The ecological sphere comprises the chemical, physical, and biological processes that maintain ecosystems. The management of populations of animals, plants, and microorganisms is included here. The social sphere encompasses cultural, political, and military considerations and values that influence how resources are used. The economic sphere refers primarily to material transactions among individuals, companies, organizations, and governments. Sustainable use is possible only where the different spheres intersect; consideration of only 1 or 2 spheres will exclude important constraints on the ability to achieve sustainable use.

objectives with social and economic objectives. Ecosystem approaches or ecosystem-based management are appropriate management activities, but ecosystem management incorporates a level of expectation and integration of its objectives that distinguishes it from other planning activities (Haufler 2000).

The challenge is how to tell whether ecosystem management is achieving ecological objectives while integrating social and economic objectives, or is it truly addressing ecological sustainability? Answering this question is difficult due to the confounding and interacting relationships within and among the objectives of ecosystem management (Box 1-1). If managers can measure how well ecosystem management is "performing," they will be more able to effectively plan future management and interact with, educate, and maintain their credibility among stakeholders concerned with natural resource management. At present, ecosystem management lacks well-defined performance measures (MacCleery and Le Master 1999).

Our primary objective is to review and suggest performance measures for ecosystem management. Because this is a

Box 1-1. The Role of Ecosystem Management Across Organizations.

Different organizations have different approaches to ecosystem management because of different perspectives, interests, and responsibilities. It is useful to visualize an organization's mission as one or more arrows impinging on the factors affecting the integration of ecological with social and economic objectives (Kaufmann et al. 1994) (Fig. 1). Thus, an organization's mission influences the relative emphasis it will place on the different spheres. Most organizations usually focus on only 2 spheres (Fig. 2). For example, the National Park Service is primarily concerned with the ecological and social spheres, although it is also affected by and must consider economic factors. Even an agency such as the Department of Defense (DoD), which has as its overriding mission support of national security, can contribute to sustainable resource use. Although ecosystem management is not the primary goal of the DoD, it is a necessary approach to managing DoD lands and waters (Goodman 1994) to sustain the training function of DoD. Regardless of an organization's mission, consideration must be given to the ecological sphere. Different organizations vary in the amount of attention paid to ecological factors; however, the social and economic spheres are supported by the ecological sphere. In addition to supporting social and economic outputs, the ecological sphere represents the maximum possible attainment of the objectives of maintaining or enhancing biological diversity and ecosystem integrity.

report of The Wildlife Society, the focus is on the ecological objectives of ecosystem management—the maintenance and enhancement of biological diversity and ecosystem integrity. Social and economic objectives are equally important but the focus has been narrowed due to the expertise and primary interest of the sponsoring organization. Thus, the performance measures reviewed in this document are those that relate to the ecological objectives of ecosystem management, and are the foundations of ecological sustainability.

We describe a strategy for establishing wildlife performance measures to meet ecosystem management goals. Specific objectives are to:

- develop a framework for identifying appropriate performance measures for ecosystem management,
- describe selected performance measures at 4 levels of organization, and
- select and present examples of effective performance measures.

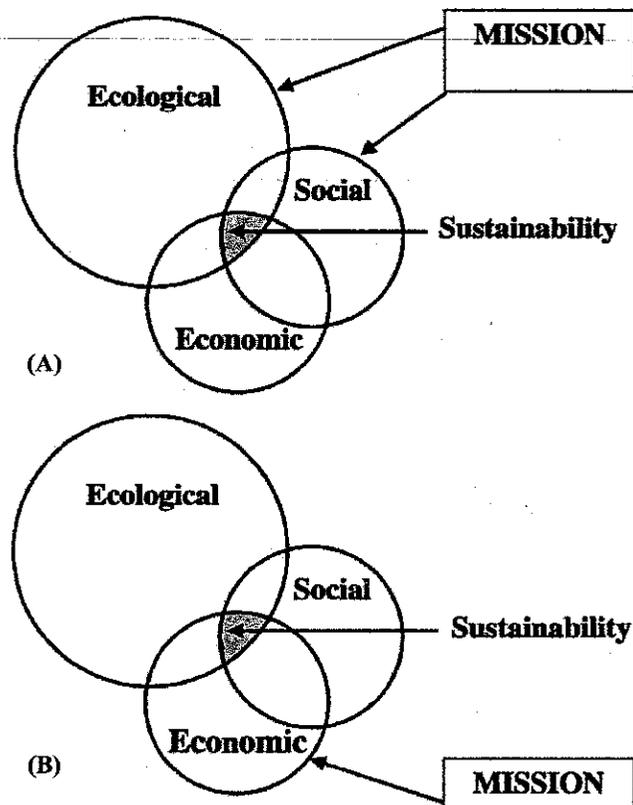


Figure 2. The mission of an organization affects the amount of weight given to ecological, economic, and social factors. Different organizations emphasize different spheres. (A) The mission of the National Park Service emphasizes ecological and social considerations. (B) The mission of private industry emphasizes economic considerations.

Ecosystem management is a valuable approach even for organizations that are not primarily involved with ecological objectives. Thus, we anticipate that this document will be useful for resource managers to whom ecosystem management is an overriding concern, and also for those who seek to manage resources in an ecologically sustainable manner in order to serve other objectives.

FRAMEWORK FOR SELECTING AND USING PERFORMANCE MEASURES

Prior to the adoption of ecosystem management, natural resource managers generally focused on species and products of particular interest or value for recreation or commodity production. Ecosystem management, however, attempts to conserve all biological diversity as well as ecosystem integrity. To accomplish this goal, ecosystem management needs to incorporate all levels of biodiversity organization. We suggest that a hierarchical approach is an effective way to approach and monitor this objective (Fig. 3). In this approach, we identify measures at 4 levels: landscape, ecosystem or ecological community, species, and genetic. Gaines et al. (1999) proposed a similar hierarchical organization. One advantage of this approach is that it may conserve poorly known species that would otherwise be overlooked (Franklin 1993a). This approach assumes that managing at higher levels of the hierarchy will conserve components at the lower levels. This has seldom been tested directly, however, and ecosystem managers have been criticized for operating on this assumption in the of absence supportive data (Simberloff 1998). For this reason, it is

critical that monitoring be conducted at both the higher and lower levels of biological organization. We provide guidelines for identifying performance measures for ecosystem management at each level of biological organization. We describe specific attributes that can be monitored to assess the state of biological diversity or ecosystem integrity at each level of organization, and how these performance measures can be organized in a coherent framework. The method we outline involves using historical range of variability as a guide in the selection of standards against which current conditions are evaluated.

The term ecosystem has no specific scale associated with it. A puddle or the biosphere can be an ecosystem. Because of this range of scale of ecosystems, the term ecosystem management can be confusing, and defining performance measures can be equally confusing. However, attainment of the full integration of the objectives of ecosystem management does require the management of a relatively large landscape (e.g., 100,000's–1,000,000's ha). Within this landscape, contributions to the overall objectives can be made from many scales. Therefore, performance measures for ecosystem management should recognize these multiple spatial scales. A hierarchical framework allows such recognition.

We recommend approaching performance measures as quantifiable comparisons between desirable threshold or target levels determined from reference conditions and existing conditions (Kaufmann et al. 1994, Moore et al. 1999). Our view on threshold levels is that they represent reference points below which there is a likely unacceptable risk to ecosystem integrity or biological diversity. Performance measures may best be viewed as comparisons to appropriate standards that apply to a range of scales. This statement implies several components of performance measures. First, measures related to various scales need to be identified and quantified. Second, for each measure, an appropriate reference condition should be described for comparison purposes. Third, acceptable threshold or target levels developed from the reference conditions should be identified that will meet the specific ecological objectives of the ecosystem management initiative. Finally, current or planned future conditions can be compared to this threshold or target level and evaluated for their level of risk. The appropriate level of risk is ultimately a societal decision, but through an organized framework of performance measures, risks can be much more effectively articulated, quantified, and evaluated.

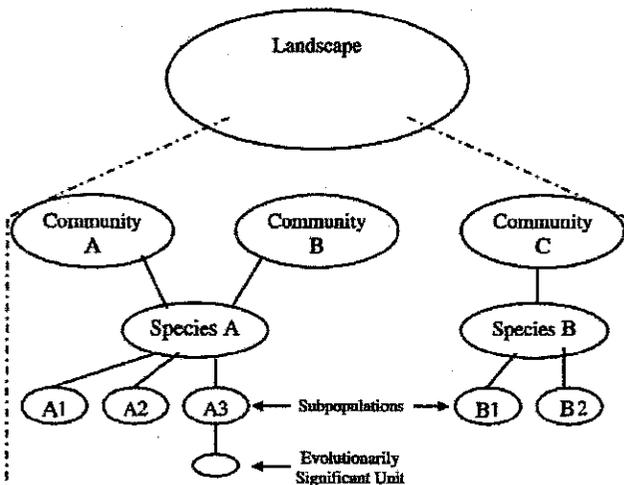


Figure 3. Levels of organization considered by ecosystem managers. Ecosystem management is concerned with conserving ecosystem diversity, species diversity, and genetic diversity at the level of the ecosystem, species, and subpopulation or evolutionarily significant unit respectively.

Establishing Reference Conditions: Historical Range of Variability

There are a number of possible strategies for addressing the conservation of biological diversity (Hauffer 1999a,b). Each

strategy (Table 1) has its own philosophical basis and resulting method of application. We suggest a strategy for meeting ecological objectives of ecosystem management that uses the historical range of variability as a reference point, and identifies both coarse and fine filter measures. By coarse filter (The Nature Conservancy 1982, Noss 1987), we mean an approach to landscape planning that focuses on ecosystems or ecological communities. Fine filter, in contrast, is an approach to landscape planning that focuses on species or groupings of species. We believe that this strategy has the advantages of being scientifically defensible and feasible to implement, and allows for the integration of social and economic objectives. Ecosystem management, based on this hierarchical framework of performance measures, will require substantial costs to fully implement. However, the costs of not using a comprehensive approach in terms of unorganized and often conflicting management directions, law suits and similar challenges to planning decisions, and the risk of not meeting the ecological objectives provide an economic and ethical imperative. Ecological objectives of ecosystem management can range

from rates of biogeochemical cycling to the percentage of a landscape remaining in a particular plant association. Establishing reference conditions for ecological objectives is important for comparison purposes. A key concept for establishing reference conditions for ecosystem management is that of historical range of variability (Swanson et al. 1993, Morgan et al. 1994, Holling and Meffe 1996, Stanford et al. 1996, Landres et al. 1999, White et al. 1999), the variance of ecological parameters over a past time period. This strategy assumes that the range of conditions produced by past disturbance regimes has provided the diverse conditions that have supported the complex of ecosystems and species that comprise biological diversity. If the historical range of variability were maintained, then biological diversity would also be maintained (Poff and Ward 1989, Swanson et al. 1993, Morgan et al. 1994, Richter et al. 1996, and Poff et al. 1997). In effect, the historical range of variability in our approach defines the ecological sphere (Fig. 1) of ecosystem management. However, to meet the goal of ecosystem management, that of integrating ecological, social, and

Table 2-1. Approaches to conservation of biological diversity (after Haufler 1999a).

| Approach | Philosophy | Method of application |
|---|--|--|
| Bioreserve | Human effects have led to loss of biodiversity. Conservation of biodiversity is best achieved by minimizing human activities across a system of core reserve areas with surrounding buffers and corridor connections. | Delineate a series of core bioreserve areas across the landscape that are restricted from human activity and connect these with a similar set of corridors. |
| Coarse filter—habitat diversity | If a diversity of habitat conditions can be maintained across a planning landscape, then biodiversity will be maintained. | Identify different successional conditions, or other indicators of temporal dynamics, and assure that all successional conditions are provided across the landscape. |
| Coarse filter—historical range of variability | Biological diversity evolved with and adapted to the conditions produced as a result of the complex of historical disturbances. Maintaining a landscape within this historical range of variability for disturbances will maintain biodiversity. | Determine historical disturbance regimes and manage landscape to stay within the historical range of variability of those disturbances. |
| Coarse filter—historical range of variability-based | Biological diversity depends upon the complex of conditions produced as a result of the complex of historical disturbance regimes, but can be maintain with a representation of those conditions. | Determine complex of conditions produced by historical disturbance regimes, and manage to maintain representation of this full complex of conditions. |
| Fine filter | Species are the basic units of biodiversity, so if all species can be maintained, biodiversity will be maintained. | Develop approaches that will account for the viability of all species. May use guilds, life forms, umbrella species, indicator species, or other such approaches. |

economic objectives, historical ranges of variability can rarely be the desired condition for a planning landscape. Rather, an appropriate representation of the historical range of variability, at all levels of biological organization, is needed so that ecological objectives can be met as well as providing for society. This philosophy forms the basis for our approach to performance measures for the ecological objectives of ecosystem management.

The use of historical range of variability involves identifying the types of disturbances that influenced ecosystems over time, and the magnitude, periodicity, and extent of their influences. These disturbances operated at all spatial and temporal scales; nevertheless the historical range of variability can be described and quantified in a consistent manner and can serve as a tool of establishing reference conditions for ecosystem management performance measures. Historical range of variability is often used to characterize the magnitude, frequency, and intensity of disturbances, and the resulting ecosystem types at the landscape level. However, the concept also applies to variables at all levels of organization, such as tree density, population size, water temperature, colonization rate, or gene flow (Dahms and Geils 1997). We regard the historical range of variability as the unifying principle that is essential for defining ecologically meaningful performance measures.

Morgan et al. (1994) recommended that "historical range of variability should be assessed over a time period characterized by relatively consistent climatic, edaphic, topographic, and biogeographic conditions." Steele (1994) recommended 100–400 years as an appropriate time span in North America. The ranges of historical variability in ecosystem structure, composition, and function thus serve as a reference for the period immediately prior to major European influence. Miller and Woolfenden (1999) discussed how the Little Ice Age spanned much of the later part of the last millennium, thus complicating the use of the time period recommended by Steele (1994). However, Miller and Woolfenden (1999) also pointed out that this does not negate the merits of the historical range of variability. The historical time span should describe conditions prior to major European settlement and allow for understanding of the substantial change in landscapes that occurred subsequently. We are not setting up a dichotomy between people and nature, nor are we suggesting that the period before the arrival of Europeans was devoid of human influence in North America, as clearly Native Americans induced changes in North America for the last 12,000 years (Bonnicksen et al. 1999, Engstrom et al. 1999). On the contrary, we recognize that people have exerted important effects on past conditions. However, due to the substantial ecological changes that occurred after the arrival of

Europeans, we suggest that the period prior to European impact can serve as an important reference, even though this period was clearly not "natural" in the sense of lacking people, nor static in terms ecosystem and species dynamics.

We also do not suggest that the best management is that which maintains conditions as close to the historical range of variability as possible. To do this would over-emphasize the importance of the ecological sphere of the 3 objectives of ecosystem management. We do think that appropriate representation of conditions supported historically is the best way to assure the attainment of the ecological objectives and ecological sustainability. We acknowledge that not all managers or scientists are ready to accept the representation of historical range of variability approach as the most effective way of addressing ecosystem management. However, we find no other approach that is as effective. Fine-filter or species-based approaches cannot feasibly account for the thousands of species that ecosystem management efforts need to address. Course-filter approaches that are not based on the historical range of variability provide little assurance that they can meet the needs of all species as well as meeting ecosystem integrity objectives, as there is no consistent basis for reference conditions. "Natural" conditions are advocated by some, but what is natural if not defined by what has been present in terms of ecosystems, species, and genetics over a defined time-period prior to recent major human modifications? For these reasons, we strongly suggest that the representation of historical range of variability approach is the most effective way of integrating the complex set of objectives addressed by ecosystem management.

Historical range of variability requires understanding and quantifying past disturbances and ecological processes. Evidence of these is often lacking, and the use of historical ranges of variability is often criticized because this information can be either difficult or impossible to collect. However, this does not reduce the relevance and appropriateness of the scientific basis of this approach, nor preclude its use. In many instances, where historical information is not available, comparisons will need to be made with existing reference sites, selected based on their similarity to the desired historical conditions. Alternatively, historical conditions can be modeled. Sources of information on historical conditions are discussed in Box 2-1.

Establishing Threshold or Target Levels

Once information about historical conditions has been obtained, management thresholds or targets related to historical range of variability will need to be selected so that success in achieving these can be measured. The thresholds or targets selected are scale related. For example, at the

landscape level, a representation goal expressed as a threshold might be a percentage of the maximum area of each ecosystem or community type that occurred under historical range of variability (Haufler et al. 1999). For each ecosystem, the management target for representation of conditions of the ecosystem might be expressed in terms of its composition or structure, and might be the mean of the historical range of species composition for stands of that type of ecosystem. For aquatic ecosystems, the acceptable risk for the range for variation in flow rates of a river might be set to a certain percentile of historical flow rates.

Threshold levels or targets should be identified for each performance measure at each level of the performance measure hierarchy. These should identify an acceptable level of risk to various ecosystem elements, functions, or processes. Failure to maintain these threshold levels entails a high probability that the elements of biological diversity or ecosystem processes in question will fail to fulfill their roles in maintaining viable populations of species, nutrient cycling, or other functions. Likely outcomes may be additional listings of species, making coordinated management much more difficult, and failing to meet

Box 2-1. Sources of Information on Historical Conditions.

Information on historical ecology can be obtained from several sources, including paleoecology, archives and documents, long-term ecological research, and time-series data of environmental measurements (Kaufmann et al. 1994; Swetnam et al. 1999, Periman et al. 1999, Engstrom et al. 1999). Archival records can be divided into natural archives—those that have been recorded by natural processes such as sedimentation, animal activity, or growth—and documentary records. Deposits of pollen, charcoal, and phytoliths are examples of records preserved in sediments; packrat middens result from animal activities; and tree rings, coral layers, and annual growth rings in the bones of seasonally inactive animals are records of growth patterns (Swetnam et al. 1999). Documentary archives include written descriptions by surveyors (Galatowitsch 1990), settlers, explorers, naturalists, and ethnographers; tabular data; photographs (Hastings and Turner 1965; Skovlin and Thomas 1995); and maps. Modern genetic techniques have made it possible to retrieve the DNA in museum specimens. Where museums have enough specimens from one or more populations (>15 of each) and when the species is considered potentially informative because of ecological considerations, historical genetic baselines can be established.

At the ecosystem level, paleoecological data are useful for defining reference conditions for ecosystem composition and for determining rates of species expansions and contractions. Historical tree density and other tree measurements can be determined from early surveys such as general Land Office Public Land Survey (Almendinger 1996), early cruise information (Haufler et al. 1996), or photographs. In addition, historical stand structural conditions may be measured through fire scar analyses (Agee 1993, Covington et al. 1997) or they may be modeled (Harrod et al. 1998). Features of historical disturbance regimes (i.e., type, frequency, extent, intensity) have been estimated from a variety of sources including fire histories (Heinselman 1973, Crane and Fisher 1986, Sloan 1998), wind event records (Canham and Loucks 1984, Foster 1988) lake deposits (Clark 1988) insect outbreaks (Schowalter 1985, Knight 1987, Swetnam and Lynch 1993), landslides and debris flows (Swanson and Dryness 1975, Lamberti et al. 1991), and beaver activity (Ives 1942). Networks of fire histories can be aggregated across spatial scales to characterize regional fire regimes (Swetnam et al. 1999). Richter et al. (1996, 1997) described methods for characterizing historical variation in hydrological data using existing records or reconstructing or estimating data where such records are unavailable. A variety of innovative techniques have been developed to obtain data on historical values for ecological parameters. For example, studies with stable isotopes can be used to characterize past diets of museum specimens (Hilderbrand et al. 1996, Jacoby et al. 1999).

The record of the past is often incomplete and fragmentary. This does not lessen the value of information on historical conditions, but it does suggest that information on historical ecology should be interpreted with caution and with an awareness of its limitations (Swetnam et al. 1999). Even if past conditions can be reconstructed with a fair degree of certainty, there is still the problem of determining whether changes over time are due to human impacts or other causes. In addition to land-use history, factors such as climate change, environmental gradients, and unique site characteristics can influence observed patterns. Long-term reconstructions from multiple sites can help to disentangle these effects (Swetnam and Baisan 1996, Millar and Woolfenden 1999).

When historical sources of information are lacking, comparisons can be made to existing reference areas. These are areas with minimal anthropogenic effects that can span the entire range of historical disturbance. Such areas may not exist for some ecosystems.

society's expectations of ecological sustainability. The level of risk that is acceptable is largely a political decision, influenced by social and economic considerations, as well as a scientific evaluation of the ecological objectives at various temporal and spatial scales.

A Hierarchical Organization of Ecosystem Performance Measures

To assess how well ecosystem management is succeeding at conserving biodiversity and ecosystem integrity, it is necessary to monitor at multiple levels. Several hierarchical frameworks for monitoring have been proposed (e.g., Noss 1990, Hunsaker and Carpenter 1990). We provide guidelines for relating hierarchical monitoring to the concept of historical range of variability.

The Landscape Level

At the landscape level, we suggest that the relevant performance measures for ecosystem management are the amounts, sizes, and configurations of ecosystems or ecological communities and the frequency, magnitude, and duration of disturbances influencing these ecosystems. Ecological communities are repeatable assemblages of species and their interactions, and are defined by any of a large number of classification systems. When these communities are further related to the abiotic environment that supports them, they are ecosystems, as defined by classification systems that include such physical relationships. A landscape perspective is critical for understanding the distributions, disturbances, and functions of ecosystems, as well as restoration needs (Kenna et al. 1999). Planning based on providing a mix of ecosystems has been termed a coarse filter for conservation (The Nature Conservancy 1982, Noss 1987). The coarse filter can be used for setting thresholds for adequate ecological representation or, in other words, the amounts of each ecosystem needed in the landscape to address the ecological objectives (Kaufmann et al. 1994, Haufler 1994). Using this approach, a coarse filter identifies the ecosystems to be represented and then performance measures at genetic, species, and ecosystem levels are used to assess whether or not the components, structures, and functions of these ecosystems that occurred under historical range of variability are sufficiently represented. These additional levels function as a check on the sufficiency of adequate ecological representation at the landscape level. Thus, landscape level performance measures define reference and threshold levels for the areas of the ecosystems identified by the coarse filter.

The coarse filter should identify discrete, mappable ecosystems that can describe both existing and potential ecosystem conditions (Carpenter et al. 1999). This can be

done through a series of coarse filters covering forested ecosystems, shrub and grassland ecosystems, riparian and wetland ecosystems, and aquatic ecosystems (Haufler et al. 1996, 1999).

This coarse filter approach to meeting ecological objectives assumes that a set of ecosystems can be described and delineated across planning landscapes. The debate over the use of the community concept has been ongoing for many decades (Mueller-Dombois and Ellenberg 1974). This debate continues today, and now extends beyond plant communities to animal distributions (Hansen and Rotella 1999). While the role and complexities of gradients, as expressed by Whittaker (1970) and others, is recognized and is critical to understanding niche relationships of species, land management planning requires the ability to delineate discrete areas with similar responses to management activities. The coarse filter approach accommodates this need, but the classification needs to be carefully applied to produce meaningful and effective ecosystem descriptions.

The coarse filter approach for landscape level performance measures should estimate the area of each ecosystem needed for adequate ecological representation based on various identified risks. Ecosystem area is a critical measure for evaluating the success of ecosystem management because measures at other levels of the organizational hierarchy link to this measure. Landscape level performance measures should identify the minimum acceptable amount of each ecosystem that was identified in the coarse filter as having occurred under historical disturbance regimes. The minimum amount must be provided at all times for the representation of ecosystems to sufficiently address an acceptable level of risk.

The Ecosystem Level

In this report, we use the term ecosystem to refer to a discrete area (e.g. type of forest stand, sward, stream reach) that can be characterized by its plant and animal communities as well as the associated abiotic conditions. Ecosystem is a more inclusive term than community. Communities are described as any group of interacting populations. This definition limits the use of the term "community" to associations of biotic organisms: the plants and animals interacting in an area. However, animal communities cannot exist without plant communities, and plant communities cannot exist without energy and nutrients assimilated from a site. The interaction between biotic communities and abiotic factors such as energy and nutrients defines an ecosystem. Odum (1971) defined ecosystem as "any unit that includes all of the organisms in a given area interacting with the physical environment so that a flow of

energy leads to a clearly defined trophic structure, biotic diversity, and material cycles.”

The representation of historical range of variability approach is based on the assumption that risks to ecosystem integrity and biological diversity can be minimized by identifying adequate amounts of inherent ecosystems in a landscape to provide the building blocks of biological diversity. Thus, the ecosystems described by the coarse filter are the elements around which planning decisions for ecosystem integrity and biological diversity are made. The ecosystems identified for representation at the landscape level must meet certain requirements defined by the historical range of variability. The coarse filter assumes that these designated ecosystems have conditions within them sufficiently similar to the historical range of variability for that particular ecosystem to provide for the occurrence of the proper array of species, processes, and functions.

The landscape level defines the amounts of each ecosystem that need to be represented to address threshold requirements for ecological sustainability. The ecosystem level defines features such as composition, structure, and function of an ecosystem that must be present if a particular site can be considered to be contributing to a representation threshold. For a forest stand or stream reach to qualify for this criterion, it needs to be substantially within the historical range of variability for all conditions of that type of ecosystem. For example, at the ecosystem level, performance measures may include species richness and appropriately identified threshold levels relative to historical species richness. Threshold levels for each measure can be set to indicate when a stand or reach, representing a particular ecosystem, has departed from the historical range of variability so that the ecosystem no longer serves its purpose in providing representation. For example, if a stand in northern Michigan is designated to represent a specific late-successional beech-maple forest ecosystem, it should have rates of nutrient cycling that are within threshold values for the historical range of variability for this cycling. It also should have a certain species composition of trees and understory vegetation, defined by the historical range of variability for this measure. If it does not have these characteristics, then this stand cannot be considered to adequately represent the late successional beech-maple forest ecosystem, and its area would not count toward representation at the landscape level. Every stand or reach does not need to be sampled to confirm its appropriate composition, structure, or function, but rather selected stands or reaches should be sampled to check on the effectiveness of the planning and implementation process.

Many, or even most ecosystems within a landscape will be outside of the historical range of variability. These ecosystems can still contribute to ecological goals by providing habitat conditions, soil or water holding functions, or other benefits in contributing to the environmental matrix in which representative communities occur.

The reference to historical range of variability can be used as a measure of deviation away from reference conditions, and may also help identify points beyond which an ecosystem may not be able to return to historical functions or composition without major restoration efforts. Some sites in the landscape may be so altered by human activities that there is a low probability of them ever returning to conditions similar to the historical range of variability. Dramatic losses of soils, changes in water tables, alteration of stream channel conditions or flow regimes, or any number of additional possibilities could cause such changes in stand conditions.

The Species Level

Species are critical components of biological diversity, and may be the best understood level for some management purposes. However, the sheer number of species and the failure of a fine-filter approach to directly measure ecosystem integrity make species a poor level as a primary focus for performance measures of ecosystem management. The assumption of the representation of historical range of variability approach is that a properly represented coarse filter will provide the habitat conditions to support all species that historically occurred within an appropriate landscape. Performance measures at the species level provide a check on the proper functioning of the represented coarse filter (Hauffer et al. 1996, 1999). At the species level, various measures of historical range of variability are of interest. For example, the historical range of population size and fitness of species present within the planning landscape could be important measures. The distribution of the species under historical range of variability may also be important in order to understand the extent of range contractions or expansions. Of particular interest is the distinction between populations within a landscape that were consistently viable under historical disturbance regimes and those that historically had inconsistent viability and may have been supported by immigrations from neighboring landscapes. Populations that were not consistently viable in the past should not be expected to be viable at the present or in the future for that particular landscape. For those species that had consistently viable populations under the historical conditions, a performance measure might be the range of the size of a viable population. Further, population structure and linkage capability might be identified as important measures at the species level as a check on the representation of the coarse filter.

In the representation of historical range of variability approach, species that did not occur within the landscape are not considered as contributing to performance measures for the ecological objectives of ecosystem management or ecological sustainability. Such species may have management goals and objectives at the present or in the future, but management of these species falls within economic or social objectives of the landscape, not the ecological objectives of maintenance and enhancement of biological diversity and ecosystem integrity.

Additionally, it should be noted that not all species requirements may be met by the representation of historical range of variability approach. This approach should provide for adequate habitat conditions to support all native species. However, species limited by factors other than habitat, such as pollutants, high direct human-induced mortality rates, or effects of exotic diseases will need specific management focus in addition to the conditions provided by the ecosystem management measures.

An alternative use of the species level can be the development of conservation strategies for species of concern, especially in landscapes where complete ecosystem management implementation is not possible. In these situations, conservation strategies for those species of concern caused by habitat loss may address the greatest ecosystem representation needs even without the complete development of a coarse filter. Use of such conservation strategies should be viewed as a temporary action, as a focus on species of concern will not address habitat for all species, nor will it address ecosystem integrity.

The Genetic Level

The number of evolutionarily significant units (ESUs) for each species within a landscape is an important consideration. For most species, functional planning landscapes will contribute to only one evolutionary significant unit, but in some landscapes certain species may contain more. The genetic composition of a species, and its flow of genetic information among subpopulations and to future generations, should be within the historical range of variability. Genetic analysis can also indicate if any genetic bottleneck has occurred in the past that may threaten the future viability of a species, even with appropriate ecosystem characteristics and amounts being present. These types of questions can be addressed at the genetic level.

Selection of Appropriate Measures

The various hierarchical levels and the complexity of measures within each level make the identification of performance criteria a complex task. Yet, the situation is simplified by the fact that in most cases it is not necessary to

address all levels and measures. For example, if landscape level measures are selected for a given ecosystem management initiative, they will define the range of ecosystems that could be considered. A few key ecosystems would probably stand out as most appropriate for ecosystem level measures. These ecosystems would then need to be evaluated to identify "essential ecosystem components" (Harwell et al. 1999) in order to identify the most important ecosystem level measures. If exotics are a major concern, a set of compositional and invasive species measures might be most appropriate. If acid rain is a significant concern, measures of biogeochemical cycling might be highlighted. At the species level, population viability of selected species could be assessed as a check of the representation of the coarse filter. Selecting a number of species to verify the coarse filter would be appropriate. If monitoring at the species level indicates that appropriate population interaction is occurring, then genetic measures such as heterozygosity may not be an issue. Isolated subpopulations of a species could be evaluated for their evolutionary significance.

Performance Measures for Highly Modified Landscapes

Areas outside the historical range of variability can be thought of as the matrix in which representative areas are embedded (Franklin 1990, 1993b). If managed appropriately, the matrix can facilitate processes that maintain the historical range of variability for areas that have the needed qualities for ecosystem representation. Conversely, management without regard to ecosystem considerations can create a hostile matrix that decreases the likelihood of meeting ecosystem management objectives. A hostile matrix may cause environmental conditions that are dangerous or intolerable for native organisms; export toxins, weeds, and sediments; and contribute to the degradation of ecosystem processes and loss of ecosystem components (for example through soil erosion). A favorable matrix does not export harmful substances, and may instead be a source of propagules of native organisms. A favorable matrix can perform some or all of the following functions:

- Providing habitat for some species of plants and animals. This function is enhanced by the provision of the structural habitat features required by native species.
- Allowing organisms to disperse or migrate through the matrix. Passage through the matrix is critical for processes such as interpatch colonization (Brown 1971, Weddell 1991) and augmentation of declining populations (Brown and Kodric-Brown 1977).
- Mimicking natural disturbances and promoting recovery after disturbances.

The degree to which modified ecosystems succeed in performing these functions can be measured with the same

tools that are used to evaluate the performance of less modified ecosystems at the ecosystem and species levels.

Managers who are responsible for areas that are highly modified and cannot contribute to adequate ecological representation of ecosystems at the landscape level may nevertheless seek to manage in ways that contribute to ecosystem management objectives. Croplands, urban parks, golf courses, pastures, and similar areas fall in this category. Although these areas are clearly outside an ecosystem's historical range of variability and may exceed the thresholds at which restoration is normally possible, they can perform some valuable functions. The framework we have described above suggests how this can be done.

ECOSYSTEM MANAGEMENT PERFORMANCE MEASURES

Landscape Level Measures

Overview: What Are the Critical Questions at the Landscape Level?

At a landscape level, the critical question is: Are the ecosystems that comprise the coarse filter that characterizes the historical landscape adequately represented and appropriately arranged across the landscape? Another key question is: Are the disturbance regimes that resulted in historical structures, components, and processes functioning within the landscape, and at what scales? The two perspectives are connected by the fact that historical disturbance regimes played a pivotal role in determining ecosystem structure, function, composition, and pattern, and therefore resulted in the distribution and arrangement of ecosystems that prevailed in the past.

Performance Measures at the Landscape Level

Ecosystem Area (Adequate Ecological Representation with a Coarse Filter). Ecosystem area is an important performance measure for ecosystem management and ecological sustainability. Adequate ecological representation of ecosystems identified by a coarse filter is a performance measure that compares the area of the landscape currently occupied by each ecosystem to its extent under historical conditions and to a threshold.

To apply this coarse-filter framework, a comprehensive and practical coarse filter needs to be developed. This coarse filter should characterize the planning landscape in sufficient detail to identify a complete suite of ecosystems that will allow for ecosystem integrity and biological diversity to be maintained if all communities are adequately represented. If the classification of ecological communities lacks sufficient resolution, then a management plan might provide for each defined community and yet fail to provide for all species or

processes. For example, if a forested landscape is broadly classified into structural stages, with one structural stage designated as old growth without regard to different types of old growth, then maintaining a potential threshold of a certain percentage of the forested landscape as old growth might fail to meet biodiversity objectives. If the landscape were mountainous and only high-elevation old growth was provided, then all species and ecosystem processes dependent on conditions in low-elevation old growth forests would be excluded, and the ecological objectives of ecosystem management and ecological sustainability would not be met. At the other extreme, a coarse filter at a very fine resolution could define the optimal habitat requirements of every species or the optimal conditions for all processes. Such a filter would most likely define a huge number of ecosystems and would be too complex to be managed effectively. Thus, the resolution of ecosystems in the coarse filter is a critical decision at the landscape level. The classification system for ecosystems must be fine enough to be biologically meaningful yet not so fine as to be infeasible to implement into a planning process.

To include enough of each ecosystem to provide for the ecological objectives, a planning landscape must be fairly large. One factor to consider is the area needed to provide sufficient amounts of each identified ecosystem throughout all of their historical successional dynamics to maintain species and processes linked to that ecosystem. Another factor to consider is that if a very large landscape is selected, then classifying ecosystems at an adequate resolution to differentiate their ecological features will result in a large number of ecosystems to track through an ecosystem management process (Haufler et al. 1999, Kernohan and Haufler 1999).

The coarse filter provides a classification framework for defining performance measures of ecosystem management and ecological sustainability at the landscape scale. Because ecological, social, and economic objectives are all to be considered, human influences will be an important component of the planning landscape. The question then becomes: How much of each ecosystem in the coarse filter is needed to meet ecosystem integrity and biological diversity objectives?

A properly defined coarse filter is one that delineates ecological sites occurring across a landscape that were subjected to similar historical disturbance regimes and supported a similar array of ecosystems through a disturbance response trajectory. In terrestrial systems, Daubenmire's (1968) habitat typing system is an example of a classification system that can be used in site delineation, with each habitat type or grouping having similar

disturbance regimes and late successional or potential vegetation conditions. Habitat typing has been used for site characterization in a coarse filter in Idaho by Haufler et al. (1996, 1999) and at a slightly coarser scale for the Interior Columbia River Basin (Quigley and Arbelbide 1997). Based on this classification of ecological site complexity, temporal dynamics were then described by delineating stages within successional trajectories. Other classification systems or biophysical delineations of site complexity could be equally effective in defining and delineating ecological sites, as long as the influence of historical disturbance regimes was included in the classification system. The key point here is that an effective coarse filter for use at the landscape level of the representation of historical range of variability approach must integrate ecological site complexity with temporal delineation of ecosystems resulting from historical disturbance regimes.

Once a coarse filter has been identified, a threshold for representation must be selected. The amounts of each ecosystem present compared to the threshold level derived from the historical range of variability then become the performance measures at the landscape level. A sufficient amount of each ecosystem, at least to meet the threshold levels, needs to be distributed within the surrounding matrix and evaluated as to whether designated areas are ecologically functioning as needed to represent each ecosystem. While general rules for designating representation of the coarse filter are desirable, these must factor in such considerations as the historical rarity of the community being represented, and the types and severity of disturbances that influenced the ecosystem under historical disturbance regimes.

Spatial Configurations of Landscapes. A number of indices have been proposed for evaluating ecosystem integrity based on the spatial properties of landscape components (e.g. O'Neill et al. 1995, 1997, McGarigal and Marks 1995, Moyle and Randall 1996, 1998). These deal with properties that emerge at the landscape level (O'Neill et al. 1988), such as the size, shape, and arrangement of ecosystems. These properties, in turn, influence processes at the species level through their effects on movement among subpopulations, and habitat quality through their effects on the amount of habitat that is influenced by edges. FRAGSTATS, a spatial analysis program for quantifying landscape structure includes metrics that reflect properties such as patch size, density, shape, interspersions, and contagion (McGarigal and Marks 1995).

Landscape measures provide information on landscape level properties, such as edge and isolation, which are not apparent from data on ecosystem area alone. They are

relatively easy to apply, especially in combination with geographic information systems. A disadvantage, however, is that they must be applied carefully (McGarigal and Marks 1995). They provide information on existing conditions but not on the ecological consequences of those conditions; therefore, they do not guide the selection of appropriate standards. In addition, landscape level metrics by themselves do not provide information on whether species and ecosystems are thriving. For this, as with other landscape level measures, assessments at the ecosystem, species, and genetic levels are required.

Although these metrics do not specifically incorporate information on historical variability, they can be used to evaluate impacts to landscapes resulting from changes in land use, diversions of surface water, and so on. When placed in a historical context, therefore, these indices can provide information on the degree to which current landscape conditions deviate from pre-impact situations. Spatial measures of landscapes such as quantification of edge are most meaningful when put in the context of change from landscape conditions produced under historical disturbance regimes (Sallabanks et al. 1999).

Ecosystem Level Measures

Overview: What are the Critical Questions at the Ecosystem Level?

The coarse filter described at the landscape level is used to define ecosystems and provide sufficient representation and configuration of these ecosystems. When applying performance measures for ecosystem management it is necessary to demarcate physical boundaries around which we can apply measures. Throughout this report, we will refer to two different physical components of ecosystems; the ecological site (abiotic factors that characterize the ability of areas to support similar plant and animal communities) and the stand or reach (characterized by the existing plant and animal communities). We further define ecosystems by the processes (temporal dynamics) affecting them. Stand (terrestrial or semi-terrestrial) and reach (aquatic), or other similar descriptors, refer to an existing biologically homogeneous unit, whereas site refers to the inherent ecological potential of a given area (e.g., as conceptualized by such classification as habitat types for forested ecosystems). These ecosystem components (e.g., stand, reach) can be described by their composition, structure, and function as well as by processes affecting them. The measures at the ecosystem level are therefore defined by these descriptors.

Ecosystem level measures address the question of what are the appropriate compositions, structures, and functions of each ecosystem for it to be considered as representing that

ecosystem at the landscape level. Ecosystem level measures define the acceptable range of conditions for any stand or reach in a landscape to qualify as suitable for contributing to the amount needed for adequate ecological representation (i.e., the coarse filter). Therefore, historical range of variability must be estimated for selected measures at the ecosystem level to determine if a stand or reach contributes to adequate ecological representation of that particular ecosystem. In addition, ecosystem level measures may describe areas outside the historical range of variability. These communities may serve as evaluation units of matrix conditions (Franklin 1990, 1993b).

Performance Measures at the Ecosystem Level

To function in the hierarchical framework presented in this volume, ecosystem measures must describe the limits of an ecosystem to ensure adequate representation at the landscape level. Because ecosystems are defined by the interaction of biotic and abiotic factors, it may be necessary to consider several measures (i.e., composition, structure, function, and process). Likewise, it may be necessary to estimate several parameters within one measure to accurately assess ecosystem management and ecological sustainability at the ecosystem level. For example, plant species diversity can be estimated as a parameter of ecosystem composition for both current conditions and historical range of variability. The diversity index for each time period may be similar; however, current diversity may reflect an increase in exotic species. This difference may go undetected unless another parameter, e.g., a ratio of exotic to native species, was estimated as well. Although we will give examples of parameters estimated from data for each measure, actual implementation may warrant combinations of several parameters across a variety of measures. Conversely, with increased knowledge of ecological relationships, managers may find that measures of one ecosystem component are adequate indicators of other ecosystem components.

Ecosystem Composition. Ecosystem composition under historical disturbance regimes was determined by a complex set of interacting environmental factors such as climate and soil, competing species, and the type and regularity of disturbances. Effective measures of ecosystem composition describe the absolute or relative abundance of species or groups of species on a site. Because identifying all organisms in an ecosystem is rarely possible, generally organisms in a given taxa (e.g., birds, mammals) are measured or a species guild is used. Therefore, composition is often measured as richness (i.e., diversity) or relative abundance of species or groups of species.

A variety of indices for quantifying the similarity of biotic communities exist (see Morrison et al. 1992) including

species richness, Odum's similarity measure (1950) and Kendall's tau coefficient (adopted by Ghent 1963). Such diversity indices reflect community composition as measured through species richness, equitability, and sometimes density (Morrison et al. 1992). Diversity indices are useful parameters of community composition when they can be compared to an index of historical conditions. Rule sets must be applied to judge comparisons of this type. For example, to determine if existing composition for a particular stand or reach is within the historical range of variability, an appropriate rule might be one standard deviation around the mean historical diversity index across stands. By estimating both existing and historical conditions and invoking this simple rule, the existing stand is assessed as to whether or not it can contribute to adequate ecological representation.

Diversity indices may not be affected by changes in species composition. For example, if an exotic species replaced a native species, most diversity indices would not reflect this change. Therefore, it is important to estimate a variety of parameters and use several measures when evaluating performance measures for ecosystem management or ecological sustainability. To continue the above example, a manager may suspect that an invasion of exotic species has taken over the ecosystem under investigation. Therefore, another parameter to consider would be the ratio of exotics to native species. Native species are those known or expected to have occurred in the stand or reach under historical conditions. If the proportion of exotics were at an acceptable level (e.g., less than 10% of the importance value for plants in the stand), then the stand might be deemed suitable, in terms of this measure, to qualify as representative.

For aquatic ecosystems, composition of aquatic macroinvertebrates might be used as a compositional measure. Various biotic integrity indices have been developed (Box 3-1). For these to work as ecosystem management performance measures, they must be evaluated relative to similar indices under historical conditions. This generally requires comparisons to reference areas, as historical range of variability for such indices may be impossible to derive. It is important that reference areas be identified that span as much of the range of the ecosystems that occurred under historical disturbance regimes as possible.

Ecosystem Structure. Ecosystem structure includes the presence and arrangement of physical structures in three-dimensional space. These biotic structures can include features such as large organic debris and pool to riffle ratio in aquatic systems, and stem density and diameter of live

and dead trees or coarse wood debris in terrestrial ecosystems (Harmon et al. 1986). Structural features furnish microhabitats for a variety of organisms by providing substrates or cover used for feeding, breeding, resting,

traveling, or hiding. Patch dynamics within some ecosystems are important in providing horizontal structure, such as tree gaps in mature northern hardwood forests (Bormann and Likens 1979), or the ratio of water to emergent vegetation in some wetlands (Schroeder 1982, Short 1984, 1985). Thus, ecosystem structure has important influences on species abundance and diversity. To use structural features as performance measures each parameter (e.g., volume of organic debris) must be estimated under current conditions and for historical range of variability.

Box 3-1. Indices of Integrity.

Several ecosystem level indices of biological integrity have been developed. These are synthetic approaches which integrate measures of several parameters into a single metric that reflects the integrity of an ecosystem. The concept of integrity, "the capability of supporting and maintaining a balanced, integrated, adaptive community of organisms having a species composition, diversity, and functional organization comparable to that of natural habitat of the region" (Karr and Dudley 1981), was developed with reference to aquatic systems. However, a variety of indices of integrity has been developed for both aquatic and terrestrial community assessments (Karr 1991, see review in Morrison et al. 1992). To meet the need for assessment of biological parameters, indices that use a variety of metrics reflecting community properties were developed. The resulting indices of biotic integrity are used to detect environmental changes.

The principal advantages of indices of biologic integrity are: (1) biological communities integrate the effects of a variety of stresses over time, because they combine measures of several different community attributes, (2) routine monitoring of biological communities is relatively inexpensive compared to monitoring stressors such as contaminants, (3) indices of integrity are based on easily defined ecological relationships, (4) indices of integrity combine information from structural, compositional, and functional parameters and facilitate quantitative comparison of different settings in terms of a single metric. The disadvantages of indices of integrity are: (1) they must be tailored to specific regional settings, (2) they may depend on the taxonomic expertise of the investigators, (3) they do not provide information on the mechanisms responsible for impairment, and (4) they have not been developed or tested relative to historical range of variability.

The best-known bioassessment index for aquatic communities is Karr's IBI, which uses three classes of fish community parameters: species richness and composition, trophic composition, and fish abundance and condition (Karr 1991). The Ohio EPA (1988) and Plafkin et al. (1989) developed indices of biotic integrity based on benthic invertebrate communities. An example of an index of biotic integrity designed for use in terrestrial situations is the index of floristic integrity developed for northern Ohio (Andreas and Lichvar 1995).

In stream reaches, the amount of woody debris and the pool to riffle ratio over a given length of reach can be measures of structural complexity. As with biotic indices, these comparisons to historical range of variability may need to be made in reference areas and relative to the stage of temporal response to disturbance. The challenge is to recognize that a full suite of reference areas are needed to span the range of historical disturbance regimes to properly represent the range of ecosystems in the coarse filter for any given site.

Where these goals cannot be achieved, there will be significantly higher risks to meeting the ecological objectives.

Ecosystem Functions. Ecosystems operate as a unit through nutrient cycling and energy flow. Therefore, ecosystem function can be considered the "driver" of ecosystem composition and structure. Ecosystem functions such as decomposition often dictate presence or absence of species, succession or development of vegetation, and the interaction among biotic and abiotic components of ecosystems. Function-related measures ensure that ecosystems "look right" and function appropriately to ensure conservation of biological diversity and ecosystem integrity. Lugo et al. (1999) described ecosystem processes and functions.

Physical processes such as sedimentation and deposition that move matter, and processes such as photosynthesis and nitrogen fixation in which inorganic substances are converted to organic forms are parameters that can be estimated to describe ecosystem functions. Because data on past rates of ecological processes are usually difficult to obtain, differences between current and historical energy and nutrient cycling are frequently inferred from comparisons with reference sites (Scott 1993). If reference areas are available, the processes of interest can be compared to the reference site to assess whether or not processes involving the conversion of inorganic materials to organic forms or physical processes are outside the historical range of variability. For example, reference rates of nitrogen cycling will likely come from reference sites. However, caution should be exercised to ensure that outside influences (e.g., atmospheric deposition of nitrogen, acid rain) are not

confounding the estimated rates. Maurer et al. (1999) documented changes in the carbon balance of beech-spruce model ecosystems because of elevated levels of atmospheric CO₂ and increased nitrogen deposition. Such broad scale effects make it difficult to delineate appropriate reference sites for understanding historical range of variability for functional measures. Where reference sites are not available, performance measures may need to be based on models of physical processes.

Interactions among species, such as predation, parasitism, and herbivory, as well as mutualistic interactions, such as seed dispersal, nitrogen fixation, and pollination are appropriate parameters for describing ecosystem functions related to species interactions. For example, parasitism rates can increase because of pollution, disturbance regimes, or habitat fragmentation. Thus, parasitism rate may be a useful parameter to compare to historical conditions. Data on parasitism rates can be collected in conjunction with other information on population productivity. The rate of predation on bird nests can be estimated (Hartley and Hunter 1998). The historical range of variability for nest predation rates is rarely known, but reference conditions can be used to evaluate predation and parasitism.

Ecosystem Processes. Ecosystem level processes include historical disturbance regimes associated with fire, wind, and flood, insect and disease outbreaks, and more gradual changes due to succession, climate variation, and geomorphic processes (White et al. 1999). Disturbance has been defined as "any relatively discrete event in time that disrupts ecosystem, community, or population structure and changes resources, substrate availability, or the physical environment" (White and Pickett 1985). Ranges of variability for community composition, structure, and function were defined by historical disturbance regimes. Therefore, an important measure to consider when assessing ecosystems is the type of disturbance impacting the ecosystem and whether or not it is within the historical range of variability. Disturbance processes can operate over large areas and affect the size, shape, and configuration of ecosystems. Disturbance regimes vary geographically, and by topographic position and substrate (see White et al. 1999 for listing). For any specific site, the type, frequency, extent, and intensity of disturbance should be estimated under both current conditions and historically.

At the ecosystem level, it is important to determine if processes are operating as they did in the past. Two types of disturbances need to be identified. Major disturbances shift the ecosystem from one type to another. Major disturbance is a primary driver of the historical range of variability of the coarse filter (at the landscape level). For example, fire may

return mature lodgepole pine (*Pinus contorta*) stands burned on a 100–300 year return interval (Crane and Fisher 1986) to a grass/forb stage of development. Similarly, a major flood event may scour a stream, creating a new, recently disturbed ecosystem in a reach that previously represented a relatively aggraded ecosystem. These types of disturbance relate to the type of ecosystem being considered for representation within the coarse filter. For example, the mature lodgepole pine stand would be evaluated relative to its composition, structure, and function (as compared to the historical range of variability). Once burned, the resulting grass/forb community would be evaluated as to whether it meets the historical range of variability criteria for inclusion as a grass/forb community for this particular type of ecological site.

Similarly, a stream reach that is in an aggraded condition may have a particular pool to riffle ratio, certain amount of large woody debris, and certain cobble embeddedness. These measures, in comparison to historical range of variability, would determine if this reach could contribute to adequate ecological representation. If a major flood event affected this stream reach, it would change the reach from an aggraded ecosystem to an early disturbance ecosystem, with a new set of measures to compare to appropriate historical range of variability levels.

Other disturbances function in order to maintain ecosystem condition. For example, frequent understory burns in many longleaf pine (*Pinus palustris*) communities (Carroll et al. 1999) or western ponderosa pine (*Pinus ponderosa*) ecosystems (Covington and Moore 1994a,b) are essential to maintaining the composition, structure, and function of these ecosystems within historical range of variability. Similarly, insects and disease, ice damage, and wind throw are normally within ecosystem dynamics for many old growth ecosystems (Bormann and Likens 1979, Spies and Turner 1999). For these ecosystems, the type, frequency, and intensity of disturbance events may be valuable ecosystem level performance indicators. For streams, current hydrological regimes for a particular stream reach can be compared to historical range of variability using long-term stream flow records. This method was applied to the Roanoke River in North Carolina to assess the degree of hydrologic alteration caused by dams (Richter et al. 1996). A comparison of daily USGS stream flow measurements going back to 1913 revealed that high and especially low pulses are shorter and occurred more often under current conditions than under historical conditions.

Ecosystem level measures are dependent on the temporal scale used in defining a reference historical range of variability. Gradual changes due to climate variation and

geomorphic processes generally operated on timeframes longer than the 200 to 400 year interval we suggest for evaluating the historical range of variability of performance measures for ecosystem management or ecological sustainability. However, understanding these longer-term changes allow for the reference time period for historical range of variability to be evaluated relative to longer term past or future conditions.

Links Between the Ecosystem Level and Other Levels in the Hierarchy

Ecosystems form the elements of the coarse filter, and the plant and animal communities of an ecosystem are composed of populations and species. For these reasons, ecosystem level assessments seek to determine whether critical components are present at appropriate levels and whether processes are functioning to maintain biological diversity and ecosystem integrity. Comparisons of these features with historical conditions serve as a reference against which the contributions of ecosystems to adequate ecological representation can be gauged.

Ecosystems are linked to the other levels of the management hierarchy. At the landscape level, managers assess whether ecosystems are present in adequate amounts and appropriate configurations to maintain biodiversity and ecosystem integrity. At the same time, assessments of species diversity and genetic diversity are necessary to evaluate whether the conservation of ecosystems is actually succeeding in conserving biodiversity at the species and genetic levels. Furthermore, species occurrences and genetic interactions across landscapes are tied to the mix of types and spacing of ecosystems.

Species Level Measures

Overview: What are the Critical Questions at the Species Level?

A primary question at the species level is whether adequate ecological representation is providing for acceptable levels of risk to viability of species. Answering this question involves determining which species maintained viable populations within a landscape under an historical range of viability, and assessing whether viable populations of a particular species will be maintained under desired future landscape conditions. This section provides a summary of measures that can be used to compare species viability under current versus historical landscape conditions.

For historically viable species, standards for maintaining minimum viable population sizes will need to be set. Managers may be interested in developing these standards for threatened and endangered species, species of special concern, or focal species. For species that were not viable

prior to major human impacts, no further consideration may be necessary, as their contribution to ecological relationships within a landscape over time has been minimal. Exceptions may occur where the viability of a species that historically occurred in a neighboring landscape is presently compromised in that landscape, so contributions from adjoining landscapes may be needed, even where the species may not have been viable under historical range of variability. Ecosystem management may not provide for viability for all species that were historically viable in a landscape, although that is a desired objective for ecosystem management. Some species may be extinct. Restoring populations of others may not be economically, socially, or ecologically feasible. For example, large, wild carnivores may not be compatible with dense human development because of conflicts with people and livestock. The ecological consequences of these decisions, however, remain. Species that have been extirpated from a region, or have become rare, may have played important ecological roles in the past.

As managers attempt to conserve species, a management question may be identifying the number of evolutionary significant units that exist for each species in the landscape of interest. Identifying subpopulations that are evolutionary significant units associated with the population of a species may be essential for meeting ecosystem management objectives because each evolutionary significant unit may require different management strategies to maintain its viability.

Criteria for Selecting Species to be Monitored

Species are good indicators of a number of biodiversity objectives, and can also indicate some trends or conditions in ecosystems. For example, species have been used as indicators to monitor chemical or physical changes in the environment and to indicate the fate of other species (Landres et al. 1988, Simberloff 1998). Use of species as for environmental assays assumes their abundance or condition is correlated with physical or chemical variables (Spellerberg 1995). Examples of this type of indicator are lichens as indicators of air pollution and benthic macroinvertebrates to indicate stream pollution (Ohio EPA 1988, Plafkin et al. 1989). A considerable body of empirical evidence supports the use of indicator species as environmental assays. Species used as indicators of the status of other species should be chosen on the basis of evidence that their relative abundance is correlated with habitat suitability or population trends of the other species. Species that are monitored for reasons such as their threatened status or charismatic appeal should not automatically be assumed to represent the status of other species (Simberloff 1998). Landres et al. (1988) challenged

the assumption that population responses of guild members change in parallel fashion and concluded that if it is necessary to use indicators as "surrogates for population trends of other species...such use...must be justified by research on populations of the species involved, over an extensive area and time. Since managers must often choose indicator species in the absence of supportive data, these designations should be considered hypotheses in need of further testing."

Haufler et al. (1996) recommended criteria for selecting species that can be used for assessing if a coarse filter is providing a desired range of ecosystem types across a landscape to meet ecosystem management objectives, including the maintenance of habitat for threatened and endangered species or species of interest. These criteria include: (1) species that rely on ecosystem types that have undergone major ecological changes, (2) species with stenotopic habitat requirements for certain ecosystem types, (3) species with relatively large home ranges and requirements for specific ecosystem types; and (4) species that would use the extreme ranges of historically occurring ecosystem types.

Species selection for ecosystem types, within a landscape, should be based on their ecological requirements for specific conditions. As a result of having specific requirements, fluctuations in species abundance should track management practices or natural disturbances within the ecosystems they represent. This criterion for species selection is extremely important and may require a literature review on the habitat requirements of a species or a scientific investigation on the habitat relationships of a species. If the relative abundance of an indicator species for an ecosystem type does not vary because of major successional changes or after a severe perturbation, managers should reassess their selection of species being monitored. In contrast, if the relative abundance of the indicator species selected for an ecosystem type is fluctuating beyond their historical range of variability, managers should be concerned that there may be other ecosystem level changes occurring beyond the historical range of variability.

The species selected for assessment may also be based on legislative mandates (i.e., threatened and endangered species), conservation concern, or of special interest. In all of these cases, fluctuations in the abundance of a species should not occur beyond the threshold required to maintain viable populations. In addition, where managers observe an increase in the number of threatened, endangered, or species of conservation concern within a specific ecosystem type, the ecological changes causing these shifts in species abundance should be identified.

Performance Measures at the Species Level

We describe 5 types of performance measures for evaluating species and population responses to management practices. These include: 1) viability analysis of species in landscapes 2) occurrence and distribution of species within representative ecosystems, 3) population measures and comparisons, 4) population continuity, and 5) functional measures.

At the species level of organization, the following data are available to address the specific measures: (1) species occurrence, (2) species abundance, (2) dispersion, (3) population structure (e.g., sex and age ratios), (4) demographic processes (e.g., recruitment, mortality, survivorship), and (5) habitat attributes. Data on the presence or absence of species and populations are the easiest to obtain but the least useful for conserving species and meeting ecosystem management objectives. Lancia et al. (1994) and Cooperrider et al. (1986) reviewed a variety of population measurement techniques. Hayek and Buzas (1997) discussed methods for quantifying population measures such as density, relative abundance, species distributions and occurrence, and relationships between density and occurrence. Gros et al. (1996) evaluated several methods of estimating density or relative abundance. Litvaitis et al. (1994) reviewed a range of techniques that have been used to measure vertebrate habitat use. Morrison et al. (1992) reviewed theoretical models (e.g. habitat suitability indices) and empirical (e.g., field-based) modeling approaches that have been used extensively by natural resource managers to evaluate wildlife responses to changes in habitat conditions.

Population Parameters. Population Viability Assessment (PVA) and Sensitivity Analysis are used to predict the possible fate of populations and assign each fate a probability (e.g., Murphy et al. 1990, McCullough 1996, Nantel et al. 1996, Hanski and Gilpin 1997). Reed et al. (1988) provided a discussion of the population parameters that need to be quantified or estimated to use a PVA model.

Because it is difficult and costly to obtain data on the population dynamics for many species, a habitat-based approach to setting minimum viable population standards has been recommended by Roloff and Haufler (1997). This approach links population viability analysis and information on habitat requirements of species to allow measures of habitat quality and quantity to be used as relative indicators of population size.

Information on changes in species occurrence within their historical ecosystems provides a species assessment of a properly functioning ecosystem. If an ecosystem historically

supported a species, but does not at the present, then investigations of causative factors might reveal changes in ecosystem characteristics, such as structure or nutrient cycling, that have made the ecosystem unattractive to the species.

Information on the density and relative abundance of species in existing ecosystem types is more difficult to obtain than information on species occurrence especially for historical conditions. Historical archives often document only the presence or absence of species or, if information on abundance is included, it is general and qualitative rather than quantitative and specific. Nevertheless, if such data can be obtained, comparisons of species relative abundance under current and historical conditions are extremely useful for conserving species.

If direct census information for a species is not available, indirect indices of abundance may be gleaned from historical records. For example, Elton and Nicolson (1942) analyzed Hudson's Bay Company records for a period of over 200 years. Using the number of traded Canada lynx (*Lynx canadensis*) furs as an index to population size, they concluded that lynx populations were highly variable and that these variations followed a predictable 10-year cycle. Such analyses are valuable, but the assumptions on which they are based should be recognized. Elton and Nicholson's analysis assumed that the number of traded furs was correlated with population size; thus, it ignored factors such as economic conditions that might influence trapping effort.

Evaluating sex ratios and age structure of some species, predominately large vertebrates, are common metrics that wildlife managers use to evaluate selected dynamics of populations generally in response to specific human activities. However, understanding the sex or age structure of a population under historical range of variability can be important reference information for evaluating existing conditions, population potential, and population threats. Unfortunately, such information is usually not available. Often it may only be estimated from relatively intact reference populations.

Survival rates and productivity of a species throughout its range are important metrics to describe elements of population dynamics (Johnson 1994). For example, for different populations of a species to survive they must achieve some threshold density. Unfortunately, wildlife managers are uncertain about the absolute thresholds required for most species or what the historical range of variability of these were.

Where habitat quality is variable, productivity will be higher in "good" habitat than in "poor" habitat. Habitat in which

reproduction exceeds mortality acts as sources of individuals that disperse into poorer habitat, or sinks (Pulliam 1988). From the standpoint of conservation, sources are extremely important (Pulliam 1988). Critical habitat for a species is likely to occur where a species is most productive, and not necessarily where it is most common. Evaluating a species status in terms of source areas and sink areas within a landscape, both for historical and current conditions, can be very insightful in determining a species long term potential.

Population Continuity. In addition to evaluating a population's response to habitat patches, some populations may exist in discontinuous distributions consisting of subpopulations. It is important to evaluate whether a population was arranged in a similar manner under historical range of variability, or whether this condition has been created by human alterations to the species habitat. Understanding the abilities of a population to interact spatially is one of the greatest challenges for landscape planning. Failing to evaluate spatial interactions and capabilities of populations under historical conditions is one of the most common shortcomings of many population analyses. If habitat losses are isolating patches of habitat in ways that exceed the species' dispersal capabilities, serious consequences to the population can be inferred. In these cases, the projected amounts *and* distributions of representative ecosystems will need to be evaluated for their effects on species viability.

Data on habitat-specific demography and movements of individuals among populations are difficult and time-consuming to obtain. Obtaining data on population dynamics under historical conditions is especially challenging. Care must be taken that sampling data are adequate to reflect current and past distributions; otherwise, "holes" in distribution patterns may not represent true absences (Cutler 1991).

Data on past extinction rates and colonization rates among habitat patches have been inferred from comparisons of fossil and contemporary distribution patterns. For example, fossil distribution patterns of small, terrestrial, boreal mammals in patches of montane habitat in the Great Basin suggest that rates of movement between patches of high elevation habitat are extremely low for this group whereas extinctions are not uncommon (Patterson 1984, Grayson 1987, Grayson and Livingston 1993). Metapopulation approaches may have relevance to spatial analyses of some populations (McCullough 1996, Hanski and Gilpin 1997). For example, the endangered herb, Furbish lousewort (*Pedicularis furbishiae*), exists in subpopulations living in ephemeral riverbank habitat patches created by periodic flooding (Menges 1990).

Functional Measures. Herbivore-habitat interactions are an example of a process that can be measured at several levels of biological organization to examine what effects species may have on the functions associated with different ecosystem types. Herbivores can create disturbance regimes beyond the historical range of variability especially where human activity has altered habitats or reduced predator numbers. In this case, habitat conditions may be impaired for herbivores and other wildlife species, such as songbirds (Raymer 1996) and successional trajectories may be altered. Numerous wildlife managers in the north central region of the United States are concerned about herbivore induced changes in forest ecosystems in the face of historically high white-tailed deer (*Odocoileus virginianus*) numbers and browsing intensities.

Ecologists have also become concerned with recent declines in many neotropical migrant songbird populations (e.g., Robbins et al. 1992, Herkert et al. 1996). One potential limiting factor for such species may be nest parasitism. The ecological relationships that facilitate cowbird parasitism can be evaluated at the ecosystem and the species level. At the ecosystem level, parasitism rates of nests within selected ecosystem types can be compared to estimates of parasitism under the historical range of variability. At the species level, parasitism effects on population viability can be assessed by monitoring the nesting success of species of conservation concern. The species of conservation concern monitored for nesting success should represent a range of ecosystem types if ecosystem level monitoring is desired.

Links Between the Species Level and Other Levels in the Hierarchy

Species assessments can provide information that contributes to the conservation of specific components of biodiversity, but this information is most useful if it is linked to the other hierarchical levels. Species can serve as checks on the adequacy of representation of the coarse filter. A properly functioning coarse filter should provide for viability of native species in the landscape of interest. Additionally, species can serve as indicators that reflect the integrity of the ecosystems within a landscape. Each ecosystem may be considered functional if a range of indicator species is present within the ecosystem. Finally, a species assessment can allow managers to estimate the minimum habitat or population parameters required for a population to be viable and help develop specific conservation strategies for the species of interest.

Genetic Level Measures

Overview: What Are the Critical Questions at the Genetic Level?

The genetic level is the finest scale in the ecological

hierarchy. Three basic components define and determine the genetic realm of biodiversity. The first is the spatial arrangement of genetic diversity in a landscape. The second is the dynamic movement of genetic material across the landscape (i.e. gene flow). The third is the movement of genetic material across generations. This component involves the loss and gain of genetic diversity, plus the change in distribution and frequency of alleles (variants of a gene) over time. These 3 components of genetic diversity are fundamental to the process of evolution. A measure of ecosystem integrity is whether a landscape will retain its evolutionary heritage and allow the continuation of processes that created its biological diversity (Angermeier and Karr 1994, Moore et al. 1999). From a genetic perspective, this implies that ecosystem managers should strive to maintain important patterns and levels of genetic variation and to preserve driving processes of evolution such as: gene flow, isolation, speciation, and colonization (Smith et al. 1993). With time, natural processes will change the spatial arrangement of genetic variation across the landscape. Therefore, the goal is not to freeze the patterns of variation, but to maintain appropriate patterns by preserving the processes that shape and change them.

One central concept of this report is the measurement of ecosystem performance against a historical context. When attempting to establish historical references for levels, patterns, and processes that characterize genetic variation, there are several potential sources of information. Historical genetic references can be established when a large number of museum specimens (e.g., >15) exist from each of one or more populations (Mundy et al. 1997, Bouzat et al. 1998, Nielsen et al. 1999). Often, museum specimens for the taxa of interest will not be available. In this situation, populations that remain relatively unimpacted can be evaluated to estimate "natural" genetic levels, patterns, and processes (Avice 1994). For some ecosystems and for some species, relatively unimpacted populations no longer exist. Comparisons with less closely related populations can still be informative, but the accuracy of reference data based on such comparisons becomes increasingly uncertain. In some cases, when genetic variation is lost it may be irretrievable on time scales reasonable to management. Assuming the loss is a result of anthropogenic impact, the goal will often be to conserve what remains, and the reference must be established from modern samples. In other cases, genetic variation will have been lost from sub-populations largely because of isolation and fragmentation. Returning historical levels of gene flow will be a powerful tool for reestablishing historical patterns and levels of genetic variation.

Genomes can be extremely sensitive to perturbations in the landscape. Herein lies one of their greatest values for

ecosystem management. Six groups of questions can be evaluated to determine if the genetic components of the landscape are within the historical range of variability: (1) Is the level of genetic diversity lower than the historical range of variability and if so, are low levels of genetic diversity affecting the viability of populations? (2) What was the historical range of variability in gene flow levels and patterns? Do current levels of gene flow fall within the historical range of variability? (3) What is the historical range of variability for the presence and degree of hybridization, and do current hybridization levels fall within this historical range of variability? (4) Are there evolutionarily distinct populations within the planning landscape? What is the evolutionary distinctiveness of populations in the managed landscape compared to other populations of the species outside the landscape? (5) Does the mating system differ from that observed in other landscapes, and does it change over time? (6) Is there genetic evidence of a population decline or bottleneck?

The 6 groups of specific questions outlined above highlight the wide range of contributions that genetic evaluation and monitoring can make to conservation and ecosystem management (Mace et al. 1996). However, we do not wish to suggest that addressing each question will be required to accomplish ecosystem management goals. The extent to which genetic investigation and monitoring can be incorporated into ecosystem management will depend on resources and priorities. Regardless, managers should be aware of basic genetic characteristics of healthy ecosystems and how to achieve them.

Criteria for Selecting Taxa to be Monitored

Ideally, managers should evaluate multiple species representing distinct taxonomic groups and ecological niches. In reality, managers will never have the resources available to study and monitor genetic diversity in all or even a significant proportion of a landscape's taxa. Therefore, managers must choose to focus on specific taxa. While no single species can be a surrogate for the landscape, some species will be far more informative than others. We suggest that species in the following categories are good targets for genetic study and monitoring:

- *Species at risk*: Small populations are likely to be a central concern to ecosystem managers for several reasons. When a species is rare in a landscape because of its sensitivity to some form of ecological degradation, it may be useful as an indicator of ecological integrity.
- *Species with limited dispersal abilities*: Species which cannot disperse effectively across the matrix between patches of suitable habitat are more likely to suffer the negative effects of isolation and display important

genetic substructuring across the landscape (Avisé et al. 1987).

- *Species that exist in spatially substructured populations*: The movement of individuals among habitat patches is a critical process in sustaining a metapopulation. In the modern landscape, extensive habitat fragmentation has occurred in many places and even species that formally existed as continuous populations have been forced into spatially substructured populations (Hanski 1998).

Performance Measures at the Genetic Level

The genetic measures in this section provide specific ways of obtaining ecologically relevant information with molecular data. Within each measure is a discussion of how genetic data can be gathered and used to address the questions outlined previously. A detailed description and explanation of genetic methods and genetic markers is beyond the scope of this document and the reader is referred to reviews by Avisé (1994), Cruzan (1998), and Parker et al. (1998).

Genetic Diversity Levels and Population Viability. Genetic diversity is one commonly used genetic performance measure, because loss of genetic diversity can increase the probability of extinction of small populations (Allendorf and Leary 1986, Gilpin and Soulé 1986). The relative importance of genetic diversity to a species' or population's health and persistence remains an enigmatic and contentious issue. Points of contention include questions of how accurately variation at neutral markers represents variation at loci affecting fitness, how often and directly the genetic variation affects the fitness of individuals and how individual fitness affects population viability (Lande 1988, Caro and Laurenson 1994). Nevertheless, correlations between various fitness traits and genetic diversity have been demonstrated for multiple taxa. Examples include growth rate in the coot clam, *Mulinia lateralis* (KoeHN et al. 1988); birth weight and neonatal survival of harbor seals (*Phoca vitulina*) (Coltman et al. 1998); growth rate, survival, and fecundity in the Sonoran topominnow (*Poeciliopsis* spp.) (Quattro and Vrijenhoek 1989); fecundity in the greater prairie chicken (*Tympanuchus cupido*) (Westemeier et al. 1998); sperm quality in Indian lions (O'Brien and Evermann 1988) and parasite resistance in Soay sheep (Coltman et al. 1999).

There are 4 main mechanisms that can lead to the loss of genetic diversity in populations: 1) founder effect, 2) demographic bottleneck, 3) isolation and genetic drift, and 4) inbreeding (Hartl and Clark 1989). If managers suspect that any of these 4 mechanisms may be reducing genetic diversity and potentially increasing the extinction risk of one or more taxa, then selected estimators can be used to test

this hypothesis, and ideally, contrasted with historical levels of variation.

Historical and Current Levels of Gene Flow. Gene flow is the transfer of genetic material among populations. The degree of gene flow between 2 populations ranges from an extreme of complete isolation and no gene flow to extensive exchange that genetically homogenizes 2 populations. Some populations and species have existed for long periods of time in complete isolation, and the appropriate management goal for such populations would be to prevent human-induced gene flow. Other species with high dispersal abilities, such as wolves (*Canis lupus*), coyotes (*Canis latrans*), and migratory birds, historically have high levels of gene flow and low levels of population structure (Avise and Aquadro 1982, Avise et al. 1987, Wayne et al. 1990, 1992, Avise 1992, 1994). An appropriate management goal for such species would be to retain habitats or suitable matrix conditions that allow for movements that would preserve historical gene flow levels and patterns. When the habitat necessary for migration no longer exists, managers will have to consider restoring historical gene flow levels and patterns artificially by moving individuals between populations.

Four main indirect measures indicate average levels of gene flow over evolutionary time:

- 1) *F*-statistics: This group of estimators indicates the degree of population structure and can be used to estimate the number of migrants per generation (Nm) between populations.
- 2) Private alleles analysis: Slatkin (1985) developed a gene flow and Nm estimator based on the number of private alleles (alleles found only in one population).
- 3) Genetic distance methods: Genetic distance methods give an index of the degree of differentiation between pairs of populations (or taxa).
- 4) Phylogenetic analysis: Evaluating gene flow using phylogenetics requires knowledge of the phylogeny of nonrecombining segments of DNA (Hillis et al. 1996).

In addition to these indirect measures of gene flow, various direct measures are also available. For animals, standard mark-recapture methods and radiotracking can be used to detect current migrants (Wilson et al. 1996). Genetic fingerprinting of samples (hair, scat, feathers) collected non-invasively can also be used in a mark-recapture approach with the advantage that sampling can be done without handling or disturbing the animals (Kohn and Wayne 1997, Kohn et al. 1999, Taberlet et al. 1999, Woods et al. 1999). The assignment test is another genetic method that can be used to detect recent migrants when populations are genetically distinct and significant population substructure

exists (Paetkau et al. 1995, Waser and Strobeck 1998). The main drawback of these approaches is that they only demonstrate that the individuals are migrating and do not indicate whether the migrating individual has bred or will breed. To determine if migrant individuals are breeding, genetic analyses can be performed to determine paternity and maternity of offspring (Chakraborty et al. 1988, Craighead et al. 1995, Girman et al. 1997, Cruzan 1998). If no data exist on potential migrants, relatedness statistics can also be calculated to determine if a mating individual has genetic material very different from other individuals within the population (Queller and Goodnight 1989, Queller et al. 1993).

Presence and Degree of Hybridization. Hybridization between closely related taxa is a serious and commonly overlooked threat to biodiversity (Rhymer and Simberloff 1996). The prevalence of exotics as a measure of ecosystem integrity has been discussed under ecosystem level measures. An extension of this measure is to ask if the exotic species are impacting the ecosystem by hybridizing with native species. For example, hybridization between the introduced brook trout (*Salvelinus fontinalis*) and the native bull trout (*S. confluentus*) creates a significant reproductive sink for the less numerous bull trout (Leary et al. 1993).

A second cause of hybridization involves habitat modifications that bring 2 formerly isolated species into contact. For example, 2 species of native tree frogs in Alabama (*Hyla cinerea* and *H. gratiosa*) are isolated by mating behaviors associated with different structural components of ponds. Loss of emergent vegetation due to disturbance results in a breakdown in the reproductive barrier (Avise 1994). The extent of hybridization in plants may be even greater than in animals, where reproductive barriers are generally less stringent (Soltis and Gitzendanner 1999).

Under historical conditions, hybridization with true exotics should have been essentially zero. It may or may not be possible to determine the historical range of variability of hybridization in cases where habitat modification has broken down reproductive barriers, depending on the quality of historical data. Where they exist, reference areas can be used to estimate the historical range of variability of hybridization. For example, hybridization between *H. cinerea* and *H. gratiosa* occurs but is rare at unimpacted ponds compared with impacted sites (Avise 1994).

Detecting hybrids involves determining distinctive genetic signatures for species so that hybrids genetic signatures can be identified (Avise 1994, Hughes 1998). The direction of hybridization can be studied as well, using

molecular markers that are uniparentally inherited such as mitochondrial DNA and Y chromosome loci in animals and chloroplast DNA in plants (Avise 1994).

Evolutionary Distinctiveness. An evolutionary tree that describes the genealogical relationships that unite taxa is known as a phylogeny. Phylogeography is the process of mapping the phylogeny of individuals within a species on the landscape and provides managers with a powerful tool for conserving the evolutionary heritage of species (Avise 1987, Avise et al. 1987, Avise 1989, Avise 1992, Avise 1998). Practically speaking, the manager asks which populations are the most valuable in terms of preserving the genetic diversity of the species.

When a population is subdivided into 2 and kept relatively isolated over generations, allele frequencies in the 2 populations begin to diverge. Moritz (1994) suggested that when these frequencies become significantly different, the 2 populations constitute separate management units and should be managed independently. When a large number of generations have passed with very little exchange, allele frequency differences will be significant, and every individual in both populations will be more closely related to other individuals in the same population than to individuals in the other populations (a condition called reciprocal monophyly). Moritz (1994) suggested that such populations constitute separate evolutionary significant units (ESUs).

In mapping patterns of mitochondrial DNA diversity in the canyon treefrog (*Hyla arenicolor*) in the Southwest United States, Barber (1999) found 3 highly divergent evolutionary lineages that occupy distinct geographic regions. In fact, 1 of the lineages found in the Grand Canyon differs from the others by an astounding 13% and is more closely related to another species (*H. eximia*) than to other lineages within *H. arenicolor*. In general, conserving representative populations of each ESU should be the highest priority, followed by conserving representative populations of each management unit.

Because species in the same community have often been subject to similar climatic and geologic (biogeographic) forces, they may share similar phylogeographic patterns. Comparative phylogeography is the overlaying of multiple species' phylogenies on the landscape (Avise 1992, Moritz and Bermingham 1998, Moritz and Faith 1998). When there is a strong concordance among distinct types of taxa, it is likely that many unstudied taxa will have the same basic phylogenetic pattern. In this way, areas of especially high evolutionary value may be identified.

Phylogenetic distinctiveness at the depth of ESUs is classically determined by reconstructing phylogenetic trees

with sequence data from mitochondrial and nuclear DNA or allozymes (Waples 1991, Moritz 1994, Waples 1995). A finer scale resolution, to define management units for example, can be gained with allele frequency data (Moritz 1994). The techniques used for phylogeny estimation and phylogeography are beyond the scope of this report; Avise (1994), Hillis et al. (1996), and Molecular Ecology (1998) provided good overviews of the subject.

Evaluation of Mating Systems. The study of mating systems focuses on ways individuals obtain mates, the number of individuals with which they mate, and how long mates stay together. Modern genetic techniques are providing new insights into studies of mating systems due to their high resolution and accuracy (Hughes 1998). Recently a number of presumably monogamous species were redefined as polygamous using the increased resolution of genetic methods. These included eastern bluebird (*Sialia sialis*) (Gowaty and Karlin 1984), red-winged black bird (*Agelaius phoeniceus*) (Gibbs et al. 1990), and alpine marmot (*Marmota marmota*) (Goossens et al. 1998). For plants and other organisms capable of self-fertilization, genetic analysis provides a statistical method for estimating selfing and outcrossing rates (reviewed in Schemske and Lande 1985).

Mating patterns and systems often correlate with ecological factors and may change as environmental conditions are altered. In the red-winged blackbird, population density is significantly associated with decreased monogamy (Gibbs et al. 1990). The degree of monogamy was also associated with habitat quality in the alpine marmot (Goossens et al. 1998). Other environmental conditions that may alter mating systems are: a) hunting pressure that alters the sex ratio or dominance hierarchy of a population or b) a contraction of a critical resource that causes individuals to cluster during the breeding season. Thus, evaluation of mating systems is another potentially useful measure of ecosystem integrity.

Maternity, paternity, and relatedness analyses are used to evaluate and characterize mating systems. These analyses generally involve combining field observations with DNA multilocus fingerprint data to infer genetic relationships.

Population Trends and Bottlenecks. Monitoring population trends, and especially detecting drastic declines, will be important for managing focal species. When a population is reduced to a small number of breeders (bottlenecked), the allele frequencies between generations shift dramatically, creating a detectable genetic signal. Additionally, non-invasive genetic sampling can be used in conjunction with DNA fingerprinting to get minimum and mark-recapture population estimates (Woods et al 1999, Kohn et al 1999).

Another role of genetic census methods is in detecting cryptic bottlenecks, where the population size does not crash, but only a small number of individuals are contributing to the gene pool of the next generation. This is most common in highly fecund species like fish and amphibians and in species with a dominance hierarchy that limits breeding to a small number of individuals.

The use of DNA fingerprinting to estimate population size and trend is very similar to capture-based census methods, except that an individual's DNA, in the form of hair, scat, etc., is captured instead of the individual. Recent population estimates of brown bears (*Ursus arctos*), coyotes (*Canis latrans*), and cougars (*Puma concolor*) demonstrate some advantages of the approach (Kohn et al. 1999, Woods et al. 1999, Ernest et al. 2000).

Several genetic methods have been developed specifically for detecting population bottlenecks. The simplest approach is to monitor levels of heterozygosity across generations because heterozygosity will decline as the effective population size shrinks. However, the decline in heterozygosity is generally not drastic, and thus this approach is not powerful enough to be useful except in detecting severe contractions (Allendorf and Leary 1986, Luikart et al. 1998). More powerful approaches include evaluating: 1) allele frequencies over time (Luikart et al. 1999, Waples 1989), 2) the number of rare alleles (Allendorf 1986, Luikart et al. 1998), and 3) disruptions in the equilibrium between genetic drift and mutation (Cornuet and Luikart 1996, Luikart and Cornuet 1998). All 4 methods become far more powerful when highly variable codominant markers are used (e.g. microsatellites), sample sizes are at least 30, and bottlenecks are relatively severe.

Links Between the Genetic Level and Other Levels in the Hierarchy

The genetic level is closely linked to the species level. In fact, most of the genetic measures discussed are actually genetic properties of populations or groups of populations. For example, the evolutionary distinctiveness of a population compared to the species as a whole is property of that population, and historical levels of gene flow between populations were a characteristic of that assemblage of populations. Thus, the nested nature of species within ecosystems is not logically equivalent to the way genetic variation is a property of populations and species. The genetic level has been separated from the species level in this report largely to maintain methodological clarity. Managers will choose focal taxa at the species level to monitor and evaluate the genetic level of the hierarchy. In addition, accurately addressing questions at the genetic level is dependent upon collection of samples at the landscape scale. Many genetic

measures can be used to evaluate the effectiveness of the spatial distribution of populations that are responding to the arrangement of ecosystems at the landscape level. Thus, even at this finest level of biological organization, linkages exist across all the other organizational levels.

Genetic methods, such as non-invasive genetic sampling (Taberlet et al. 1999), can be used to collect data for performance measures at other levels of the hierarchy. Several of the genetic and species level performance measures are nearly synonymous. In fact, for some bird and mammalian species, all of the performance measures listed at the species level could be evaluated with genetic methods alone. For example, hair, feces, and feathers can be collected and the DNA can be used to determine: 1) presence/absence of species, 2) geographic range of species, 3) the abundance of species in different ecosystems, 4) sex-ratio within species, 5) the degree of immigration and emigration, and 6) population continuity. In other instances, the genetic performance measures provide a greater degree of resolution than that provided by the species level. They ask: How well do species, community, and landscape measures correlate with genetic performance indicators?

APPLICATIONS OF PERFORMANCE MEASURES

Use of Performance Measures at the Landscape, Ecosystem, and Species Levels: Ecosystem Management in Northern Minnesota

The full application of performance measures for ecosystem management at all levels of the organizational hierarchy requires that an appropriate ecosystem management process be in place. Boise Cascade Corporation (BCC) initiated an Ecosystem Management Demonstration Project in northern Minnesota. The Ecosystem Management Project was designed to allow BCC to function effectively while addressing regional biodiversity concerns and to demonstrate approaches and methodologies that can meet the objectives of ecosystem management in a flexible, sustainable manner. This project was an example of the application of performance measures ranging from the landscape level to the species level. The project was modeled after the process described by Haufler et al. (1996, 1999).

Boise Cascade's project delineated a landscape that corresponded to the section level as described by the National Hierarchy of Ecological Units (Cleland et al. 1997). The 2.5-million-hectare Northern Minnesota and Ontario Peatlands Section (NMOPS), as described by McNab and Avers (1994), represented an appropriate landscape for ecosystem management in northern Minnesota. Within this

landscape, information on historical disturbance regimes and resulting conditions was sampled, derived, or obtained. The fire history of the landscape had not been described in any detail; however, Marschner (1974) compiled and mapped vegetation information obtained from U.S. General Land Office survey notes for the period 1850–1905. A summary of historical vegetation types (Marschner 1974) within the landscape described a landscape dominated by conifer bogs and swamps and seral aspen-birch (*Populus tremuloides*-*Betula papyrifera*) stands succeeding to conifer communities.

Landscape Level: Comparing Adequate Ecological Representation to Existing Conditions

Once the landscape was delineated, an ecosystem diversity matrix was used to quantify and describe ecological complexity across multiple land ownerships within the NMOPS (Kernohan et al. 1999) (Fig. 4). The ecosystem diversity matrix for the NMOPS reflected both the potential natural vegetation of a site (habitat types, *sensu* Daubenmire [1968]), and the existing vegetation (vegetation growth stage described in terms of shade tolerance). The combination of vegetation growth stages and habitat type classes creates ecological units, which are represented as cells in the ecosystem diversity matrix. The ecosystem diversity matrix was section-specific (thus, it was unique to NMOPS) and represented the range of ecological units (i.e., ecosystems) on all ownerships within the section. The ecosystem diversity matrix provided the framework for a description of historical disturbance regimes, existing landscape conditions, conditions required to support biodiversity, potential future landscape conditions, and a classification scheme for species assessments (Hauffer et al. 1996).

The ecosystem diversity matrix was used to describe existing conditions in the NMOPS landscape by classifying current vegetation growth stages from stand inventory data and by modeling habitat type classes from general landscape attributes such as surficial geology, landform, and hydrography. Using information about the historical disturbance regimes operating on the landscape, the area of a given ecological unit in the ecosystem diversity matrix under historical conditions was estimated (Frelich 1998) (Fig. 4). For example, the rich, moist fir community included 9 vegetation growth stages including shrubs and seedlings, shade-tolerant and intolerant saplings, small trees,

and medium trees and shade-intolerant large trees (aspen and balsam fir, (*Abies balsamea*)). The rich, moist fir community was found to occupy approximately 189,876 hectares of the landscape, and historically, the shade tolerant medium tree stage made up 17–18% of this community. Thus, under historical conditions this stage or ecological unit occupied up to 18% of 189,876 hectares, or an estimated 34,178 hectares (Fig. 4). This represented reference conditions in amounts of this ecological unit.

Once historical conditions across the landscape were quantified, they were used as a reference point from which threshold levels for specific ecological units were calculated. Adequate ecological representation was considered a threshold set at 10% of the maximum of the range of historical conditions. Therefore, adequate ecological representation for the rich, moist fir; medium tree tolerant ecological unit would be met by maintaining 3,418 hectares (i.e., 10% of 34,178 hectares) across the landscape (Fig. 5). A specific landscape level measure would be to compare adequate ecological representation to existing acres of each ecological unit within the landscape. To continue the above example, the rich, moist fir; medium tree tolerant ecological unit currently occupies 7,431 hectares across the landscape. When the existing amount of this ecological unit is compared to adequate ecological representation, the landscape is above

Historical Range of Variability
Ecosystem Diversity Matrix (excerpt)

| Vegetation Growth Stages | Habitat Type Classes | | | | |
|--|----------------------|-----------------|--------------------|----------------|------------------|
| | Moist Fir | Rich, Moist Fir | Wet Fir/ Ash/Cedar | Wet Fir/ Cedar | Poor, Wet Spruce |
| Seedling/Sapling | 5-9% | 5-9% | 5-9% | 5-8% | 18-32% |
| Small tree | 12-20% | 12-20% | 8-14% | 12-19% | |
| Shade Intolerant Species → Medium tree | 7-10% | 7-10% | 14-18% | 13-17% | |
| Large tree | 3-5% | 3-5% | | | |
| Small tree | 1-2% | 1-3% | 7-9% | 6-8% | 15-23% |
| Medium tree ← Shade Tolerant Species | 10-12% | 17-18% | 19-20% | 17% | 21-23% |
| Large tree | 6% | | | | |
| Old growth | 25-51% | 24-29% | 20-42% | 19-42% | 22-46% |

Figure 4. Partial historical range of variability ecosystem diversity matrix for the Northern Minnesota and Ontario Peatlands landscape of northern Minnesota. Primary axes of the ecosystem diversity matrix describe site potential as depicted by habitat type classes and temporal stand dynamics depicted by vegetation growth stages. The intersection of both axes represents ecological units across the entire landscape. Percentages represent the range of each ecological unit by habitat type class historically occurring on the landscape.

Adequate Ecological Representation
Ecosystem Diversity Matrix (excerpt)

| Vegetation Growth Stages | | Habitat Type Classes | | | | |
|--------------------------------------|------------------|----------------------|-----------------|-----------------------|-------------------|------------------|
| | | Moist Fir | Rich, Moist Fir | Wet Fir/
Ash/Cedar | Wet Fir/
Cedar | Poor, Wet Spruce |
| | Seedling/Sapling | 343 | 1,709 | 437 | 295 | 4,313 |
| | Small tree | 762 | 3,798 | 679 | 623 | |
| Shade Intolerant Species → | Medium tree | 381 | 1,899 | 873 | 557 | |
| | Large tree | 190 | 950 | | | |
| | Small tree | 76 | 570 | 437 | 262 | 3,100 |
| Medium tree ← Shade Tolerant Species | Medium tree | 457 | 3,418 | 970 | 557 | 3,100 |
| | Large tree | 228 | | | | |
| | Old growth | 1,943 | 9,304 | 2,038 | 1,377 | 6,200 |
| Total area in class (ha) | | 38,090 | 189,876 | 48,510 | 32,775 | 134,777 |

Figure 5. Partial adequate ecological representation ecosystem diversity matrix for the Northern Minnesota and Ontario Peatlands landscape of northern Minnesota. Values, in hectares, represent 10% of the maximum historical range of variability for each ecological unit. Ecological units without a value did not occur historically.

this threshold level (Fig. 6), so that this particular ecosystem would not be identified as one of high restoration need.

Ecosystem Level: Assessing Ecological Unit Composition and Function

Ecosystem level performance measures assess whether or not stands within the landscape contribute to adequate ecological representation. In order for stands to contribute to adequate ecological representation, the existing conditions of an ecological unit should correspond to the historical range of variability of that ecological unit with regard to composition, structure, and function. Each ecological unit in the ecosystem diversity matrix was characterized through comprehensive vegetation sampling. Variables collected included species, diameter, height of all live trees and snags, percent canopy and understory cover by species, presence and description of coarse woody debris, and vertical strata by life form. Using information on existing conditions (e.g., diameter distribution), an ecological unit can be described and compared to expected historical conditions. For example, in the large tree, tolerant, rich, moist fir ecological unit, the mean number of large snags per hectare historically may have been 7 snags per hectare distributed in a clumped pattern. An appropriate ecosystem level measure would be to compare the existing number of snags per acre and their distribution within the ecological unit. If existing conditions were found to have 2 snags per hectare arranged in a random distribution, then

the large tree, rich moist fir ecological unit would not be within the historical range of variability for this ecosystem structural characteristic. Restoration efforts may then focus on developing more snags, in clumped arrangements.

Species Level: Habitat Potential Models Based on Habitat Quality and Quantity

Species-specific assessments were conducted to assess whether or not minimum habitat requirements were being met for pileated woodpecker (*Dryocopus pileatus*) and ruffed grouse (*Bonasa umbellus*), thus providing species-level performance measures. These 2 species were selected because of their known habitat requirements and the different successional stages the 2 species need. As a landscape level measure, habitat and home ranges can be used to assess population viability for individual species across the landscape, thus providing a check against adequate

ecological representation (Roloff and Hauffer 1997). For these 2 species, the number and quality of individual home ranges could be mapped for the landscape based on projected conditions including the estimated amounts of each ecological unit for adequate ecological representation.

Applying Performance Measures

This project was designed to conserve biological diversity and ecosystem integrity by providing an appropriate mix of ecosystems across the planning landscape. The objective of the habitat potential modeling was to check the coarse filter approach and provide a means of assessing performance measures at the species level. Three primary scales were used including the planning landscape (<2 million hectares), species home range (5–100's hectares), and the ecological unit (10–20 hectares). In addition, temporal scales addressed included historical time frames (300 years), the landscape planning cycle (100 years), and monitoring intervals (5 year cycles). Performance measures included adequate ecological representation at the landscape level, ecological unit composition, structure, and function at the ecosystem level, and habitat quality and quantity by home range for 2 species at the species level. Additional performance measures at all levels of biological diversity could be added to strengthen the evaluation of ecosystem management and ecological sustainability.

Example of Ecosystem Management Linkage at the Ecosystem Level: Southwestern Ponderosa Pine Restoration

Ecologists can make significant contributions to ecosystem management at the level of the ecosystem, even without having a larger landscape assessment. In many landscapes, ecosystems that have been subjected to substantial alteration or conversion are already known. Examples include long leaf pine ecosystems in the Southeastern United States, most prairie ecosystems across the Great Plains, and low elevation forest ecosystems in the Rocky Mountains. Covington et al. (1999) described how restoration at the ecosystem level could be approached relative to a reference to historical range of variability. This example describes how ecosystem ecologists in the Southwestern United States have identified ponderosa pine forests as ecosystems in need of restoration, and the types of research and management that can be conducted at the ecosystem level to address these concerns. Covington and Moore (1994a,b) and Covington et al. (1999) described the changes that have occurred in ponderosa pine ecosystems

in northern Arizona because of grazing and fire exclusion. They discussed the effects of these changes on the current disturbances operating within existing ecosystems as compared to the historical range of variability. Moore et al. (1999) described how they established 4 restoration trials to demonstrate and evaluate methods for restoring functional ponderosa pine ecosystems. They felt that such efforts were critical to maintain what they termed were evolutionary habitats that would continue to allow evolutionary processes for species that utilized ponderosa pine ecosystems.

Based on work by Swetnam and Baisan (1996) and others, Moore et al. (1999) and Covington et al. (1999) quantitatively described historical disturbance regimes for southwestern ponderosa pine, detailing a historical range of variability of high frequency, low-intensity fires over the last 300–500 years. They also described how this changed with Anglo-American settlement. Further, they described ecosystem composition and structure under historical ranges of variability, and how this has been altered in existing conditions, with much higher fuel loads and dramatically different fire regimes with current fires more infrequent and severe. They described both overstory and understory conditions.

With this knowledge of historical range of variability and the differences in existing ecosystem conditions, Covington et al. (1997, 1999) described a process to restore functional ponderosa pine ecosystems. In addition to composition and structure, Kaye and Hart (1998) reported on nutrient cycling in response to restoration efforts. The restoration trials described by Moore et al. (1999) documented a successful return to ecosystem conditions resembling those reported to have occurred under historical disturbance regimes.

Similar descriptions of needs in ponderosa pine ecosystems in other landscapes in the Inland West have been reported (Agee 1993, Crane and Fisher 1986, Steele et al. 1986, Everett et al. 2000). Harrod et al. (1998) modeled snag densities and distributions under historical ranges of variability in ponderosa pine forests in Washington State. They provided an understanding of the abundance and role of snags under historical conditions, which can provide insights to the needs of species that depended on these ecosystems.

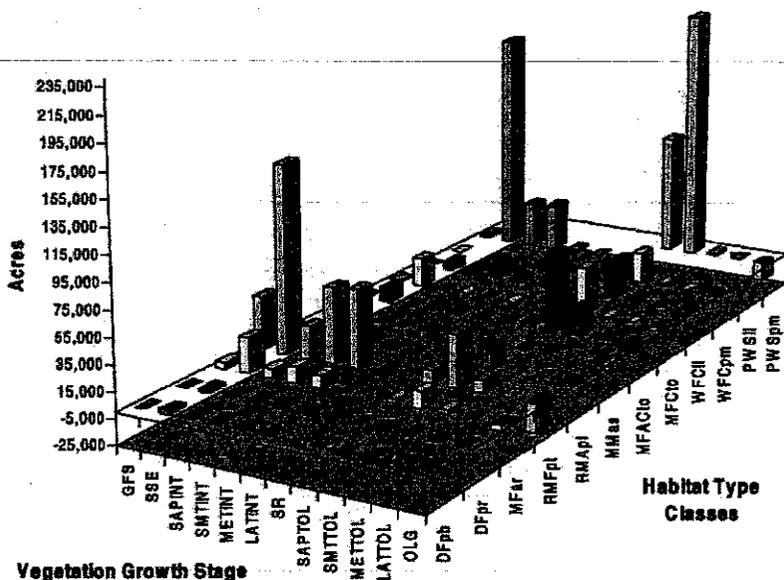


Figure 6. Difference between the amount of each ecological unit existing within the Northern Minnesota and Ontario Peatlands landscape currently and adequate ecological representation calculated as 10% of the maximum historical range of variability. A positive difference identifies ecological units that are currently above adequate ecological representation where a negative difference identifies those ecological units currently below the threshold. Rows in the matrix are the vegetation growth stages: GFS (grass/forb/seedling stage), SSE (shrub/seedling stage), SAPINT (saplings with intolerant species), SMTINT (small trees with intolerant species), METINT (medium trees with intolerant species), LATINT (large trees with intolerant species), SR (self-replacing stand with intolerant species), SAPTOL (saplings with tolerant species), METTOL (medium trees with tolerant species), LATTOL (large trees with tolerant species), OLG (old growth). The columns of the matrix are the habitat type classes: DFpb (Dry fir, jack pine), DFpr (Dry fir, red pine), MFar (Moist fir, red maple), RMFpt (Rich, moist fir, aspen), RMApi (Rich moist ash, balsam poplar), MMas (Wet maple, silver maple), MEACto (Wet fir/ash/cedar, cedar), MFCTo (Wet fir/cedar, cedar), WFCtl (Very wet fir/cedar, tamarack), WFCpm (Very wet fir/cedar, spruce), PWSll (Poor, very wet spruce, tamarack), PWSpm (Poor, very wet spruce, spruce).

These examples demonstrate the significant contributions and efforts to ecosystem management that can occur at the ecosystem level. While major ecosystem management contributions can occur at the ecosystem level alone, questions concerning how much restoration may be needed in a landscape, and what spatial arrangement of restoration efforts will provide the best results require additional information and assessment at the landscape level. Further, ecosystem level efforts can also make significant contributions to the needs of species, and to genetic level objectives.

Example of Ecosystem Management Linkage at the Species Level: Managing for Kirtland's Warbler (*Dendroica kirtlandii*)

A primary focus of many wildlife management activities is to maintain viable populations of species. These actions become critical for threatened and endangered species or candidate species. Often this task becomes problematic due to limited biological data, the characteristics of the required habitat, and the migratory status of the species. Yet, managers addressing species needs can contribute significantly to ecosystem management initiatives.

Maintaining and enhancing the status of a single species, or multiple species, can contribute to broader ecosystem management objectives. If the species has been limited by a loss of suitable habitat, then obviously some types of ecosystems that previously occurred have been lost. These ecosystems would undoubtedly be a focus for restoration at the ecosystem and landscape levels. By addressing the needs of a declining species, the loss of the broader ecosystem may also be addressed. Thus, while not addressing the full range of ecosystems, declining species may indicate those ecosystems most in need of attention.

In this example, we discuss conservation efforts for the Kirtland's warbler, a neotropical migratory bird species that is dependent on early successional stages of jack pine (*Pinus banksiana*) in the northern region of Michigan's lower peninsula. We used this species as an example since it portrays several management interests. For example, how do managers conserve a species that has relatively specialized and limited habitat and has been threatened by nest parasitism by the brown-headed cowbird (*Molothrus ater*) (Ryel 1981).

The management objective for the Kirtland's warbler, as stated in the Recovery Plan, is to "reestablish a self-sustaining Kirtland's warbler population throughout its known range at a minimum level of 1,000 pairs" (Kirtland's Warbler Recovery Team 1985). Meeting this management objective will allow the species to be removed from the Endangered Species List.

Managers responsible for conserving the Kirtland's warbler will need to stratify their efforts into wintering versus the breeding area because of the difficulties of making management decisions across international boundaries and the need to assess the historical range of variability within the unique ecosystems required by the species in each respective area. We will limit our discussion to the breeding range.

Kirtland's warblers require a specific set of habitat conditions, that of young (5–23 year old) jack pine produced by stand replacing fire (Nelson and Buech 1996, Probst and Weinrich 1993), where a majority (73%) of males identified in censuses have been found (Probst and Weinrich 1993). Although jack pine areas disturbed by fire provide the most suitable habitat conditions for the Kirtland's warbler, jack pine types not disturbed by fire also may provide less suitable warbler habitat. For example, Probst and Weinrich (1993) documented that a few Kirtland's warbler males were also found in habitat conditions such as plantations (11%) or in harvested, unburned jack pine stands that have regenerated (16%).

Because stand age is a critical nesting habitat attribute for Kirtland's warbler, managers must quantify availability of suitable nesting habitat. Five age classes span Kirtland's warbler habitat conditions pre- and post-occupation. These include: pre-occupation (<8-years-old), growth (8–11-years-old), level stage (12–17-years-old), decline (18–21-years-old), and post-occupation (>22-years-old) (Marshall et al. 1998). Having an understanding of the current amounts and distributions of jack pine age classes is critical for forest planning to provide quality nesting sites.

With this information, population and habitat thresholds can be established. This requires estimates of what constitutes a viable population (1,000 pairs) for the Kirtland's warbler, and the amount of habitat required to support this population size. Specifically, what minimum proportion of the planning landscape needs to be in suitable habitat conditions at a given time for the warbler to persist, how should this habitat be distributed, and how can the historical disturbances be restored to help provide threshold habitat conditions. If managers are going to be effective in meeting population and habitat management objectives for a species, it is essential that these types of thresholds be clearly established and periodically evaluated.

To aid in maintaining a viable Kirtland's warbler population, managers should understand how many evolutionary significant units occur within the breeding habitat. In this case, Kirtland's warblers appear to be only 1 evolutionary significant unit. However, evaluation of the population's

heterozygosity may be desirable to insure that a genetic bottleneck has not occurred when the population dropped to low numbers.

Species management can contribute to larger ecosystem management efforts. The decline of the Kirtland's warbler highlighted landscape changes that had occurred due to alteration of historical disturbance regimes and landscape patterns. The warbler, a stenotopic species, served as an excellent indicator of early successional jack pine communities. Meeting warbler viability goals should help address adequate ecological representation thresholds of these specific ecosystems. Thus, a species focus can make significant contributions to ecosystem management efforts even without an overall landscape assessment and coarse filter development.

Example of Ecosystem Management Linkage at the Genetic Level: Use of Museum Specimens to Investigate Historical Levels of Genetic Diversity and Gene Flow in Brown Bears

Several studies have employed museum specimens as a source of genetic information to examine evolutionary relationships among taxa and assess the degree of past anthropogenic impact. Most studies have focused on rare or endangered species. Examples that have yielded information directly applicable to management include the greater prairie chicken (Bouzat et al. 1998), the northern hairy nosed wombat (*Lasiornhinus krefftii*) (Taylor et al. 1994), the San Clemente Island loggerhead shrike (*Lanius ludovicianus mearnsi*) (Mundy et al. 1997), and the Laysan duck (*Anas laysanensis*) (Cooper 1996). We provide an example of current work by Waits and Miller using museum specimens of grizzly bears from Yellowstone to help guide the long-term management of this population.

Brown bears (regionally referred to as grizzly bears) are adaptable creatures with a historical range extending across Europe, Asia, and the western half of North America. Primarily due to human extermination, the brown bear in North America has been extirpated from approximately 98% of its historical range south of the Canadian border. All extant populations south of the 49th parallel are connected to a larger population north of the border except the population in the Yellowstone Ecosystem, which has been isolated since around 1910. Brown bears in this region were noticeably reduced by early hunters and trappers. Between the turn of the century and 1971, bears were concentrated because of the extensive garbage feeding that occurred in the park. With the closure of the dumps around 1970, human-bear conflicts increased and, as a consequence, the population declined from 250-310 in the 1960s to between 136-200 in the mid-1970s (Craighead et al. 1995). The population was

protected under the Endangered Species Act in 1976 and has grown since to a current size of between 400 and 800 individuals.

Paetkau et al. (1997) studied levels of genetic variation in extant brown bear populations from around North America using 8 microsatellite loci. At 55% heterozygosity, the Yellowstone population has significantly less genetic variation (69%) than the population in the North Continental Divide Ecosystem (NCDE) located several hundred kilometers north, populations in the southern Canadian Rockies (65%), or the large imbedded population in Alaska and Canada (75%). Historical accounts, museum specimens, and habitat considerations all suggest that there was gene flow in and out of Yellowstone. There is, therefore, no obvious reason why the bears of Yellowstone should have historically had lower levels of genetic variation. This led Paetkau et al. (1997) to hypothesize that the Yellowstone population once had considerably higher levels of genetic variation that it lost as a consequence of isolation and/or bottlenecks. If this scenario were accurate, a loss of 10-20% heterozygosity within a century would be serious cause for concern. Though the population appears to be stable or increasing now, stressors on the population are expected to continue increasing (e.g. decline of important food sources such as whitebark pine (*Pinus albicaulis*) seeds and cutthroat trout (*Oncorhynchus clarki*), as well as continued loss of habitat to development). There is empirical evidence of inbreeding depression in captive brown bears (Laikre et al. 1996), and population genetic theory generally predicts that recently bottlenecked populations are more likely to suffer the negative effects of loss of genetic variation than populations that have adapted to such a condition.

There are approximately 175 Yellowstone grizzly bear museum specimens from the late 1800s through the early 1970s. Using these as a source of genetic material, Waits and Miller are working to track levels of genetic variation in Yellowstone across time to address the questions: Were historical levels of genetic variation greater than modern levels? If they were, how rapidly and severely have they declined and what historical events caused these declines? This information can then be used to define an appropriate threshold for recovery of genetic diversity in the Yellowstone population.

If significant levels of genetic variation have been lost, how shall they be restored? The practical solution is to facilitate gene flow between the historically connected Yellowstone and the NCDE populations. In the current political and cultural landscapes, this movement will necessarily be artificial. How many individuals should be moved? The level of genetic differentiation between the modern NCDE

and Yellowstone populations suggests there were between 0.5 and 2 migrants per generation (Waits and Paetkau, unpublished data). However, if recent isolation and bottlenecks in the Yellowstone population have caused an accelerated divergence from NCDE, then these estimates are expected to be lower than the long-term evolutionary average. Using the genetic data from the historical population, we aim to estimate pre-impact levels of genetic exchange. This figure will be especially useful for establishing long-term management objectives for gene flow once the Yellowstone population has returned to its historical range of genetic variation.

SUMMARY

This report has described a hierarchical approach for performance measures for the ecological objectives of ecosystem management. While tackling the entire set of measures at all levels of the hierarchy may seem to be a daunting task, if we are to fully address the objectives of maintaining and enhancing biological diversity and ecosystem integrity, we need to implement ecosystem management and assess its success with a full array of performance measures. These ecological objectives are the cornerstone of ecological sustainability, so establishing a hierarchical framework of performance measures is a critical first step in assuring long term sustainability. However, the report also attempted to show how significant contributions to ecosystem management can be made even when addressing only 1 level of the hierarchy. We think that it is critical for natural resource managers to initiate collaborative ecosystem management efforts that will allow for implementation of ecosystem management across all levels of the hierarchy. Ecosystem management will require new levels of cooperative efforts across disciplines and across agencies, organizations, industries, and landowners. It will also require managers to step out of traditional roles and views and embrace new approaches including the review and understanding of new types of data and information. Ecosystem management offers the best solutions to many of today's complex natural resource management problems including managing in an ecologically sustainable manner. This report has been prepared with the goal of enhancing the implementation of effective ecosystem management.

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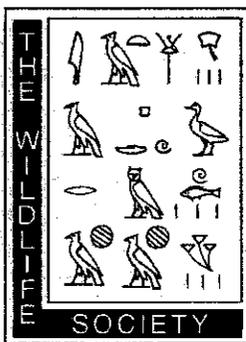
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THE WILDLIFE SOCIETY

5410 Grosvenor Lane, Suite 200, Bethesda, Maryland 20814

The Wildlife Society is the association of wildlife professionals dedicated to excellence in wildlife stewardship through science and education. The goals of The Wildlife Society are to: develop and maintain professional standards for wildlife research and management; enhance knowledge and technical capabilities of wildlife managers; advance professional stewardship of wildlife resources and their habitats; advocate use of sound biological information for wildlife policy and management decisions; and increase public awareness and appreciation of wildlife management. The Wildlife Society, founded in 1937, is a nonprofit organization whose members include research scientists, educators, resource managers, administrators, communications specialists, conservation law enforcement officers, and students from more than 70 countries.



Scott Althouse
<scotta@nezperce.org>
rg>

07/28/2003 05:35 PM
Please respond to scotta

To: stewardship@fs.fed.us
cc: Ira Jones <iraj@nezperce.org>, Rick Eichstaedt <ricke@nezperce.org>
Subject: Comments from the Nez Perce Tribe

USDA Forest Service
Forests and Rangelands Staff
Mail Stop 1105
1400 Independence Ave., SW
Washington, DC 2002401105

Re: Comments on Stewardship End Result Contracting

Thank you for the opportunity to comment on behalf of the Fisheries Department of the Nez Perce Tribe. In theory, stewardship contracting sounds like a viable policy that restores ecosystems through a collaborative approach. However, our experience with stewardship contracting in North Central Idaho was a total failure. The Nez Perce Tribe participated in the Meadow Face Stewardship Pilot Project on the Nez Perce National Forest (the Forest). The collaborative process yielded a range of alternatives to the Forest, all of which were deficit sales, i.e., there was no money to do the vitally important aquatic restoration work that the collaborative group put forward. The Forest answered the dilemma of the deficit sale by reducing the original 27,000 stewardship analysis area to a mere 600 acre stewardship contract! The remainder of the project area was then issued as a normal timber sale, and the restoration work identified therein is uncertain to ever occur.

A few specific comments to the interim guidelines. First, please clarify whether actual bids are required for stewardship contracts. In other words, does a local contractor need to bid enough money to cover road obliteration and soil restoration (the services) in addition to the stumpage value of the harvested timber (goods)? Or is no money exchanged, whereby local contractors simply need to know what the value of the goods are (the timber) in order to make sure the contractor can afford to accomplish all of the services? (road obliteration). At best, the interim guidelines appear to place the financial risk on the local contractor bidding the contract. One way to avoid this financial risk, is for the Forest to have appropriated funds to make available for potential contractors. Another option is for the Forest to split up the stewardship analysis into two steps, where a small timber sale generates sufficient money to cover the expenses of restoration work on the Forest.

Again, our experience with the Meadow Face Stewardship Pilot Project was very discouraging.

Sincerely,
Scott Althouse

CAET RECEIVED

JUL 30 2003

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H. Scott Althouse

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07/26/2003 12:13 PM

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<gbuckingham@fs.fed.us>, denis_williamson@blm.gov, "Joni
Quarnstrom" <jquarnstrom@fs.fed.us>
cc:
Subject: Comments to Stewardship Authority for the Federal Register - due July
28

(See attached file: 030728cover.letter.doc)(See attached file:
030724comments.to.federal.register.stewardship.doc)

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030728cover.letter.doc



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July 25, 2003

USDA Forest Service
Forests and Rangeland Staff
Mail Stop 1105
1400 Independence Avenue, S.W.
Washington, D.C. 2002401105

Subject: Stewardship End Result Contracting: 68 Federal Register.38285 (June 27, 2003)

Please accept the following comments on these Interim Guidelines:

While I laud Congress and the Department for their efforts in forwarding the concept of land management through Stewardship Contracting, I am concerned that these contracts will not be bondable by standard surety bond instruments because of their proposed length.

At this time, insurance companies will not support long term, non-cancelable bonds. Timber sales with terms that exceed three years are becoming more challenging to bond, even for established Purchasers.

These Interim Guidelines allow for contract length, which "may exceed 5 years but will not exceed 10 years" and, under **Section 10**, "...agencies may require performance and payment bonds in order to protect the government's investment..." Under Section 14, "stewardship contracting provides for multiple year contracts up to 10 years duration."

In order to ensure that the contractors who bid on these contracts can provide bonds to protect the government interest, I ask you to consider several options:

- 1) Provide for cancellation of a performance bond, with 90 days notice required, or
- 2) Provide for a definite-term contract with date-certain expiration of associated bonds, not to exceed a term of 3 years, with an option for extension of the contract with Consent of Surety.
- 2). Another option to consider is the use of a contract form known as *Indefinite Delivery Indefinite Quantity (IDIQ)*. Typically these contracts involve individual task orders that require separate bonds. Usually there is a minimum and maximum number of tasks to be awarded per year. No final bonds would be required until a "task order" was issued. A task order and the associated bond

would expire when that work was completed. Multiple task orders could be issued each year with the cumulative amount stipulated in the prospectus.

These types of contracts are very common with the Corps of Engineers. A variation of this approach was used in the proposed Monroe Mountain Stewardship project on the Fishlake National Forest, where each unit required a separate performance bond.

As the stewardship contract format is developed, as directed in **Section 7**, choosing the appropriate form of guarantee will become clear. Consistency in contract format and performance standards will be important to obtaining surety bonds.

I do not support the use of payment bonding for stewardship contracting as suggested in these guidelines. As I understand the premise for these contracts, the value of product utilization will offset the costs of the service work. Bonding is provided to guarantee the completion of the service work, not the payment of stumpage.

I also seek clarification regarding **Section 12**, which calls for "...multiparty monitoring" which will apparently evaluate accomplishments of these contracts. It is essential that these groups are not involved in determining adequate contract performance, as is guaranteed by the bonds. Only the government can hold this authority.

Thank you for the opportunity to comment.

Sincerely,

Elizabeth L. McGreer
President
McGreer and Company, Inc.
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(208) 746-7478

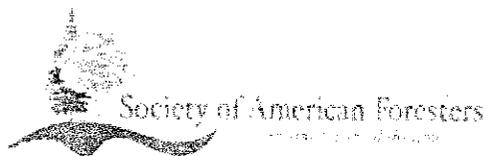


Rita Neznek
<NeznekR@safnet.org>

To: "stewardship@fs.fed.us" <stewardship@fs.fed.us>
cc:
Subject: SAF comments on stewardship contracting guidance

07/28/2003 05:59 PM

Thank you for the opportunity to provide comment. Please see attached.



Rita J. Neznek
Associate Director of Forest Policy
Society of American Foresters
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July 28, 2003

USDA Forest Service
Forests and Rangelands Staff
Mail Stop 1105
1400 Independence Ave., SW
Washington, DC 20024-1105

Dear Ms. Birmingham and Mr. Haske:

The Society of American Foresters (SAF), as the organization representing the profession of forestry across the country, would like to offer comments on the Department of Agriculture and Department of Interior *Interim Guidelines for Implementation of Stewardship End Result Contracting as authorized by sec. 323 of P.L. 108-7, the Consolidated Appropriations Resolution, 2003*, published in the *Federal Register* on June 27, 2003.

SAF supports the use of a variety of tools to achieve forest management objectives on our national forests and public lands. Stewardship contracting authority, first authorized as a pilot program in the fiscal year 1999 Interior Appropriations bill and since authorized for 10 years with an unlimited number of projects for both the Forest Service and the Bureau of Land Management, allows forest managers the use of innovative contracting methods in limited circumstances to achieve forest management and other objectives. The original authority for stewardship contracting authorized several mechanisms: best value contracting, the exchange of goods for services, designation of timber for cutting by prescription vs. description, multi-year contracting, and the retention of receipts. The pilot program, since first authorized, has also included a multiparty monitoring process that involves communities at the local level.

SAF is encouraged by the Forest Service and the Bureau of Land Management's efforts to expeditiously move forward with this expanded authority. This will allow the immediate implementation of a tool that has been tested and monitored for the past several years. Although the pilot program was not implemented to completion, we think this authority is both appropriate and necessary for certain projects.

We appreciate the opportunity to comment on this interim guidance both in written form and through the National Outreach Forum held in April. We are encouraged that the Agencies provided this opportunity even though public comment is not a requirement in the development of guidance. We encourage both Agencies to continue with this open public process throughout the implementation of this guidance.

We offer the following comments on the proposed guidance. Lack of comment on certain provisions does not indicate either support or objection to the provisions.

PRESIDENT

Jason N. "Jay" Kumeil, RF
Hattiesburg, Mississippi

VICE-PRESIDENT

John H. Bostert, F
President
Lampson-Tunnell, Inc.
Cortalla, Oregon

IMMEDIATE PAST PRESIDENT

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Arizona University
Tucson, Arizona



First, guideline number one limits the projects to be carried out under the authority to the “modification of vegetation” for purposes of improving forest and range health and resiliency. While we are not opposed to these goals, we would recommend against solely using the words: “modification of vegetation.” This language is more restrictive than the language in the authorizing legislation. It does not encompass projects such as road and trail maintenance or obliteration, culvert installation to improve water quality and fish habitat, or erosion prevention structure installation. These types of projects would meet the land management goals outlined in the authorizing legislation but would not be considered “modification of vegetation.” We believe that the intent of the authority provided in the Consolidated Appropriations Resolution of 2003 (sec. 323 of P.L. 108-7) was to allow these types of projects to be accomplished using the stewardship contracting authorities.

We support the provision in guideline number two that states the generation of revenue is secondary to the restoration goals of a project carried out under this authority. While we are not opposed to timber or non-timber forest products harvesting on our public lands that generates revenue and provides the valuable goods that communities and citizens need, we believe it is appropriate for this objective to be secondary as it applies to these authorities. It is possible to generate revenue and accomplish stewardship goals simultaneously. However, for the purposes of this authority, when this is not the case, we believe the Agencies should still move forward with the stewardship project, as this guidance would allow. When Congress authorized these authorities, the intent was to allow the Agencies another mechanism to accomplish stewardship projects when financial resources are limited.

We strongly support the intent of guideline number three which encourages the Agencies to seek public involvement and use open and collaborative processes in project development and implementation. Stewardship contracting not only allows the Agencies to use another tool to accomplish needed work, it also is a means to involve local parties and foster public trust in the Agencies. We encourage both the Forest Service and the BLM to continue with this collaboration and public involvement. While we understand the reasoning for including “as appropriate” in this guideline, we strongly encourage the agencies to use utmost discretion and strive to involve interested parties at the earliest possible stage, ensuring the call for early public involvement is not weakened by this language. The SAF strongly supports involving interested parties early in the process where needs and concerns can be voiced and properly addressed, informing decision makers before decisions are made. Both the Agencies and the public are better served with early public involvement.

We are encouraged by the inclusion of the need to accomplish the land management goals on a watershed or larger scale, and the integration of the stewardship contracting authority with existing authorities, as outlined in guideline number four. This will allow the Agencies to make the best use of these authorities without the restrictions of administrative boundaries.

We recommend clarification of Guideline number five. The authorizing legislation states that the Forest Service and BLM may collect any residual receipts pursuant to the Act of June 9, 1930 (46 Stat. 527, Chapter 416; 16 U.S.C. 576b); and *apply the excess to other authorized stewardship projects*. The language in guideline number five does not reflect the provision requiring the Agencies to apply the excess to other stewardship projects and without reference to

number seventeen, could be interpreted as receipts are to be deposited in the Treasury (as directed in the Act of June 9, 1930). Guideline number seventeen does offer direction in the use of receipts. Linking number five and number seventeen could serve to eliminate potential confusion.

We strongly support guideline number six as this is consistent both with the statutory language and is consistent with the authority that was utilized in the previous demonstration projects.

We strongly support guideline number eight which allows for the use of best value contracting based on certain performance criteria and also maintains the economical aspect of contracting. This provision offers the flexibility to acquire the best contractor to do the work, but still maintains the financial feasibility as part of the selection process. This section also allows the Agencies to consider benefits to communities, a provision that is extremely important for many forest dependant communities.

The intent of guideline number nine should be clarified. The authorizing legislation clearly states that the Agencies may apply the value of timber or non-timber products removed as an offset against the cost of services received. It is not clear whether guideline number nine holds the same meaning with the phrase: "allow for offsets to be utilized for other restoration treatments." To conform to the legislation we suggest further clarification of this section, specifically the words "other restoration treatments." The legislation allows for the use of offsets to pay for restoration treatments on that specific area where the harvesting occurred. Any excess would then supplement other stewardship contracting projects. This language seems to imply that a treatment does not have to be in conjunction with a stewardship project as long as it is a restoration treatment.

Guideline number ten allows the Agencies to collect performance or payment bonds. While we understand the need to collect such bonds to protect the public interest, we would encourage the Agencies to ensure these costs would not prohibit non-traditional contractors from engaging in stewardship contracting projects.

SAF supports guideline number eleven. Training both internally and externally is crucial to the success and effective utilization of this new tool. However, this training will require funding. As we understand it, there will be no new funding outside existing program dollars to support the stewardship contracting authority. The internal and external training will most likely require expenditures above existing levels or a cut in another aspect of the agencies' budgets. Because training is important, we urge the Agencies to work out a funding mechanism that will ensure this guideline is implemented properly.

Guideline number twelve also presents a funding dilemma. Multiparty monitoring, whether it occurs at the programmatic or project level, will inevitably require additional funding. Because monitoring and subsequent adaptive management are also critical to the success of this authority, we encourage the agencies to consider mechanisms to ensure funding is available. Also, we would recommend including a mechanism through which lessons learned through multiparty monitoring are utilized in an "adaptive management" approach. The legislation calls for an evaluation process, and while the guidelines do discuss the performance and workload measures

of the Government Performance and Results Act (GPRA) (number thirteen), we would also recommend including an evaluation process that will be useful for an on-the-ground adaptive management strategy that utilizes lessons learned with respect to the ecological, social, and economic costs and benefits of the stewardship contracting authority.

We strongly support the provision in Guideline number sixteen, which requires a separate tracking of the values of goods and the services received. This will ensure Agency accountability to the public, and could serve to minimize fears of misuse of this authority.

Guideline number seventeen clearly states any receipts generated under this authority are to be used for “direct on-the-ground project implementation.” While we understand the need to ensure control over the use of receipts, we are concerned with this restrictive language. In addition, Congress did not find it necessary to restrict the agencies to “on-the-ground project implementation” in the authorizing legislation.

Stewardship contracting is another tool that the agencies can use to accomplish forest management. Before projects can be implemented, the Agencies must also fund environmental analysis, administrative costs, and indirect costs. This stewardship authority is not a new program, but rather a means to implement existing programs. Because funds from these existing programs will be available, funds from receipts will not always be necessary for environmental studies, and other activities that are not classified as “on-the-ground project implementation.” However, restricting the agencies with this language could preclude moving forward with a project that will accomplish much needed work on the ground or otherwise detract from the success of stewardship contracting. With proper oversight and adaptive management, this restrictive language should not be necessary.

We believe guideline number eighteen will cause confusion and recommend clarifying how this standard relates to the guidance in number eight. This guideline requires full and open competition (a departure from the statute) and number eight allows the Agencies to consider benefits to local and rural community needs in awarding stewardship contracts. The full and open competition standard in number eighteen seems to contradict the direction given in number eight. While number eighteen does offer an exemption from this standard, it seems to diminish the legislative language that clearly states the agencies are to use the stewardship contracting authority to achieve the defined land management goals and meet the needs of local and rural communities. Full and open competition can at times be in the best interest of a community, unfortunately, this is not always the case and we encourage the agencies to defer to the legislative authority whenever necessary.

Finally, we note the guidelines do not mention the authority of designation of timber for cutting by prescription or description, as authorized in paragraph (c) (4) of the stewardship contracting legislation (sec. 323 of P.L. 108-7). This authority offers a way to reduce sale preparation costs and to more fully apply the concept of end-results contracting. Instead of requiring the agencies to mark individual trees for a timber sale, the agencies can instead prescribe desired end results and objectives, providing prescriptions or area designations in replace of federal designation and marking. This authority is useful in certain circumstances and should be maintained to ensure consistency with the authorizing legislation.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael T. Goergen, Jr.", with a stylized flourish at the end.

Michael T. Goergen, Jr.
Executive Vice-President, CEO



"James C. Biggers"
<aeronut@cableone.net>

To: stewardship@fs.fed.us
 cc: "James C. Biggers" <aeronut@cableone.net>
 Subject: Forest Stewardship

07/05/2003 11:09 PM

I advocate responsible stewardship of our National Forests.

This means,

1. no clear cutting unless scientifically justified
2. removal of excess fuel, including dead or dying trees of any size including "old growth" trees too close together for good health in the current drought including use of existing roads wherever possible to reduce damage to watersheds
3. Grooming or pruning of all drought-stricken or beetle-infested forests
4. Following advice of qualified, independent forestry and silvaculture experts
5. Limiting the appeal processes to 30 days
6. Requiring a bond from the appealers to cover potential damage due to wildfires that may result during the appeal process.

James C. Biggers
 2835 Willow Oak Road
 Prescott, AZ 86305



RECEIVE

JUL 31 2003

angelands

(406) 677-2201

379 Boy Scout Road • P.O. Box 549 • Seeley Lake, Montana 59861

July 23, 2003

USDA Forest Service
 Forests and Rangelands Staff
 1400 Independence Ave. S.W.
 Washington, D.C. 20024-1105

Dear Sirs:

RE: Stewardship End Result Contracting, RIN 0596-AC03, Federal Register/
 Vol. 68, No. 124/ Friday, June 27, 2003/Notices

Pyramid Mountain Lumber, Inc., a family owned small business located in Seeley Lake, MT, has participated in the Clearwater Stewardship Project and strongly supports the rules as written with one concern. Our concern is the elimination of SBA Set Asides with Stewardship Contracting. Nationwide it is true that small businesses have taken the risk and stepped up to the challenge of end results contracting and the associated uncertainty.

Our interest in the Clearwater Stewardship Project has been to not only provide raw materials, work for local loggers, truckers and contractors but, also to provide feedback on stewardship contracting in order to improve the process and produce a successful method of achieving Forest Service objectives on the ground – whether in the forests or in campgrounds. We believe large businesses will follow suit as stewardship contracting becomes more common place. Their resources would certainly put small business interests at an extreme disadvantage. Therefore, Pyramid suggests the minor word change shown below.

Under "Description of Interim Guidelines", page 38286, Number 8., second sentence: Rewrite to read, "The agencies may consider the benefits to local and rural community needs, and small business share when considering award of a stewardship contract on a best value basis."

Pyramid believes this minor change would at least insure some consideration of small business interests in the future. We appreciate the opportunity to comment on the interim rules and look forward to their implementation with our suggested language included. Should you have any questions or comments, please contact me at your convenience at (406) 677-2201 ext. 27.

Sincerely,

Gordon Sanders
 Resource Manager
 Pyramid Mountain Lumber, Inc.



Forest Products FAX

USDA Forest Service
Forest & Rangelands Staff
1400 Independence Avenue, SW
Stop Code 1103
Post Office Box 96090
Washington, DC 20250-1103
FAX (202) 205-1045



Environmentally Managed, Renewable Resources for America's Homes

Date: 7/31/03

From:

- Dick Fitzgerald (202) 205-1753, rfitzgerald@fs.fed.us
- Rex Baumbach (202) 205-0855, rbaumbach@fs.fed.us
- Darci Birmingham (202) 205-1759 dbirmingham@fs.fed.us
- Rod Sallee (202) 205-1766, rsallee@fs.fed.us
- Dick Zaborske (202) 205-1180, rzaborske@fs.fed.us

To: Mike Huske / Roger Poirier - Anne Jensen

FAX No: 452.7702 / 406.329.3080

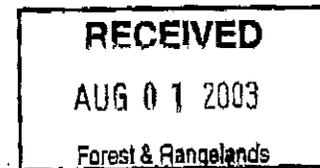
Comments:

Letter postmarked 7/23/03 arrived today

Total number of pages including this cover sheet: 3



SE-71



July 22, 2003

USDA Forest Service
Attention: Forest & Range Management Staff
Mail Stop 1105
1400 Independence Avenue, SW
Washington, DC 20024

RECEIVED
AUG 01 2003
CAET

Dear Forest and Range Management Staff,

The Utah Environmental Congress (UEC) appreciates this opportunity to comment on the development of a policy regarding stewardship contracting. We look forward to reviewing the final policy in the near future.

The UEC is extremely troubled by several aspects of both the proposed policy as articulated within the Federal Register Notice of June 27, and stewardship contracting as a concept. Traditionally, the timber sale program administered by the Forest Service has been fraught with failed record keeping and accounting problems and has cost taxpayers billions of dollars. In addition, the agency has demonstrated little discipline when it comes to the construction of timber roads that it could not afford to maintain to standards over the long-term.

Now that the Forest Service and BLM are jointly considering exchanging goods (i.e. timber) for services such as restoration work, accountability is a very real concern given the history just described. The value of timber or other products removed from the public lands and the value of the restoration work done to compensate for these products must be carefully accounted for. The Federal Register Notice refers to products which "will be appraised at fair market value", but the ongoing failure to demonstrate the timber sale program can generate any positive revenue demonstrates just how miserably the Forest Service has failed at selling timber at "fair market value." The public cannot now be asked to trust the Forest Service to exchange timber for services and receive reasonable and fair compensation in the form of restoration work in the bargain.

Therefore, any policy developed to implement stewardship contracting on a large scale must articulate a clear procedure to be followed in determining both the value of goods to be exchanged and the services to be received for those goods. Forest Supervisors and Regional Foresters must be provided clear mandates within the policy

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www.uec-utah.org

requiring accurate appraisals of that which is to be "sold" and that which is to be received in exchange for timber or other resources.

Currently, the Forest Service has an extremely difficult time determining the value of existing timber and tracking the money received for that timber. Stewardship contracting will require not only tracking on the sale end, but appraisals and record keeping for up to ten years to ensure the services received in exchange for timber and other products "pay" for the timber removed. This creates additional record keeping and monitoring requirements for agencies currently unable to meet existing accounting and monitoring requirements contained within existing law, regulation and policy. The new policy must therefore articulate not only clear mandates, but provide assurance both agencies will be able to meet these mandates in addition to their currently unfulfilled duties.

Because contracts will last for up to ten years, the policy must enable flexibility in the pricing of both goods and services. Should timber prices rise on the market, the value of services to be received over the life of the contract must rise as well. Similarly, if timber prices fall while the cost of delivering services continues to rise, the Forest Service and BLM will be asked to allow for reductions in services in return for the same amount of timber, with obvious consequences for the restoration goals the contract was intended to meet. Both agencies must articulate a policy that ensures the public receive a "fair" amount of service regardless of fluctuations in the timber or other resource markets.

The Federal Register Notice refers at several points to "multiparty monitoring" of stewardship contracts awarded under the new policy. Based upon the information provided, it is not exactly clear what either Congress or the agencies envision this concept to include. However, the Federal Register Notice does contain the following statement which raises significant concerns with our organization:

If supported by the local collaborative process, monitoring will be conducted at the project level, subject to available funding, and will be well coordinated among administrative units to ensure that the sampling of projects monitored is geographically diverse and represents the range of projects undertaken.

This statement provides two means of avoiding "multiparty monitoring" of stewardship contracts awarded by the agencies; a lack of support within the "local collaborative process or, a lack of "available funding." However, should one or both of these conditions not exist, "multiparty monitoring will focus on: a) The status of development, execution, and administration of agreements or contracts; b) The specific accomplishments that have resulted and; c) The role of local communities in development of agreement or contract plans." Actual monitoring of the resources impacted by execution of a contract are not directly mentioned and are only tangentially included under item "b" in the above list.

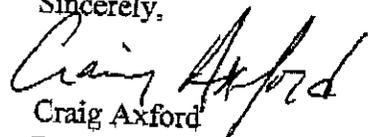
Should there be a lack of "collaborative" support, meaning we presume a lack of complete consensus regarding the merits of the contract in question, multiparty monitoring will not be required. Furthermore, even should such support exist, nothing indicates "multiparty" must include independent monitoring by groups or persons without a stake in the outcome of the project. "Multiparty" should be clearly defined to include at least one independent party not involved in the "collaborative process" that developed and implemented the stewardship contract. Indeed, to define "multiparty" in a way that includes monitoring by the parties with the greatest stake in the process is to build into the process the very lack of accountability and oversight that has plagued the current timber sale program for years. Because publicly owned resources are involved, the policy must not rely upon self policing by the stakeholders, but must impose a policy that mandates independent oversight in the name of preserving the integrity of the contracting process.

Finally, the Federal Register Notice in providing background information states stewardship contracting would be employed to "improve, maintain, or restore forest or rangeland health; restore or maintain water quality; improve fish and wildlife habitat; and reduce hazardous fuels that pose risks to communities and ecosystem values, reestablish native plant species, or for other purposes." The final policy should include no exception for "other" undefined purposes. This leaves the door open to the use of stewardship contracting for virtually "any" purpose. While our organization opposes stewardship contracting in any form because of the concerns articulated above, we are especially troubled when it comes to the use of this contracting method for unspecified purposes that may or may not involve restoration as the goal.

We urge the Forest Service and BLM to develop a policy that provides strong mandates and safe guards for both taxpayer's money and taxpayer owned resources. The policy must require any stewardship contract proposed to demonstrate the services received are of equal or greater value than the resources removed. If the policy cannot do this, we would argue it would not be in compliance with the Multiple Use and Sustained Yield Act, the Rangeland Renewable Resources Planning Act and other laws, regulations and policies mandating the management of the public lands for the good of the American people as a whole. Any policy that fails to safeguard against giving away resources for services of limited value, including provisions for strict independent oversight, will violate both the spirit and the letter of the several laws governing public land management in this country.

Thank you again for this opportunity to comment.

Sincerely,


Craig Axford
Program Director, UEC



1817 South Main Street #10
Salt Lake City, UT 84115



USDA Forest Service
Attn: Forest 3 Range Management Staff
Mail Stop 1105
1400 Independence Ave, SW
Washington, DC 20024

20250/1105





U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

SE-72

JUL 23 2003

Ms. Darci Birmingham
USDA Forest Service
Forests and Rangelands Staff
1400 Independence Avenue, SW
Washington, DC 20024-1105

RECEIVED
AUG 01 2003
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Dear Ms. Birmingham:

The U.S. Small Business Administration (SBA) is submitting its comments to Federal Register notice Vol. 68, No. 124/Friday, June 27, 2003, entitled Stewardship End Result Contracting.

These comments address item eighteen (18) of **Description of Interim Guidelines** which states: *"The use of full and open competition will remain standard operating practice and anything less than full and open competition will need to be documented and approved by the appropriate Regional Forester for the FS and the appropriate State Director for BLM"*. SBA is requesting that further clarification and guidance be provided in this item for Timber Sale Agents and Contracting Officers in the use of small business programs in awarding these Stewardship Contracting contracts. SBA recommends that the Contracting Officers and Timber Sale Agents be advised that before full and open awards are proposed, that the requirements in Federal Acquisition Regulation Part 8 *Required Sources of Supplies and Services*, and Part 19 *Small Business Programs* be addressed. SBA believes that the inclusion of these FAR requirements will ensure maximum practical participation by small business on these Stewardship contracts.

Should you have any questions or concerns you may contact David Loines of my staff at (202) 205-7311.

Sincerely,

Linda G. Williams
Associate Administrator
for Government Contracting

SBA IS AN EQUAL OPPORTUNITY EMPLOYER AND PROVIDER

U.S. SMALL BUSINESS ADMINISTRATION

Mail Code: *6700*
409 Third St., S.W.
Washington, DC 20416

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PENALTY FOR PRIVATE USE, \$300

AN EQUAL OPPORTUNITY EMPLOYMENT ACT



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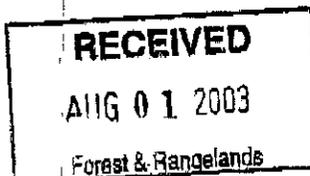
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Forest & Rangelands

DLB

Ms. Darci Birmingham
USDA Forest Service
Forests and Rangelands Staff
Mail Stop 1105
1400 Independence Avenue, SW
Washington, DC 20024-1105



SBA 1757 (11-90)


OWENS & HURST LUMBER CO., INC.


July 25, 2003

USDA Forest Service
 Forest and Rangelands Staff
 Mail Stop 1105
 1400 Independence Ave. S.W.
 Washington, D.C. 20024-1105

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CAET

Dear Sirs:

RE: Stewardship End Result Contracting, RIN 0596-AC03, Federal Register/Vol. 68, No. 124/Friday, June 27, 2003/Notices

Owens & Hurst Lumber Company, Inc., a family owned small business located in Eureka, MT, strongly supports the rules as written with one concern. Our concern is the elimination of SBA Set Asides with Stewardship Contracting. Nationwide it is true that small businesses have taken the risk and stepped up to the challenge of end results contracting and the associated uncertainty.

Under "Description of Interim Guidelines", page 38286, Number 8., second sentence: Rewrite to read, "The agencies may consider the benefits to local and rural community needs, and small business share when considering award of a stewardship contract on a best value basis."

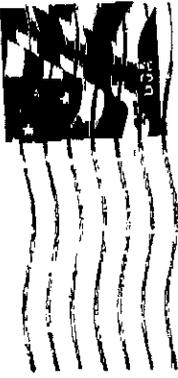
Owens & Hurst believes this minor change would at least insure some consideration of small business interests in the future. We appreciate the opportunity to comment on the interim rules and look forward to their implementation with our suggested language included. Should you have any questions or comments, please contact me at your convenience at (406) 297-3114.

Sincerely,

Keith Glover
 Resource Manager
 Owens & Hurst Lumber Co., Inc.

KG/IW

OWENS & HURST LUMBER CO., INC.
P.O. BOX 1316 EUREKA, MONTANA 59917



PLH

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AUG 11 2003
Forest & Rangelands Staff

USDA Forest Service
Forest and Rangelands Staff
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Washington, D.C. 20024-1105



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SE -74

Montezuma County Federal Lands Program

109 West Main St., Room 302
Cortez, CO 81321
(970)565-6061
(970)565-3420 fax

July 22, 2003

USDA Forest Service, Forest and Rangeland Staff
Mail Stop 1105
1400 Independence Ave., SW
Washington, DC 20024-1105

Reference: Stewardship End Result Contracting

Dear Darci Birmingham,

Below are comments regarding establishment of the Stewardship Contracting Program (SC). These comments have been compiled based on involvement with the existing pilot program locally with the San Juan National Forest and as a technical assistance provider and facilitator for the Pinchot Institute.

Programmatic Monitoring

The existing National Team, formed for monitoring the pilots, could be enlarged and its membership made more diverse. It could continue to play a synthesis role with regional input.

Some form of the existing Regional Teams could continue.

- Team would primarily analyze SC process and contract use
- Take away the responsibility of assessing each project in any detail. There will be too many as the program advances. (This monitoring should focus on programmatic issues, but in some cases, that will include project monitoring as a means of understanding issues and outcomes.)
- Shift role to providing support down to communities and Districts
- Primary role would be networking, general assistance, identification of problems and overall projects effects monitoring
- Meetings would rotate around the region with a focus on bringing local interests and participants together in a workshop, learning format
- At some point, National and Regional programmatic monitoring will begin to have diminished value. Therefore, the agencies could set a tentative sunset date and evaluate as needed.

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Collaboration

Project by project collaboration should not be mandatory but should be strongly encouraged with local interest groups. It should also be recommended to begin a collaborative process in the planning stages of a project. The Southwest experience is that on larger scale projects collaboration or partnership building is highly valuable.

Contract Instruments

While it looks as if a new contract instrument is under development, it makes sense to use existing clauses and instruments that have been successful in other regions as well. Procurement is the most likely area to originate these instruments.

Flexibility and trust are always discussed relative to implementation of SC. One contract should be utilized that allows for this as well as an RFP process where agency outlines needs and contractors bring their tools and abilities to the table. The contractor should have the flexibility to balance his markets and technology.

Mechanisms that separate "the logger from the log" by decking to sell later are less desirable than traditional methods. It significantly increases the costs of stewardship and diminishes the contractor's ability to fully utilize product.

There should be some standardized clauses for use in a SC that make appropriate usage transparent. Training should help staff understand when it is appropriate to turn an "off the shelf" sale into a SC.

- A standardized approach to NEPA helps produce better documents. This is being done with some success in R3 and R4. It is more strategic approach.
- For more efficient USFW consultation projects should be batched.
- Keep statistics of acres planned and treated as benchmarks
- A mechanism of "Land management credits" could be developed that would allow the contractor/purchaser to earn "credits" for stewardship work, and the "credits" could be used as payment for products.

Receipt Retention

Centralize and distribute funds at the Forest level. Districts don't have adequate accounting mechanisms to track funds. Don't pool sizeable amounts. Rulemaking in this area would keep people out of trouble.

Priorities might look like this:

- 1- Reforestation
- 2- monitoring/record keeping
- 3- Stipends for volunteer time

Make a list of appropriate activities in the handbook, much like KV.

Training

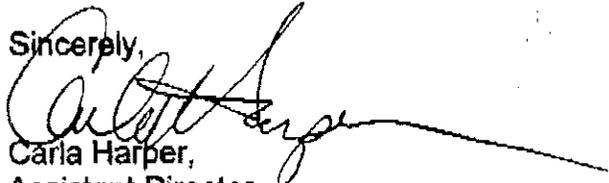
Multiple training opportunities must be developed and required for all CO's and foresters using SC. Understanding the appropriate laws, when to use the SC, and development of a SC should occur in a face to face setting. The NPI Training that Bill Wickman is involved in could be adapted. Videos and websites could be used to share the various contracts/clauses and to provide examples of how to use the various authorities and how to interpret the guidelines.

Guidelines

Rule Making versus Guidelines: Acquisitions does not like the unknown. They want rules. Rules will need to establish when FAR takes precedence over the legislation and on receipt retention. Utilize guidelines to the greatest extent possible. Again, flexibility is a key to success.

Make signing authority as local as possible.

Sincerely,



Carla Harper,
Assistant Director

74

Montezuma County
 Board of Commissioners
 Administration Office
 Room 302 - Courthouse
 109 West Main Street
 Cortez, Colorado 81321-3189
 (970) 565-8317

Handwritten signature

Steve Birmingham
USFS

Wild Horse 1105
1000 Independence Ave
821

Washington DC
2024-1105

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U.S. FOREST SERVICE



Forest Products FAX

USDA Forest Service
Forest & Rangelands Staff
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Washington, DC 20250-1103
FAX (202) 205-1045



Environmentally Managed, Renewable Resources for America's Homes

Date: 8/22/03

From:

- Dick Fitzgerald (202) 205-1753, rfitzgerald@fs.fed.us
- Rex Baumbach (202) 205-0855, rbaumbach@fs.fed.us
- Darci Birmingham (202) 205-1759 dbirmingham@fs.fed.us
- Rod Sallee (202) 205-1766, rsallee@fs.fed.us
- Dick Zaborske (202) 205-1180, rzaborske@fs.fed.us

To: Roger Poirier, Missoula CAT

FAX No: 406.329.3080

Comments:

Here's a letter postmarked 7/23/03
that I found in my inbox today

Total number of pages including this cover sheet: _____

SE-75

6528 S. Piney Creek Circle
Centennial, Colorado 80016
www.WildernessRangers.org



Telephone: (303) 693-6183
Facsimile: (303) 690-5903
Info@WildernessRangers.org

July 23, 2003

USDA Forest Service
Forest and Range Management Staff
Mail Stop 1105
1400 Independence Avenue, SW
Washington, DC 20024-1105



Re: Stewardship Contracting
Stewardship Interim Guidelines 323 of P.L. 108-7

Gentlemen:

I have reviewed your news release and have read your "Stewardship End Result Contracting" publication in the Federal Register. I am most pleased with your continuing efforts to enhance the health and proliferation of our public Forests, waterways, wetlands and wildlife.

Our primary area of interest is that of the health of our public forests, both state and national, and the wildlife they support. I would like to suggest some points of clarification to your Interim Guidelines, as requested in your solicitation for public input.

A. The Stewardship Contracting Program should remain separate from the current Timber Sale Program. The Timber Sale Program should not be a part of the current Healthy Forest Initiative under consideration. Thinning of our National Forests is not necessarily a good means towards the Bill's goals. Thus, the commercial timber industry should not benefit from this Initiative.

B. Stewardship Contracting Projects should be prioritized for the benefit of our natural resources and the economy of local communities impacted by such, as follows:

1. Clean-up backcountry forests and waterways and keep them open for public recreation. Public recreation is vital to the economy of local community, both urban and rural.
2. Reduce hazardous fuels in public forests. Hazardous fuels consist primarily of downed and decaying timber. This material has little if any market value, yet it is the primary fuel for catastrophic forest fires. There

is currently an over abundance of downed timber in most forests throughout the United States.

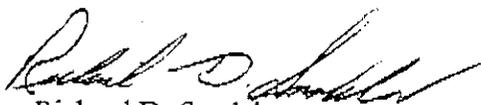
3. Eliminate noxious and/or alien vegetation within our public forests and rangelands. Our native, indigenous vegetation can neither compete with nor control noxious weeds.
 4. Re-vegetate public forests and rangelands with native vegetation. Many areas of our public forests and rangelands have become sparse due to the last few years of drought and from overgrazing of domestic livestock.
 5. Disease and insect control of our public forests and rangelands.
- C. Articles 3, 4 and 8 of your Interim Guidelines should be clarified to provide that Stewardship Contracting opportunities shall be made available at the local and regional levels. Emphasis should be given to soliciting stewardship contracting opportunities with the private business sector. History has proven, through numerous departments and agencies of the Federal Government, that contracting with private business is more efficient and economical. Reasonable efforts should be made to solicit competitive bids from private business within the region or general locale of a proposed Project.

In addition, priority should be given to contracting with not-for-profit, charitable organizations where and when available. Projects requiring on-the-ground, hands-on efforts should take priority of funding to those of planning and research. Our agencies are well qualified to plan the enhancement of our public forests. Independent Stewardship Contractors are needed to execute those plans. Both for-profit and not-for-profit businesses should be encouraged to solicit and engage local volunteer groups to assist with manpower and materials.

- D. Both the USDA FS and DOI BLM should accept and entertain unsolicited proposals from interested prospective Stewardship Contractors. On many occasions, unsolicited proposals will provide insight and foresight to problems not considered by our agencies. Contracting opportunities for such unsolicited proposals should be made available.

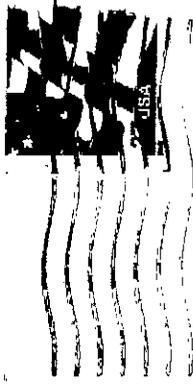
Thank you for allowing interested parties the opportunity to provide input into the Interim Guidelines to further your abilities to develop a Final Stewardship Contracting Policy.

Respectfully,
WILDERNESS RANGERS



Richard D. Snedeker
President

Wilderness Rangers
6528 S. Piney Creek Circle
Centennial, CO 80016



GR

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Environmentally Managed, Renewable Resources for America's Homes

Date: 8/25/03

From:

- Dick Fitzgerald (202) 205-1753, rfitzgerald@fs.fed.us
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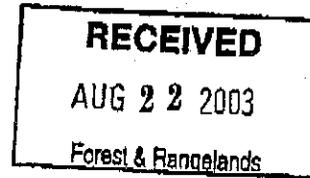
Comments:

3 more letters we received last Friday,
All 3 are postmarked prior to 7/28/03

Total number of pages including this cover sheet: _____



SE-76



July 25, 2003

USDA Forest Service
Forests and Rangelands Staff
Mail Stop 1105
1400 Independence Avenue, SW
Washington, DC 20024-1105

Dear Sir/Madam:

On behalf of America's 3,000 conservation districts, I would like to thank you for developing interim guidelines for entering into the stewardship contracting projects and providing the public an opportunity to comment. Conservation districts have been working with the Forest Service and BLM for a number of years in their efforts to maintain the health of forest and rangeland systems. NACD also supports efforts to use the capabilities of contractors to achieve broad goals of stewardship contracts including trading services to achieve FS Management goals. It is an innovative approach to achieving public goals.

Conservation districts support stewardship contracting and other projects wherever stands of trees require thinning to maintain a healthy, viable forest and to limit the amount of hazardous fuel that can result in devastating wildfires. We strongly support collaboration with local communities including conservation districts in identifying land management goals and activities that would be included in a stewardship contract. We support developing these plans on a watershed basis and including a monitoring component to ensure management goals are being met—and not abused.

Again, thank you for the opportunity to comment. Please contact us if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads 'Charles A. Holmes'.

Charles A. Holmes
Chair, NACD Forest Resources Committee



National Association
of Conservation Districts
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