

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

APPENDIX

Reviews of Watershed Projects

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UPPER PIT RIVER WATERSHED

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The Pit River watershed is located in northeastern California. The watershed includes roughly 3 million acres and provides 20% of the water to the Sacramento River, a major California river. Less than 10,000 people live in the portions of the three counties that the watershed runs through. There is roughly a 60-40 split of federal lands to private lands within the basin. Agriculture, livestock production and forestry are the dominant activities occurring within the basin.

The Upper Pit Large-scale Watershed Restoration Program actually involves three essentially separate projects. Two are Forest Service projects and the third is a private landowner/ stakeholder group that the Forest Service helped organize. The long-term goal is to merge the two projects into one basin-level project. Currently, however, the projects operate more or less independently. The watershed Demo was initially started through a merger of two separate proposals from the Modoc National Forest that were submitted to the Chief in response to the RFP for Large-scale Watershed Restoration Programs. One was a rangeland improvement project on the Warner Mountain District and the other was the Hackamore fuels reduction project. These two projects are geographically separated by roughly 25-50 miles and represent the federal land components of the watershed Demo.

In addition to continued work on the two federal land components of the watershed Demo, Modoc Forest staff helped organize a stakeholder group with the original goal of tying together restoration activities on federal and private lands in the watershed under one umbrella. In December 1999, USFS staff members convened a meeting attended by about 40 private landowners, local government officials, and others where the agency announced that it had been given \$600,000 to initiate a large-scale watershed restoration program. Agency staff said they wanted the involvement of the key partners in the project and that the USFS did not want to be the lead organization. As a result, in March 2000 the Pit River Watershed Alliance (PRWA) was formed. The North Cal-Neva RC&D agreed to be the fiscal sponsor.

The PRWA is currently composed of over 20 people representing state and federal agencies, local landowners, private firms, fishing organizations and others. The Alliance sees its primary role as coordinating, supporting, and enhancing existing activities. The partners have signed a Memorandum of Understanding that clarifies the purpose, goals, and responsibilities of all of the signers. The primary purpose of the PRWA is "to foster partnerships that achieve integrated long-term cultural, economic and environmental health of the watershed through active community participation." Three main objectives were established for the first five years including to: 1) Obtain funding to conduct watershed assessments to determine base-line conditions and identify additional opportunities for improvements; 2) Implement key watershed improvement and demonstration projects throughout the watershed; and 3) Obtain funding to develop a computerized watershed database connected to a geographic information system including available monitoring data, digital photos, and maps. The PRWA does not actually implement restoration projects--it relies on partners, such as the RC&Ds, to do this. USFS staff attends the meetings, provides advice and guidance, and in other ways has been instrumental to the success of the PRWA. The agency has used the funds it received for the Large-scale Watershed Project primarily to complete work on federal lands. Only \$15,000 has been provided

to the PRWA so far, as the USFS did not want to be the dominant partner and the Alliance has been successful in raising its own funds.

The Upper Pit Large-Scale Watershed Project Has Achieved a Number of Successes:

The USFS Component

- The Modoc National Forest has completed a number of projects on its lands with the extra money that has been provided including wetland restoration, hazardous fuel reduction, rangeland allotment projects, and wildlife enhancement. Some Forest Service employees said the ability to complete on-the-ground projects with the extra money was the main benefit of the large-scale Demo project.
- Collaboration has been enhanced somewhat between the two USFS projects that form the main components of the federal land aspect of the watershed Demo.
- The designation as a National Demonstration project also helped the Modoc National Forest to garner increased public attention and to raise additional funds. Some USFS employees said the project was taken seriously only after the extra funds appeared and, conversely, the project would probably fade away if the special designation and extra funding ended.
- The Wyden Amendment has proven to be a helpful tool for the USFS to allocate funds for priority work off of National Forest lands.
- The original business plan proved to be helpful in developing the strategy and path forward for the USFS.
- The designation as a National Demo helped Modoc National Forest employees expand their focus beyond National Forest boundaries to the whole watershed. This led to the decision to help organize the Pit River Watershed Alliance.

The PRWA Component

- The PRWA was successfully organized and is intended to serve as an umbrella organization to coordinate the activities among the USFS, local RC&Ds, private landowners, and others.
- The PRWA has succeeded in establishing ground rules, engaging more agencies and stakeholders, and increasing momentum.
- Despite concerns about the potential risks to private landowners of obtaining negative information about private lands, the stakeholders involved with the PRWA agreed to seek funds for a watershed assessment so that good decisions could be made. This indicates that trust is emerging among the participants.

- As a result of having many key stakeholders involved with the PRWA, the USFS, BLM, and other agencies were able to organize a project to assess the problems associated with juniper encroachment. A common GIS system is in development that will include Juniper data relevant to all lands in the watershed.
- The PRWA has been able to raise over \$140,000 on its own and has a commitment for more than \$450,000 from the State of California to complete a watershed assessment.
- Key PRWA partners, such as the Central Modoc RC&D, have started or completed important activities such as riparian restoration projects, and the establishment of a River Center in Alturas to serve as an educational and informational center for schools and general public.
- The current PRWA coordinator is highly respected.
- An increasing number of landowners have initiated stream restoration projects as a result of the awareness about the importance of healthy streams, and the potential economic benefits.
- Most Alliance members praise the USFS staff for the way they have worked with the community and the large-scale Demo project has improved the image of the agency within the community.

The Project Faces a Number of Limitations and Challenges Including:

The USFS Component

- Although this is improving and the long-term intent is to develop a unified effort, we found a lack of integration among the two USFS components of the watershed Demo and the PRWA. In essence, the watershed Demo currently is three separate projects operating under the same name. It is not yet a full-blown integrated watershed restoration project that links public and private land efforts within the basin.
- Part of the reason for the lack of integration is the watershed assessment has not been completed. Once the assessment is completed integration may improve. Another reason for the lack of integration is the Hackamore Fuels project is not really associated with the other components and probably should be spun off from the watershed project in the future.
- The indicators being used by the project so far are primarily output based--they measure the number of projects completed. While a number of specific water-quality monitoring parameters have been established, baseline data must be gathered before the indicators can be finalized. In addition, indicators for issues such as fuels reduction and upland forest health have not been completed. This may prove to be beyond the scope of the Upper Pit effort.
- People within the USFS and from other public agencies questioned the technical and scientific credibility of many of the projects that have been implemented on public lands. Many people felt that the agency is struggling with how to gather, share, and use credible information.

- Although understanding and support for watershed-level partnership-based management is growing within the agency, many Forest Service employees said internal budget and staff problems constrain the adoption of the approach.
- Internal agency incentives, structures, and systems do not support watershed-level partnership-based management.
- The USFS-BLM Service First initiative is constrained by the overhead charges for shared services.
- The Wyden Amendment is not user friendly. The agency has to justify why the funds are being used on private lands, but as the guidelines are unclear, staff fear that someone will eventually challenge their decisions.
- In sum, despite progress, a number of people from within and outside the USFS said not much has actually changed within the agency as a result of the watershed Demo.

The PRWA Component

- Despite attempts to expand the composition of the Alliance, it currently includes mostly private landowners and ranchers. Other potentially key players, such as the irrigation districts and environmental groups, are not involved yet.
- Consistent funding is a major concern for the PRWA.
- Although people were generally very positive about the role the USFS has played in the Alliance, and although improvements have been made in this area, more than one person said the attitudes and style of some agency staff members in working with private landowners have slowed the process down.

Our Analysis of the Strengths and Limitations of the Demo Project to Date Suggest:

The USFS Component

- The USFS appears stuck between two different views of how it should operate: as an internally-oriented agency that makes its own decisions regarding its lands with little meaningful involvement from others, or as an open and transparent organization that seeks out and meaningfully incorporates new information and different views from all sources in its planning and decision-making processes. The direction the agency ultimately takes on this issue will have profound consequences. Failure to resolve this dilemma seems likely to keep the agency mired in controversy.
- In keeping with the issue above, our review found a lack of clarity about what collaboration and working in partnership means. The lack of clarity over these issues constrains the agency's ability to build public support and engage in watershed-level planning and management.

- As a result of the above, although improving, we conclude that the watershed-level partnership-based approach is not yet embedded in the operations or culture of the USFS.
- While not embedded in agency culture, USFS staff has gained a better understanding of the need to work collaboratively at the watershed scale.

The PRWA Component

- Both fear and hope drive local interests in the PRWA, and supporting and nurturing the existing local civic capacity is a key to future success.
- Despite the constraints, our research found that sufficient progress and momentum exists to keep the watershed Demo project moving forward.

To Address the Limitations We Recommend:

- The USFS may benefit from a meaningful dialogue to clarify what collaboration and partnership building mean for the agency. Failure to clarify these issues seems likely to leave the agency mired in internal dissention and external controversy.
- Following the point above, the USFS may benefit from candid dialogue that leads to agreement on, and continued improvements in, the way information is gathered, shared, and used, how decisions are made and enforced, and the way financial and staff resources are distributed. Again, failure to clarify these issues seems likely to leave the agency mired in internal dissention and external controversy.
- The two Forest Service projects and the PRWA that comprise the watershed Demo would benefit from the development of further clarity on the vision and strategy to be used to restore the Upper Pit watershed. Completion of the watershed assessment may go a long way toward improving the clarity of the vision and strategy.
- Once a vision and strategy for the Upper Pit are developed, outcome-based indicators and a monitoring system that can measure progress towards the vision and goals should be completed. While challenging, the lack of effective indicators may result in questions being raised down the road about the value of the dollars, time, and resources being invested.
- Strong consistent leadership is needed from the Chief if the USFS is to adopt meaningful landscape-level, scientifically sound, collaborative management.
- Because we consistently heard concerns about the internal budget and target setting processes, it seems prudent to continue to try to improve these processes so that they better support watershed-level partnership-based management. The timing of when funds arrive, how they are packaged, and other issues must be addressed.

- Given the number of times we heard questions from people within and outside of the Forest Service about technical and scientific issues, it may behoove the Modoc National Forest to ask independent science teams to evaluate assessments and project implementation plans.
- Many Forest Service staff said if watershed-level partnership-based programs are to grow and succeed, the agency needs to take care not to unduly burden the process with bureaucratic rules and procedures.
- Steps should be taken to resolve the overhead problems that seem to constrain the USFS-BLM Service First initiative.
- Continue to utilize and use the business planning process.

Successes

The USFS Component

- **The Modoc National Forest Has Completed a Number of Projects**

The Modoc National Forest has used the majority of the funds it has received for the large-scale watershed project to complete projects on federal lands. Projects include 25 acres of wetland enhancement, 6,000 acres of hazardous fuels reduction through burning or mechanical thinning, 5,000 acres of layout for out-year fuel treatment, two in-stream watershed restoration projects, 28 rangeland allotment projects which improve or maintain riparian conditions, and 1,700 acres of wildlife enhancement. One Forest Service employee said the ability to compete on-the-ground projects with the extra funds provided was the most important benefit of the project.

- **The Two USFS Projects Involved with the Demo Have, to Some Degree, Increased their Communication and Collaboration**

The two primary federal land components of the large-scale watershed restoration Demo--the Warner Mountain Rangeland Improvement Project and the Hackamore fuels reduction project--are different in focus and in geography. The Warner Mountain project is in the headwaters of the Upper Pit, while the Hackamore project is 25-50 miles away and only tangentially affects the Pit River. Some Forest Service employees said the watershed Demo has led to some increase in communication and collaboration between these two essentially separate projects. Others said budget reductions had already forced the two ranger districts to share staff and resources, so nothing new has actually occurred.

- **The Wyden Amendment Has Proven Vital to Working with Private Landowners**

The Wyden Amendment has proven to be a helpful tool for the USFS to allocate funds for priority work off of National Forest lands. Forest Service staff said without the Wyden Amendment, the project would not work.

- **The Business Plan Was Helpful**

The process of developing the original business plan proved helpful in developing clarity on a course of action for the project. It also helped to shape the project so that it could compete successfully with other projects. The ability to learn what other large-scale watershed projects were doing during a meeting held in Denver prior to the start of the project proved very beneficial to staff. Some Forest Service staff said, in retrospect, they might have achieved more success had they put more time into the development of the business plan. For example, they might have been able to develop better ways to monitor and check progress. However, time constraints in producing the business plan and the fact that the process appeared to become more bureaucratic as time went on prevented this.

- **The Designation as a National Demonstration Project Helped the USFS Garner Attention, Increase Its Credibility, and Raise Additional Funds**

The USFS has been able to capitalize on the designation of the Upper Pit as a national Demo to focus attention on the region and raise additional money. One Forest Service employee said people took the project--and the need to collaborate with other partners--seriously only after the additional funds arrived. The importance of the national Demo title and the extra funds that came with it was reinforced by a number of people. Losing the designation and/or the extra funds that accompany it would seriously harm the project.

The PRWA Component

- **The Forest Service Was the Key Catalyst Behind the PRWA, and the Alliance Is Gaining Momentum**

The local RC&Ds have organized partnership-based programs in the past to address resource issues. This project, however, represents the first time an umbrella organization--the PRWA--has been organized to coordinate efforts of many public and private entities within the Upper Pit watershed. The Forest Service was the primary catalyst for the creation of the Alliance and everyone we spoke with gave the agency credit for this work. Many ranchers in the region are suspicious of the federal government in general and the USFS in particular. Consequently, it has not been easy to develop an on-going dialogue between the USFS, ranchers, and local governments. However, the USFS made a major outreach effort to involve every entity possible in the PRWA and it has successfully engaged a number of interests in a dialogue about important resource issues.

One of the key initial steps the PRWA took that helped to build trust was to establish ground rules. These include: the Alliance would not duplicate the efforts of others or add more bureaucracy, people came first (i.e. while the environment was important, the needs of the people and their families are the priority), and that group members would respect each other and not cut off people when they speak. In addition, an MOU was developed and signed by 20 people. While some people are participating out of fear over potential new regulations being developed because the river is on the EPA's 303d list of water quality impaired streams, and others are participating simply to keep abreast of the activities, many are involved because they are concerned about water quality in the watershed. No matter what the motivations may be, people are still at the table and participation is growing is indicative of substantial momentum. One person summarized the feelings of many by stating, "It's been a great opportunity for people to get together. We are making great progress."

- **As a Result of the Stakeholders Represented on the Alliance, a GIS System Is Being Developed to Monitor Juniper Encroachment**

The encroachment of Juniper is one of the biggest threats to the Pit River Watershed. USFS staff said Juniper management has traditionally been haphazard. The encroachment affects mule deer habitat, sage grouse, and other species, and increases the risk of fire. The diverse constituency of the PRWA provided a platform from which the USFS, BLM, RC&D and other groups could

move forward with the development of a GIS system that will include information about Juniper canopy conditions and potential solutions. The GIS system will provide a comprehensive database covering the entire watershed and allow a more systematic response to be instituted. It should be operational within about a year.

- **The Members of the PRWA Agreed to Seek Funds for a Watershed Assessment**

Despite concerns about government gathering information that could affect private landowners, the stakeholders involved with the PRWA agreed to pursue funding to complete a watershed assessment. The group agreed that information is beneficial and, while there is some risk to gathering information on private lands, credible information is needed to make good decisions. This action suggests substantial progress in the understanding and trust levels among the partners.

- **The Alliance Has Been Able to Raise Its Own Funds**

The PRWA secured approximately \$100,000 to hire a Watershed Coordinator. The funds came from the State of California Proposition 13, Bay-Delta Watershed program and the Forest Service. \$40,000 was obtained from the California Regional Water Quality Control Board to establish baseline water parameters of the main stem of the Pit River. Approximately \$460,000 was obtaining from the Cal-Fed Bay Delta Program for a watershed assessment (although the funds may now be in jeopardy). The Forest Service has contributed just \$15,000 to the Alliance so far.

- **Key Alliance Partners Have Started or Completed Important Projects**

The Central Modoc RC&D, one of the key partners in the Alliance, has completed 3,000 feet of riparian restoration and a re-vegetation project along the main stem of Pit River. In addition, the RC&D, in concert with the local school district and the PRWA, have established a River Center in Alturas. The Center is being developed to serve as an educational and informational center for schools and the general public. The program, which includes rent of a temporary location, a Coordinator, field trips and educational materials, is funded by a \$160,000 state grant.

- **The Current PRWA Coordinator Is Highly Respected**

The current PRWA coordinator grew up in the area, which provided some instant credibility. However, the coordinator has also handled things well and we found that he is widely respected.

- **An Increasing Number of Landowners Have Initiated Projects as a Result of the PRWA**

In part due to the trust that local people have in the coordinator, and in part due to other reasons, an increasing number of private landowners have become engaged in stream restoration projects. Some of the landowners have begun to understand that a healthy stream can produce economic benefits and that there are other ways to make a living besides ranching. For example, a few landowners have given up farming to essentially become full-time fishing guides. The watershed coordinator has received about 10-20 invitations from private landowners to look at work they

are doing on their lands. In addition, as a result of learning about the Upper Pit project, a watershed program has been initiated in the Fall River area. These activities suggest that awareness, understanding, and support for watershed restoration is growing.

- **Most Alliance Members Praise the USFS Staff and Said the Project Has Improved the Local Image of the Agency**

Through our interviews we found that the staff that helped organize the PRWA and other USFS employees are highly regarded. Many stakeholders said they initially had concerns about working with the USFS and the agency did not have a good image among landowners. However, people generally were highly complimentary of the way agency staff has handled themselves and with the technical assistance, advice, in-kind contributions, and other support they have provided. The project has clearly improved the image of the agency among community members.

Limitations and Obstacles

A. The USFS Component

- **A Lack of Integration Exists Between the USFS and PRWA Projects and an Overall Restoration Strategy Has Yet to Be Developed**

Through our interviews we found a lack of integration between the two USFS public lands components of the watershed demo and the PRWA that focuses on private lands. Although there is communication between those involved with the Warner Mt project on Forest Service lands and the PRWA, and although the long-term goal is to develop an integrated strategy, in essence, the Upper Pit large-scale watershed demo is three separate projects operating under the same name. It is not yet a full-blown integrated watershed-level restoration project. The Hackamore fuels reduction project is really a totally separate project that may not belong under the roof of the watershed project. Although collaboration exists between the Warner Mt rangeland project and the PRWA, the two components are not yet tied together through a common restoration. The completion of a watershed assessment--which is to cover all lands in the watershed--will help resolve this issue. The lack of integration and a unifying strategy became very apparent to us when we were halfway through our interviews before anyone-- within or outside of the USFS-- mentioned the Warner Mt. rangeland project to us.

- **Outcome-based Indicators and Measurement Systems Are Still In Development**

None of the three components of the watershed demo have developed effective indicators to measure the ultimate outcome of all of the various projects. Agency staff said they could track the number of projects that have been completed and how the money was spent. That is, they can only report on *what* was done. But, the agency has no system to measure the *outcomes* of those activities--for example, whether the activities achieved the objectives of the Forest Plans or of plans outlined in various EAs or EISs. One Forest Service employee described this problem by saying, "We give allot of lip service to this but don't really have a program to do it. We need to spend more time and resources figuring out how to measure the outcome of our activities." Another agency staff member said they would need new staff with different skill sets and knowledge to be able to develop effective indicators and measurement systems. A number of water quality parameters have been established, but a good deal of baseline data must be generated before it will be possible to know if these parameters are the correct measures to monitor water quality improvements. In addition, we could find no real indicators for fuels reductions or upland habitat improvement. However, given the resources available, developing a broader set of indicators may be beyond the scope of the project at this time.

- **People Within and Outside of the USFS Question the Technical Credibility of Many of The Agency's Projects**

People within the USFS and from other public agencies questioned the technical and scientific credibility of many of the projects that have been implemented on public lands. Questions were raised about the number and type of trees being proposed for thinning in the Hackamore Fuels reduction project, about the degree to which the Warner Mt. rangeland improvement projects

have actually benefited riparian areas and the aquatic system, and about other issues. One Forest Service employee said the agency is currently struggling with how to do good science and some agency employees said people within the agency often try to influence the science. Others said the agency simply does not have people with the right technical skills to do good science (e.g. complete technical analysis, develop EAs and EISs) or to do the type of assessments necessary for interdisciplinary landscape-level work. Many people felt that the agency is struggling with how to gather, share, and use credible information.

- **Turf and Budget Issues Within the USFS Constrain Watershed-Based Planning and Management**

Although understanding and support for watershed-level partnership-based management is growing within the agency, many Forest Service employees said internal problems constrain the adoption of the approach. Some staff is very protective of their line-item budget. Taking funds out of any line item to use in an interdisciplinary program and/or to work on private lands generates significant concern. The timing of funds is also a problem. The funds for the large-scale demo usually appear in mid-year, which is too late to complete the preplanning needed before projects can be implemented. In addition, the project requested \$1.2 million in 2001 but only received \$600,000. While the agency is experienced in working with budget shortfalls, the inability to know how much money they will get early-on combined with the late arrival of the funds has made it difficult for staff to effectively engage in watershed-level planning and management.

- **Internal Agency Incentives, Structures, and Systems Do Not Support Watershed-Level Partnership-Based Management**

A number of Forest Service employees said although they were beginning to understand the benefits of the watershed-level partnership-based approach, the agency's existing incentives and management structures do not support this type of work. One individual said an example is the targets that are set (management attainment reports). Each Forest, and therefore each unit and employee, must accomplish certain activities on federal lands. There are few if any hard targets for work on private lands or for working in partnership with stakeholders. Consequently, there is no reward for or accountability system to measure collaboration or partnership-based work--even if working with private landowners or stakeholders can help the agency achieve its internal targets. For example, reducing the risk of catastrophic fire on private lands can reduce the risk of catastrophic fire on federal lands, but the way that internal agency targets are set do not encourage or support work on private lands. In addition, the budgeting process is cumbersome. While different line items can usually eventually be shifted to achieve ecosystem-based work, this takes a good deal of time and lots of effort is required to justify the change. For example, you need to build a strong case for treating potential fire risks as a way to protect wildlife habitat in order to use wildlife dollars for fire prevention.

- **The USFS-BLM "Service First" Initiative is Harmed by the Overhead Charges for Shared Services**

An 18% overhead fee is tacked on to resources shared between the USFS and the BLM. The fee apparently results in each agency often charging the other the same overhead costs. The USFS Forest Supervisor has the ability to waive the fee. The BLM, however, must seek approval from Washington. This process is very time consuming and often deters BLM staff from developing service exchanges because the window of opportunity will be gone before the approvals are completed. This practice ultimately undermines the "Service First" initiative that the two agencies have promoted, which seeks to promote better integration of services for the public.

- **The Wyden Amendment Is Not User Friendly**

Although the Wyden Amendment has proven to be a helpful tool to fund priority work off National Forest lands, Forest Service staff said it was difficult to use and made them nervous. The agency has to justify why the funds are being used on private lands, but as the guidelines are not clear, staff fear that someone will eventually challenge their decisions.

- **In Sum, Despite Progress, People From Within and Outside of the USFS Said Not Much Has Actually Changed Within the Agency as a Result of the Watershed Demo**

People at many levels of the USFS, as well as people from outside of the agency, said despite the progress that has been made, they have not seen a major change in the mindset or operational style of the USFS as a result of the watershed demo project. People said, although collaboration appears on paper as an agency objective, with the exception of a few people, in reality it is not meaningfully practiced. A number of reasons were mentioned for this. For example, staff workloads are high and few people have the time to engage in true collaboration. Budgets are also shrinking.

However, a number of people within the USFS said the real problems were not just financial. People said the agency does not have the right type of staff to engage in landscape (watershed) level planning or in meaningful collaboration (e.g. the agency historically hired Foresters but timber harvest is no longer a top priority), young people who have the technical and personal skills required for this type of new work are not coming up through the ranks of the agency, and poor management means that funds are often not used or leveraged efficiently. Further, we continually heard people say that many Forest Service employees want to retain their full power and decision-making authority. A number of USFS employees said the dominant benefit of the watershed demo in their minds was the additional funds it provided for on-the-ground work--a view that underscores the lack of enhanced awareness and perspectives. In sum, although progress has been made, it appears that the watershed demo has not yet generated new thinking or operating procedures within the agency. One Forest Service employee summed up the challenge the agency faces around these issues by stating, "The bridge is not there yet [to watershed-level partnership-based management]. However, there is an awareness that there needs to be a bridge built."

B. The PRWA Component

- **The Alliance Includes Predominantly Landowners and Ranchers and Other Potentially Key Players Are Not Involved**

Although efforts have been made to expand the composition of the Alliance, it is currently composed primarily of ranchers or agencies that work with the livestock industry. While this may make sense in the start-up phase, the absence of others who could be potentially key groups may constrain progress in the future. Prior to the start of the project, many landowners had concerns about the USFS. The reductions in timber harvest levels, changes in grazing allotments, and other issues left some hard feelings that are just beginning to heal. In addition, some landowners have fears that working with government agencies could lead to loss of their rights or to more restrictions. Some of the existing state and local agencies and organizations initially feared that the PRWA would end up as another layer of bureaucracy and/or compete with existing programs. Few representatives from environmental groups live in the local area and those that do may not feel welcome in a group dominated by ranchers. As a consequence, it has taken considerable time to build trust between landowners, stakeholders, and the USFS, and to clarify the governance system to be utilized by the PRWA. Some of the key partners within the watershed, such as the irrigation district, have observed the process but have not yet formally signed the MOU or participated. No environmental or fisheries group is actively participating, although they have been invited. These and other groups could prove important down the road, one way or another.

- **Consistent Funding is a Major Concern for the PRWA**

Although the PRWA obtained over \$450,000 for the watershed assessment, the funds have been put on hold due to the State of California's budget crisis. Consequently, the availability and stability of funding is a major concern for the PRWA.

- **The Forest Service Is Still Learning How to Work with Private Landowners**

Although people were generally very positive about the role the USFS has played in the Alliance, and although improvements have been made in this area, more than one person said the attitudes and style of some agency staff members in working with private landowners have slowed the process down. The agency is used to being in control, making decisions, and moving quickly. Taking the same approach with private landowners, who are focused on making a living and do not have much spare time for extra work, can be harmful. One person summarized this concern by stating, "some people within the Forest Service need to tone down their attitudes when working with private landowners. They need to be more aware of the mindset of landowners."

Analysis

A. The USFS Component

- **The USFS Seems Stuck Between Two Different Views of How It Should Operate**

Our review found that the USFS appears stuck between two different views of how it should operate: as a internally oriented agency that makes its own decisions regarding its lands with little meaningful involvement from others, or as an open and transparent organization that seeks out and meaningfully incorporates new information and different views from all sources in its planning and decision-making processes. The direction the agency ultimately takes on this issue will have profound consequences. Failure to resolve this dilemma seems likely to keep the agency mired in controversy for years to come.

- **USFS Staff Seem Unclear About What True Collaboration and Partnership-Building Involves**

In keeping with the issue above, our review found a lack of clarity about what collaboration and working in partnerships means. Some agency employees believe that collaboration involves talking with reliable people they know from outside of the agency, requesting public comment, and then making unilateral decisions. Other agency personnel said this did not constitute collaboration. These people said true collaboration involves spending the time and resources needed to reach out and listen to all interests and then actively engaging them in assessments, planning, monitoring, and problem-solving so that a mosaic emerges that allows every perspective and need to be achieved as much as possible. In short-true collaboration occurs when people feel their views were meaningfully listened to and acted upon.

The same lack of clarity seems to exist over partnership building. Some agency employees believe that attending meetings and supporting the work of other organizations, such as the PRWA, constitutes partnership building. Others believe that a true partnership emerges only when each of the participants finds greater success and benefits by working together than they could have by working alone--that is, only when the sum is greater than the individual parts. Despite the initial intention of involving the Mule Deer Foundation, The Rocky Mt. Elk Foundation, Ducks Unlimited, Cal Trout, and others in the Hackamore fuels reduction project, due to lack of staff expertise, insufficient number of staff, and time pressures, none of these groups actually were engaged or participated. This example illustrates the struggle the agency faces with partnership building.

The lack of clarity over these issues constrains the agency's ability to build public support and engage in watershed-level planning and management.

- **As a Result of the Above, Although Improving, the Watershed-level Partnership-based Approach is Not Yet Embedded in the Operations or Culture of the USFS**

Although questions exist about the outcomes, a number of people from within and outside of the USFS commented that the Warner Mt. rangeland project is an example of a new way of thinking within the USFS as staff has tried to collaborate with stakeholders. Others said the organization of the PRWA was also a major step for the Forest Service. The USFS usually directs processes it is involved with and even when the private sector or local governments are engaged, they are usually relegated to subcommittees and in other ways made tangential to the process. The PRWA is a very different model. The board is composed of private landowners and citizens and the USFS and other federal agencies are advisory to the board or equal partners. This role reversal has increased the understanding of agency employees about the benefits of being partners, not the dominant player in a relationship. Nevertheless, the lack of clarity about the future direction of the agency, the lack of clarity about collaboration and partnership building, the budget and turf issues that we heard about, the concerns from some of the partners about the way some Forest Service employees deal with private landowners, and other issues, suggest that the watershed-level partnership-based approach is not yet embedded in the USFS.

- **While the Watershed-level Partnership-based Approach Is Not Embedded in Agency Culture, USFS Staff Has Gained a Better Understanding of the Need to Work Collaboratively at the Watershed Scale**

Although the watershed-level partnership-based approach is not yet embedded in the USFS, a number of agency employees noted that the watershed demo project has helped them understand the need and benefits of working at the watershed scale rather than on a site-by-site or project-by-project basis. Many people said they now realize that individual projects on Forest Service lands would not resolve key landscape problems unless they were linked with efforts on private lands throughout the watershed. For example, small fire treatment projects on federal lands would not make much difference if a major fire broke out on private lands where similar fire prevention efforts had not been made. This understanding has become clearer to some agency staff due to listening to and working with the stakeholders involved with the PRWA.

B. The PRWA Component

- **Both Fear and Hope Drive Local Interest in the PRWA and Existing Local Civic Capacity is a Key to Future Success**

It appears as though two key factors have converged to drive the stakeholders participate in the PRWA. The first is fear. Almost every person we spoke with said fear of the potential regulatory implications of the Pit River's 303 (d) listing as a water quality impaired stream was a key reason why landowners and local stakeholders are participating. The 303 d listing has created future negative scenarios that the community wants to avoid. Yet, it seems doubtful that the stakeholders would have come to the table without the successful partnerships that local RCDs have organized in the past (e.g. the Goose Lake fisheries group) and without the community's history of working together to solve problems (e.g. the local Rotary is very active). These efforts underscore the civic capacity that exists within the community to solve their own problems. Thus

it appears as though both fear of the future and a vision of an alternative are key to the success of the project. Nurturing the existing civic capacity would seem to be a key to the long-term success of the PRWA.

- **In Sum, Sufficient Progress and Momentum Exists to Keep the Project Moving Forward**

Through our interviews it became clear that support is strong and people want to see the large-scale demo continued. Sufficient progress has been made within the USFS and among the members of the PRWA such that the project would continue if sufficient funds were available. This is an important conclusion given the uncertain commitment to true collaboration and partnerships we found within the USFS and the distrust that existed--and to a large degree still exists--between local landowners and the USFS. If sufficient leadership and support is provided, the USFS may be able to resolve its lack of clarity over future directions, collaboration, and partnerships. If the PRWA can secure funds, they seem likely to be able to continue to pay a coordinator and enhance their work. Most people said it would be a big loss if the USFS had to reduce its involvement due to budget reductions or other issues. However, even if this were to occur, it's likely that the federal and private land PRWA component of the watershed demo project would continue.

Recommendations

- **The USFS May Benefit from a Meaningful Dialogue to Clarify What Collaboration and Partnership Building Means for the Agency**

The different viewpoints we heard about the capacity of the agency to engage in true collaboration suggests that a meaningful dialogue is needed with employees at all levels of the agency to clarify what true collaboration and partnership-building involves. This type of dialogue may be challenging as it can strike at the heart of the agency's traditions, culture, staffing patterns, structures, and systems. However, failure to clarify these issues seems likely to leave the agency mired in internal dissension and external controversy.

- **Continue to Improve Agency Governance Systems**

Following the point above, the USFS may benefit from candid dialogue that leads to agreement on and continued improvements in the way information is gathered, shared, and used, decisions are made and enforced, and financial and staff resources are distributed. Our review found significant differences of agreement within the agency about how these elements organizational governance systems should be organized and performed. Again, failure to clarify these issues seems likely to leave the agency mired in internal dissension and external controversy.

- **Develop a Common Vision and Strategy for the Upper Pit Watershed**

The two Forest Service projects and the PRWA that together comprise the watershed demo would benefit in many ways from the continued development of a common vision and strategy for restoring the Upper Pit watershed. The completion of the watershed assessment will provide important baseline data for developing a strategy. However, the watershed assessment will be helpful only if all of the partners agree on what it is they want to achieve and how they will make decisions to achieve those goals.

Vision refers to a picture of the future of the watershed as a restored and healthy system and to a related future of the partner organizations as more effective entities. An effective vision also includes a clear message about why people should strive to create this future. *Strategy* refers to the overall approach - the framework within which you make decisions - that will be used to achieve the long-term vision a partnership has developed. A sample strategy may be to first identify and protect the healthier areas of the watershed and then focus restoration activities around expanding and reconnecting these areas. *Tactics* are the specific actions the partners will take to implement the strategy. For example, in this example, federal agencies may target their assessment and land management activities on protecting and restoring the best remaining areas on public lands while the states and non-profits may identify and work with parties that own the healthier private land areas to acquire conservation easements and/or help them adopt new management practices. *Implementation plans* detail the specific sequence of steps, time-lines, lines of responsibility, fiscal, and other resources that will be employed to implement all of the tactics consistent with achieving the strategy.

It is important to remember there is a direct link between the vision the partners develop, the generation of new ideas, and the development of an effective strategy. Innovative ideas that lead to synergy between all partners will arise only when partners agree on a common vision and goals and open themselves to new ways of thinking. New ideas will not emerge through business-as-usual. It may behoove all of the partners in the Upper Pit large-scale watershed demo to spend time to clarify the vision, framework, and strategy they want to use to employ.

- **Continue to Develop a Mixture of Output and Outcome-Based Indicators**

While support for the Upper Pit large-scale watershed demo is strong at this time, the project may benefit from the continued development of indicators and a monitoring system that can measure progress towards the vision and goals of the project. While the development of appropriate indicators will be challenging, the lack of effective indicators may result in questions being raised about the value of the dollars, time, and resources being invested in the project.

- **Strong Consistent Leadership is Needed from the Chief If the USFS is to Adopt Meaningful Landscape-Level Scientifically Sound Collaborative Management**

Some Forest Service employees have increased their awareness of the need and advantages of working at the watershed rather than a project only scale, and working in partnership with local landowners and stakeholders rather than solely on federal lands. However, the understanding and behaviors are clearly not yet embedded within the thinking, perspectives, and daily activities of the agency. One Forest Service employee said that to embed the process in the culture of the agency, the Chief needed to send a strong and consistent direction to the Regions and to staff in general about the importance of these issues. The message must be reinforced by symbolic actions and with funding, staffing, and other steps that demonstrate the Chief's resolve. Strong consistent direction may also include direction to the watershed, fisheries, and other programs at headquarters to become engaged in these efforts. Clear direction would also require steps to improve the budgeting process and target setting process (see below).

- **Continue to Improve the Internal Budgeting and Target Setting Process**

Because we consistently heard concerns about the internal budget and target setting processes, it seems prudent to continue to try to improve these processes so that they better support watershed-level partnership-based management. The timing of what funds arrive, how they are packaged, and other issues must be addressed. One USFS employee cited the VW (vegetation and watershed management) budget as an example of a more appropriate budgeting approach. Funds for forest, range, noxious weed treatment and other items have been put in one larger pot and the local forest can decide how to allocate funds to best address vegetation issues. Means to adjust the target setting process so that incentives exist to work on private lands and in partnerships would also benefit watershed-level management. It will also be important to adjust the process so that the funds arrive early enough to allow for preplanning work or so that staff at least knows how much they will eventually receive.

- **Independent Third-Party Science Assessments May Help Resolve Key Technical Questions**

Given the number of times we heard questions from people within and outside of the Forest Service about technical and scientific issues, it may behoove the Modoc National Forest to ask independent science teams to evaluate assessments and project implementation plans. Third party reviews may go a long way toward assuring people that a credible scientific framework exists and that the science and technical methods used in projects meets the highest professional standards.

- **Don't Overburden the Development of Watershed-level Partnership-Based Programs**

Many Forest Service staff said if watershed-level partnership-based programs are to grow and succeed, the agency needed to take care not to unduly burden the process with bureaucratic rules and procedures. These people said new initiatives often get stymied for a year or more due to questions about priority setting and constraints created in the decision-making process at headquarters and the regional levels.

- **Resolve the Overhead Problems That Harm the USFS-BLM "Service First" Initiative**

The goal of improving the integration of the local BLM and USFS offices and services seems to be a worthy one. Effort should be made to remove the barrier to the "Service First" initiative related to the need to charge the other agency an 18% overhead fee.

- **Continue to Utilize and Improve the Business Planning Process**

The support we heard for the process of developing the original business plan, and the comments we heard about how they could be enhanced, leads us to conclude that if the process were improved they could prove extremely valuable. For example, if future partnership-based programs were required to develop business plans, they could be used by the agency as an incentive to develop more effective strategies. Business plans that demonstrate the highest potential for success could be chosen for funding and implementation. This type of competition would generate better strategic planning and other important outcomes. To achieve this goal it will be important to avoid making the business planning process cumbersome and filled with complex or time consuming requirements.