

**REVIEW OF USDA FOREST SERVICE
COMMUNITY-BASED WATERSHED
RESTORATION PARTNERSHIPS**

APPENDIX A

Reviews of Watershed Projects

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BLUE MOUNTAINS DEMONSTRATION AREA **Completed Winter 2002**

Overview and Summary

The Blue Mountains Demonstration Area (BMDA) was initiated through an agreement between Oregon Governor John Kitzhaber, Chief of the Forest Service Mike Dombeck and Assistant Secretary of Agriculture Jim Lyons in June 1999. The key drivers behind the establishment of the BMDA were local community groups and governments who were concerned about the economic, social, and environmental risks facing their communities. The BMDA was selected as a large-scale watershed program demonstration area because its watersheds are considered high priorities for restoration, its communities are considered to be at risk economically and socially, and because of the demonstrated support for restoration that exists. Several ecological assessments, including those conducted by the Governor and the Interior Columbia Basin Ecosystem Management Project (ICBEMP), identified the Blue Mountains as an area of poor aquatic and forest health where wildlife, fish, water quality, recreation and forest resources are at risk from wildfires, forest insect and diseases, noxious weeds and roads. ICBEMP also considers several local communities to be at risk due to their natural resource dependency.

The BMDA includes approximately 1.6 million acres of federal land, and 1 million acres of state, tribal and private lands located in the Middle Fork of the John Day River, Desolation Creek and Grande Ronde watersheds. Fifteen communities are directly affected. There are ten federally listed threatened or endangered species and thousands of miles of Clean Water Act water-quality-listed streams. Lands ceded to the federal government by Confederated Tribes of the Umatilla Indian Reservation, the Nez Perce and Warm Springs Tribes, where the Tribes retain rights and interests, are included. Portions of eight Ranger Districts on the Malheur, Umatilla, and Wallowa-Whitman National Forests, and BLM's Baker Resource Area are within the project's boundaries.

The four project goals are to: 1) Restore forest health; 2) Restore watershed health; 3) Reduce risk of catastrophic fire; and 4) Produce benefits for the community.

The BMDA Can Claim A Number Of Achievements:

- A charter is now in place and has been agreed to by all of the partners.
- A single unified management and restoration plan is emerging for the region.
- Over 280 on-the-ground projects have been completed.
- Increased coordination has evolved among the three National Forests and the other public and private entities involved.

- Project prioritization has been completed.
- Efforts have been made to streamline the NEPA and ESA consultation processes.
- Some innovative work has been accomplished on private lands.
- Contracting provisions have been changed to benefit local workers.

At the Same Time, the BMDA Faces a Number of Challenges:

- There are sharp differences between federal and non-federal governmental entities and between governmental and private/non-profit partners regarding the progress and success of the BMDA to date.
- Forest Service employees universally believe the program has been very successful. Most governmental partners outside of the Forest Service believe the program has achieved some success, but feel much more can be achieved, especially in addressing the concerns of non-governmental partners. Yet, many private, non-profit, and local government partners question how much the project has actually achieved over and above what additional funding would have normally produced, and/or feel the demo is at best "marginally successful." A few even believe the project is close to failing.
- Many people voiced confusion over the project's purpose, vision, and strategies, frustration over the lack of timber and local jobs produced, and say that outreach, communication, and leadership are weak or very poor.
- Despite these concerns, almost all of the government, private, and non-profit partners firmly believe the BMDA should continue and that much would be lost if it were ended.
- Some of the partners believe the past few years have been a ramp-up and investment period, which will soon reap significant returns. Others believe that despite its weaknesses, progress has been made in some important areas and these benefits would be lost if the program were discontinued.
- Many USFS personnel, however, seem to hold a different view. Most agency personnel said the project has produced significant outcomes. At the same time, a number of these people said the new approaches being used in the BMDA have been incorporated into general Forest Service policy and procedures and would therefore continue without a special designation.
- A number of agency personnel voice concerns that funds specifically earmarked for the BMDA affect funding, decision-making, and morale within other National Forests.
- For these and other reasons, many Forest Service personnel either question the continued need for the BMDA, believe it should be modified in some way such as being merged with other programs or with the Oregon plan for salmon and watersheds, or simply be allowed to fade away.

- The different views may result, in part, from the disappointment that still lingers over the failure of the BMDA to produce the timber and jobs that many local people believe were promised.
- It also appears that the Forest Service has yet to successfully engage all of the key players in the development of a common vision, goals, and strategy for the BMDA, and is struggling to determine how to work effectively with non-government partners.
- It does not appear as though an effective governance structure and decision-making system, specifically designed to meet the unique needs of the partners, has been established.
- The failure to streamline the NEPA and ESA consultation processes has also generated cynicism about the commitment to innovation that many people believe is needed for the BMDA to achieve its multiple goals.

As a Result of These Findings, We Conclude That:

- The high degree of civic capacity in the Blue Mountains area (e.g. non-profits, local governments, private sector players) has been critical to the start-up and current success of the BMDA--and will be the key to the future success of the demo. Relationships with non-governmental partners should be nurtured.
- Although misconceptions over the project's initial goals remain strong, they seem to be fading some, which may offer an opportunity to generate greater agreement on vision, goals and strategy and develop more effective governance structures and systems.
- Despite the concerns that exist, there is almost universal support among Forest Service field staff and all other governmental and non-governmental partners for continuing the BMDA.
- Conversely, there is great fear among all partners that ending the BMDA would be a serious setback because it would allow old habits to reemerge.

Based on These Conclusions, We Recommend That:

- The Forest Service increases its emphasis on understanding the needs and perspectives of non-governmental partners through shared partnership efforts. This may require a substantial increase in collaboration and involvement with non-federal partners.
- The governance structure and system be adjusted to allow for a more effective decision-making process and balance of power between federal and non-federal partners.

- To enhance the governance structures and systems, it may behoove all of the BMDA partners to spend time now re-clarifying the project purpose, vision, goals, and strategy, and to re-clarify the rules of engagement.
- Once the project vision, goals, and strategy are re-clarified, a comprehensive relentless communication plan should be implemented to explain these elements to the community.
- The BMDA should institute a specific program to clarify the limits and flexibility allowed within existing laws and internal agency policies.
- Continue efforts to develop a streamlined budgeting system to provide more flexibility in the type of projects funded, encourage interdisciplinary work, and allow projects to get out the door more rapidly.
- The Forest Service should consider adopting outcome-based employee performance measures and job incentives to encourage their employees to work in partnership.
- Consideration be given to adjusting the BMDA boundaries.
- Greater use be made of the Wyden Amendment.
- Funding levels be increased by leveraging existing dollars with new dollars and through other strategies.

Successes

- **Progress Has Been Made on at Least Two Out of the Four Initial Major Project Goals**

Many people we interviewed felt that the project had, to a large extent, made good progress towards achieving goals one and two (restore forest health and restore watershed health). There is much less confidence that progress has been made in addressing goal number three (reduce risk of catastrophic fire). Few people outside the Forest Service believe much progress at all has been made with goal four (produce benefits for the community). Goal four is the area of greatest disappointment. Making significant progress on two out of four goals in a relatively short time span could be considered a significant accomplishment. People from within and outside of government warned, however, that the lack of progress towards goal four would ultimately doom the entire project because without progress, community support for the BMDA will evaporate.

- **Expansion to the Landscape Level Provided a Context For the Development of a Single Unified Plan**

Many people commented that the designation of the BMDA forced people from different agencies and geographic regions and with different responsibilities and interests to work together to forge agreement on a single objective and to implement a unified strategy. This is new for this area. Prior to the start of the BMDA, each National Forest and each of the other project partners pursued their own goals. The development of a landscape-level planning horizon helped to involve multiple public, private and non-profit entities in the development of a single plan. Now, all of the agencies and entities have a common plan to work from.

- **The Special Designation Put a Spotlight on the Demo, Which Helped to Focus Attention, Target Resources, and Unleash Innovation**

People from within and outside of government said the demo put people and agencies in the spotlight, which helped to focus and target money, staff time, and other resources towards one "special place." For example, although \$2.8 million of additional money was available in 2001, this is just a fraction of the \$70 million or so combined budgets of the three National Forests involved, the spotlight created by the designation targeted these limited resources to specific locations within the Demo for the highest and best use. In addition, many individuals within the Forest Service said being in the spotlight allowed agency staff to innovate in a number of ways, even if the general public does not see the different mindset and activities that have resulted. For example, despite many procedural problems, Forest Service district staff worked very aggressively to get Wyden Amendment dollars to the Oregon Department of Forestry for on-the-ground work. The Demo also seems to have provided an opportunity for a number of USFS employees to reinvigorate their focus on landscape-level restoration and partnership building.

- **The Forest Service Has Significantly Increased Its Capacity to Work in Partnerships-Especially With Other Government Agencies**

In keeping with the point above, the involvement of numerous federal, state and local government, private, and non-profit entities in the development of a landscape-level plan has increased the agency's understanding of the need for, and value of, partnerships. Almost every government employee we spoke with said the partnerships that have been developed are the most successful outcome of the BMDA so far. Governmental partners feel that the coordinating council is working well.

- **As a Result of the Partnerships, Priority Watersheds Have Been Identified and the Prioritization Process Is Now Extending to Private Lands**

For the first time, priority watersheds have been identified on the forests and region and people throughout the Demo area know what the priority watersheds are. Many existing assessments (e.g. upper Grande Ronde water quality assessments) were used to accomplish the prioritization; so many people have a stake in how the process is used. Watershed analysis has started on private lands which, when completed, will allow whole-basin planning to occur.

- **The Project Produced a Number of Tangible Outcomes**

286 projects have been completed (see the 2001 Annual Report for more detailed information). Many people--especially those within the federal government--felt this was significant.

- **The Wyden Amendment Allowed Priority Projects to be Completed**

The project has been able to use the Wyden Amendment on a much wider basis than ever before to complete priority watershed projects. 26 projects have been funded (over \$800,000) through the Wyden Amendment and State and Private Forestry authorities. This type of work has never been done at this scale before. The Forest Service's State and Private Forestry program in Portland has done an excellent job of finding ways to innovate and to get the dollars out the door in a timely manner.

- **Efforts Have Been Made to Streamline the NEPA and ESA Consultation Processes**

The need to streamline the NEPA and ESA consultation processes has been driven by community groups that want projects to proceed more rapidly to generate jobs and benefits for communities. The BMDA coordinator helped to facilitate a process which eventually led the National Marine Fisheries Service to open a local office in La Grande, OR. One outcome is that the local presence of NMFS, the streamlined process offered through the National Fire Plan, and other steps have reduced the consultation process a bit. A template for consultation is in development with the hopes that it leads to better coordination and efficiency. Steps have also been taken to increase the efficiency of

surveys such as the idea of completing an overall carnivore survey rather than the traditional approach of separate surveys for lynx, then fox, etc.

- **Stewardship Contracts Have Been Developed to Benefit Local Workers and the Environment**

The concept of a *Stewardship Contract* embeds timber sales within a larger package of work specifically designed for local contractors. The Forest Service traditionally utilizes two types of contracting procedures: service contracts are used to pay contractors to perform specific tasks for the agency, and timber sales contracts are used when a private contractor pays the agency for board feet of wood harvested. Restoration, however, requires a blend of the two contract types: salvage and thinning sales embedded in service contracts. The stewardship contract idea was in the pipeline before the BMDA was initiated. However, the existence of the BMDA put a spotlight on the Blue Mountains region and on the difficulties of the Forest Service contracting procedures. Initially, Forest Service contracting officers were not fully aware of the authorities they had to develop these types of bundled contracts. At the urging of a local non-profit, Wallowa Resources, the BMDA coordinator organized a contracting steering committee, which worked with the USFS contracting office to identify the opportunities and barriers to stewardship contracts. This proved extremely helpful and a number of stewardship contracts and local jobs have resulted.

- **A "One Time Entry" Process Has Been Developed**

The focus on innovation within the Demo allowed the Oregon Department of Forestry to develop the concept of "one time entry" which allows a mix of commercial and non-commercial activity to occur during a single entry into a timber site. This increases resource and cost efficiencies and leads to better environmental outcomes.

- **In Sum, Despite Differences of Opinion, Every Government Official and Most Non-Governmental Partners Believe the BMDA Has Produced Important Outcomes, Has Significant Potential, and Should Be Continued**

Although people voiced concerns over various issues (see below), our research found that all governmental and most private and non-profit partners believe that the outcomes achieved to date have been important. Many people said they have come to realize how difficult it is to make changes in a large government agency--especially given the legal and funding constraints the Forest Service now works under. Even more important, almost everyone we spoke with said they have come to realize that significant potential exist to achieve even greater benefits in the near future. For these reasons, we found almost universal support for the continuation of the BMDA. Most people said withdrawal of the special Demo designation would be a serious setback.

Limitations/Obstacles

One of the most interesting aspects of the BMDA is that for every success we found, there is an alternative view. Indeed, of all of the large-scale watershed projects we reviewed, the BMDA seemed to have some of the largest contrasts in views over issues.

- **The Initial Start-Up of the BMDA Created Expectations That Could Not Be Met**

The way the project was initially described by Oregon Governor Kitzhaber and others led a number of local government, private, and non-profit partners to believe that its underlying purpose was to rapidly increase the volume of timber harvested and create local jobs. When the project did not quickly produce more timber or jobs, many of these partners quickly concluded that the project was a failure. In addition, a number of environmental groups decided not to participate due to their belief that the BMDA was just a timber program. These early misconceptions put the BMDA in a hole with non-federal partners, a problem which it has yet to completely overcome. On the other hand, a number of people we interviewed acknowledged that their initial expectations may not have been realistic and that they are slowly developing a better sense of what is possible.

- **Although Inter- and Intra-Agency Planning and Cooperation Has Improved, These Remain Difficult**

Many people pointed out that no formal framework or structure exists to support inter- or intra-agency planning, coordination, and interdisciplinary work. No common goals or basic standards exist to guide landscape-level management and restoration within or among agencies. The BMDA coordinating structure, goals, and standards had to be created from scratch and continual nurturing and attention are needed to keep the activities of the many parties involved with the BMDA aligned with a common plan. Even then, a number of people pointed out that landscape-level management bumps up against the Forest Service's internal personnel performance standards, which primarily reward individual performance, not group or program-level performance. There are three National Forests involved in the BMDA. Each forest has its own goals, programs, budget, and needs. Without a framework for coordination and cooperation, the different priorities and goals of each forest make it difficult to develop or implement a unified action plan or funding prioritization strategy. Numerous people said the lack of an established framework and basic goals and standards to guide landscape-level planning and implementation has been a major drain on resources and energy.

- **Despite the Development of a Single Plan, Many People Are Still Unclear About What the BMDA Is Striving to Accomplish or How the Goals Will Be Achieved**

During the course of our investigations we continually heard confusion among governmental and non-governmental partners over what the project is trying to accomplish, what the overall strategy is, how individual projects or activities fit into the overall strategy, and how they or their organization fit into the overall scheme. Part of

this problem relates to the initial misconceptions over the socio-economic goals of the project, which clearly have not been resolved. But, the problem seems to go beyond this. Despite the development of a single action plan a sense of common purpose and a unified vision of the future have yet to emerge within the hearts and minds of many of the partners involved.

- **The Project Size and Boundaries Seem Problematic**

A number of Forest Service, government, and non-governmental partners said the size and way the lines for the BMDA were drawn are problematic. The Demo is very large, covering portions of three National Forests. The sheer size makes it very difficult for people in one location to see or understand the needs of another area. The Demo does not include the whole eco-region or economic region. In addition, the fact that only portions of each forest are included in the Demo has led to budgeting and planning problems for some of the forests. A number of people suggested that the Demo project boundaries should be changed to encompass the entire Blue Mountains region, or at least all three forests, or should be amended in some other manner to make planning, budgeting, and local involvement less onerous.

- **The Time Required for Ecosystem Restoration and Legal Requirements Do Not Match the Needs of the Local Community**

Prior to the start of the project, 17.8 million board feet (mbf) of timber were generated within the area of the BMDA. Since the BMDA began, 30.5 mbf have been harvested each year. The spotlight of the Demo generated increased cooperation between government agencies and led to some streamlining of the ESA consultation process. Better cooperation and different types of contracts sped up the release of about 22 mbf. These steps and other work generated about \$800,000 for the region. Nevertheless, these numbers are not sufficient to keep local mills operating or people employed. Most private, non-profit, state, and local government partners voiced major concerns about the inability of the Forest Service to accelerate the NEPA and ESA consultation processes and provide more timber and jobs for local communities.

- **Many Partners Are Frustrated By What They Believe Is a Lack of Innovation Within the Forest Service and Some Question If Anything Different Has Actually Occurred**

A common theme emerged among almost all partners outside of the Forest Service regarding the belief that the Forest Service has not been very innovative or been willing to push beyond easy "low hanging fruit" to tackle tougher, more complicated problems. People said most of the 280 restoration projects that have been completed were in the pipeline before the BMDA was initiated and that, as one person said, "it was a no-brainer" to complete more projects if you have more money. The same holds true for stewardship contracts--while the Demo project helped move the process forward, the concept was in the pipeline before the Demo started. Many external partners also voiced concern that the agency does not know when it is limited by actual law or when internal

policies, culture, and traditions are actually at the root of many problems. As a result of these and other concerns, many people voice a good deal of skepticism over the degree to which fundamental change or much innovation has actually occurred within the Forest Service as a result of the BMDA. In contrast, most Forest Service employees are proud of the significant amount of innovation they believe has occurred. They cite the reduced time for ESA consultation, the stewardship contracts, and other activities as examples of a new mindset and innovation.

- **Some Non-Governmental Partners Question Whether USFS Performance Measures Encourage Individual Achievements Rather Than Benefits for the Environment and Community**

More than one person said because the Forest Service internal employee performance measures focus on individual achievements rather than ecological, social or economic outcomes, the major focus of the BMDA has been on generating projects, not on achieving each of its four goals. At least one Forest Supervisor essentially agreed with this point. The lack of effective outcome-based performance measures makes it difficult to know how successful the Demo has actually been in achieving its four overall goals.

- **The Project Coordinator Does Not Have Sufficient Resources**

A number of people (not the project coordinator) pointed out that the coordinator has no staff--not even a secretary--and must therefore rely on the good graces of other agency staff and the Forest Supervisors to carry out the work he and the BMDA task force have decided is important. Without his own resources and authority, the project coordinator has limited ability to make things happen within the agency.

- **The Attention Given to Fighting Forest Fires Diverts Resources, Time, and Attention from the BMDA**

Individuals from state and local government said the culture of the USFS built around fighting forest fires significantly constrains the amount of work the project can accomplish. These people noted that the snow does not melt until May. Then, from August-October almost all other work on the forests ceases when people go off to the fire camps. More than one person said this was a cultural issue--people looked forward to and plan their schedules around getting into the woods to the fire camps. Many people then go on annual leave in December-January. This more or less leaves November and May-July to do most of the on-the-ground work. One senior government official from outside of the Forest Service called this pattern "ridiculous" and said it significantly constrained the project.

- **Lack of Funds, the Type of Funds, the Timing of Funds, and Accounting Issues Are Problematic**

The \$2.8 million that was earmarked for the project in 2001 is a fraction of the money needed for planning and restoration within an area as large as the Demo. Because the

three National Forests involved are in the midst of budget and staff reductions, the additional funds provided for the project have essentially offset some of the losses, rather than increased work capacities. In addition, the ability to get money where it is needed in a timely fashion has been a problem. For example, the Forests did not receive the funds for the Demo until the end of their fiscal year in 2001, which was too late to spend in the way they had planned. Oregon Department of Forestry received only \$250,000 via the Wyden Amendment to work with private landowners in the Demo area, which--although very helpful--does not come close to covering the needs within such a large area. It also proved very difficult to get these funds to the ground in a timely manner. Wyden Amendment funds also have no administrative overhead built in, which has placed an added burden on ODF because it is a small agency with limited staff and resources. Finally, keeping track of project funds has been "a nightmare," to quote one Forest Supervisor. The Forests want to keep track of every dollar spent on every BMDA activity. Yet, they also must keep track of all of the dollars spent for the fire plan. The result is that the agency must keep track of three budgets: the normal Forest budget, a budget for the Demo project, and a budget for the fire plan.

- **The Demo Has Not Successfully Communicated Its Story**

A number of Forest Service employees and staff from other government agencies said they knew that the Demo was not doing a good job in communicating its vision, goals, or outcomes, nor had they succeeded in communicating how the Forest Service has changed. Funding constraints are part of the problem--the coordinator chose to save money by handling communications through in-house staff who have many other tasks on their plates. But a number of people said legal constraints make it difficult to tell the real story. Because the NEPA and ESA consultation processes are slow, and it takes two years or so to get a project approved, the public has primarily seen projects that were planned years ago. People have not yet seen many of the new and different types of projects that have been planned. This gives the impression that little has changed within the Forest Service. In addition, the agency is increasingly taking a holistic approach to land management (even to the extent of planning a province-level EIS to update the Forest Plans) but the fragmented nature of federal agency authorities and the slowness of the NEPA and ESA consultation processes leave the public with the impression that the Forest Service is inefficient and that little has changed.

- **There Are Sharp Differences of Opinion About the Forest Service's Ability to Work Effectively with Non-Governmental Partners**

Every government employee we spoke with said the greatest successes of the BMDA are the partnerships that have been developed. Most of these people acknowledged, however, that the most successful partnerships have been among government agencies. In contrast, most non-governmental partners we spoke with said the partnerships were, at best, modestly successful. Many non-governmental partners said they had to struggle to stay at the table and be considered full partners. This difference of opinion appears to relate to

two factors. First, many people said the Forest Service is most comfortable with working with other government agencies. The agency's ability to partner with non-profit and private partners appears to remain very weak. This problem is exacerbated by the fact that almost all of the private and non-profit partners are unhappy with the amount of timber and jobs the Demo has produced.

- **While the USFS Has Attempted to Streamline the ESA Consultation Process, Other Regulatory Agencies Have Not Necessarily Made Similar Commitments**

A number of government employees from outside of the USFS said while the Forest Service has made important efforts to streamline the ESA consultation process, the other federal agencies involved with ESA consultation have not been willing to push the envelope. A major component of this problem may be that the funding and staffing levels among the consultation agencies do not match that of the USFS, nor does it match the needs in the region. They simply cannot handle the volume of work to be done. There is a general feeling that if the other agencies do not work diligently to streamline the process, the Demo project would ultimately fail.

Analysis

- **The High Degree of Civic Capacity In the Blue Mountains Area Has Been Critical to the Success of the BMDA and Should Be Nurtured**

The private, local governments, and non-profits active in the Blue Mountains region, especially in La Grande and Wallowa Counties, have been key in engaging the Forest Service in landscape-level planning, coordination, and partnerships. The project was initiated in large part due to the concerns raised by these groups. The push to streamline the ESA consultation process and to develop stewardship contracts came from the local community. These local leaders and groups thus appear to be vital to the long-term success of the Demo. The project is likely to achieve success only if the key civic groups and leaders involved buy into a unified mission and focus for the Demo and for carrying it forward. It will be vital to continue to nurture and support the local civic organizations, local governments and others engaged in the project.

- **While Progress Has Been Made, Most People Believe the Forest Service Remains Too Inwardly Focused**

We found an almost universal belief among people who work with private landowners and among private and non-profit partners that while the Forest Service has improved its ability to work with other government agencies, it still does not understand how to work with non-governmental partners. Numerous people said the agency remains most comfortable directing activities, as it does on its own land. It still does not understand how to approach private landowners or how to collaborate effectively outside of Forest boundaries. A number of people said part of the problem relates to the USFS internal performance measures, which place a major emphasis on rewarding outputs, not outcomes. Although the agency evaluates teamwork and external relationships, these are soft measures. The most important evaluation criteria are focused on annual targets related to visitor-days, board feet of timber sold, etc. The criteria used for personal performance drive employees towards individual achievements on the forest rather than towards landscape-level work or effective collaboration. Most people said they understood that landscape-level management was the only way to resolve fire, forest, and watershed health problems in the Blue Mountains. The Forest Service therefore needs to substantially improve its capacity to understand and collaborate with non-governmental entities to achieve these goals.

- **The Misconceptions Over the Project's Initial Purposes Are Beginning to Fade, Which May Offer an Opportunity to Generate Greater Buy-In**

A number of local governments, private and non-profit partners acknowledged that their initial expectations were excessive and that over time they have developed more realistic expectations about what the Demo can produce. Even though most of these individuals still had major concerns about the BMDA's failure to produce timber and local jobs, they said they now realized that NEPA and ESA legal requirements--issues that were out of the direct control of local Forest Service managers--were the primary cause. The shift in

expectations may offer the opportunity to engage a number of key people and develop greater buy-in for a common vision, goals, and strategy.

- **Some of the Remaining Problems Relate to the Widely Divergent Perspectives and Values Held By the Partners Involved**

The expectations held by the Forest Service and many other partners about what innovation means are like night and day. One local government partner summarize the feelings of many external partners when he said, "To the Forest Service, shaving 20 days off the ESA consultation which still takes 300 days is a great innovation. To those of us outside of the Forest Service, who think consultation should take no more than 30 days, that's no innovation at all." This indicates there is a huge gap in expectations among partners outside of the Forest Service and the agency itself.

- **The Demo Lacks a Carefully Tailored Governance Structure and System**

The existing governance structure appears to be an informal network. Yet, there are a number of other governance models that could be used. Some of the other models may help to resolve some of the questions consistently raised by the non-governmental partners about their role in the project and the amount of authority and power they have. It does not appear as though a careful analysis has been completed of the type of governance structure and system that could be most appropriate to the needs and goals of all of the partners involved. It may behoove the partners to spend time reconsidering the governance structure and system that would be most beneficial to the project.

- **Despite the Fact That a Number of Key Elements Are Missing or Incomplete, There Is Almost Universal Support For Continuing The BMDA**

Almost all parties outside of the Forest Service strongly support the continuation of the BMDA project. We found support for continuing the Demo within the Forest Service as well, but the support was not as strong and was focused more on continuing the new procedures and practices being implemented than for the special project designation itself. Despite differences of opinion on a number of issues, and despite the fact that there are still a number of incomplete or missing elements (see section below), there is almost universal agreement among non-Forest Service partners that withdrawing the formal Demo designation would be a serious setback. It is likely that support for the continuation of the project has solidified despite the incomplete or missing pieces because the partners intuitively understand the need for landscape-level management to address fire, forest, and watershed health issues and do not believe the Forest Service and other partners will develop collaborative plans without the special designation. It is also likely that even with the initial misperceptions over the project's purpose, and lack of clarity about the vision, goals, and strategy, the partners sense that the Demo could be on the verge of producing a number of important benefits.

- **Conversely, There Is Great Fear That Ending the BMDA Would Be a Serious Setback**

Staff from the Regional Forester's office and some Forest Service field staff voiced confidence that the partnerships and new ways of doing things would continue even if the special BMDA designation were withdrawn. However, few people outside of the Forest Service feel this way. Most of the people we talked with do not believe the Forest Service has made the types of fundamental changes that are needed to institutionalize landscape-level management or to work collaboratively with non-federal agencies and partners. The vast majority of the people we talked with voiced concerns that without the Demo the Forest Service would slowly revert back to operating unilaterally, solely within their boundaries. People also fear that the old arguments and turf battles among other federal agencies and among private landowners and the federal government would reemerge without the BMDA special designation. They believe that all of the government agencies would slowly go back to pursuing their own narrow goals rather than the landscape-level priorities that have been established in the Demo area. The comments of one individual perhaps summarize this feeling best when he said, "Having the Demo is critical. Without it, all of the old patterns will reemerge."

Recommendations

- **Adjust the Governance Structure and System So That They Lead to More Effective Collaboration with Non-Government Partners**

Now that the initial excessive expectations about the project have begun to fade, the Forest Service and other partners may benefit from a process to reconsider the Demo's current governance structure and decision-making system. This process could start by asking all of the partners to examine the needs, perspectives, and operating styles of the other partners. Based on this assessment, the most appropriate structure and decision-making system can be chosen. Options include these and other governance structures:

Joint Ventures: The USFS combines with other organizations to form a new, distinct organization in order to pursue complementary objectives. When in a joint venture, information, decision-making, power, and resources are equally shared.

Strategic Alliances: Similar to a joint venture, where the USFS joins with others to pursue mutual gain, but a new organization is not created. In this case, the various organizations involved must agree to cooperate with and depend on each other. Clear rules of engagement must be established and agreed to.

Networks: Organizations join forces to capitalize on potential efficiencies in the production of specific outcomes. Each participating group is responsible for one area of output and the participating organizations are highly dependent on one another for the ultimate delivery of their products.

Consortiums: The USFS pools its resources with other organizations to procure access to information or technologies, or achieve goals that are too costly or difficult for one entity to do alone. No separate entity is created for the management of this relationship. Each entity makes decisions unilaterally, although in consultation with other partners.

- **Make a Concerted Effort to Nurture and Support Local Partners**

In keeping with the point above, many people said the long-term success of the BMDA depends on securing the continued support of local government, private and non-profit partners. It may therefore behoove the agency to make a concerted effort to increase its efforts to understand the needs of local partners and find ways to support their efforts and increase their buy-in. The delivery of more timber and jobs may not be the only way to accomplish this. Better communication to thoroughly explain the constraints the agency is working under, all of the ways in which it has innovated and changed, and all of the outcomes that have been produced may go a long way towards generating increased buy-in.

- **Re-Clarify the Project Purpose, Vision, Goals, and Strategy**

Because we consistently heard confusion over the purpose, long-term vision, goals, and strategy of the BMDA, it may prove fruitful at this time to revisit and re-clarify these issues. It appears as though much of the groundwork has been completed so that the Forest Service can soon move forward with a number of new and innovative projects in the near future. This may be the perfect time, consequently, to engage the BMDA partners in a discussion that leads to greater clarity on purpose, vision, and strategy. The process of clarifying the vision and goals may prove helpful in generating greater buy-in from non-governmental partners.

- **Implement a Comprehensive, Relentless Communication Plan**

The true power of a good vision and strategy for any program is released only when most of those involved develop a common understanding of its purpose, goals and direction. The shared sense of a desirable future helps motivate and coordinate all types of actions. Achieving a shared sense of a common purpose is very difficult, especially in large programs with numerous partners. It requires relentless communication delivered through multiple channels. It also requires that people walk the talk and avoid inconsistent messages. The development of a comprehensive, relentlessly delivered communication plan may substantially increase local understanding and buy-in for the BMDA.

- **Clarify the Limits and Flexibility Allowed Within Existing Laws and Internal Agency Policies**

The more that new ideas are proposed and the more on-the-ground projects attempted the more barriers will be identified. In some cases the barriers are firmly grounded in existing laws. In these cases there may be little that the BMDA can do except to streamline the processes in a programmatic way as much as possible. But in many other cases, the barriers may relate to long-standing internal agency policies, traditions, or cultural issues that can be changed with awareness and concerted effort. The stewardship contract is a prime example. No law prohibited the development of stewardship contracts. The problem related to the need to change long-standing internal policies and procedures. It may behoove the Demo to institute a process specially designed to sort out the limits of law versus issues that relate to internal policy and procedure. This may open the door to greater flexibility and progress.

- **Continue Efforts to Streamline the Budgeting System**

It may make sense for the Forest Service to continue its efforts to develop a system to simplify the budgeting process. Requiring three different budget-tracking systems seems inefficient and not a good use of limited resources.

- **Consider Outcome-Based Performance Measures**

The issue of performance or outcome-based performance indicators came up in a number of conversations. It should be noted that the development of outcome-based performance measures is a challenge faced by most public agencies, not just the Forest Service.

However, it may behoove the agency to make a concerted effort to assess ways to develop outcome-based indicators and performance measures for the BMDA as well as for internal employee evaluation processes.

- **Adjust the Project Boundaries**

Because so many people raised concerns about the size and locations of the project boundaries, it would seem prudent to resolve this issue.

- **Make Greater Use Of the Wyden Amendment**

The Wyden Amendment has allowed the Forest Service to provide dollars to the Oregon Department of Forestry to work with private landowners. This process could be greatly expanded.

- **Increase the Funding Levels By Bringing in New Dollars and Other Strategies**

Although most people understand the funding constraints of the Forest Service and other government agencies, almost everyone felt that the level of work needed to restore the forests, reduce fire concerns, and improve watershed and community health far outweighed the level of funding that has been provided. It seems prudent to seek out ways to increase the funding by bringing in new partners with resources.