

## **Cherokee National Forest Restoration Initiative**

### Issue: Stewardship Contracting

Stewardship End Result Contracting (stewardship contracting) is a relatively new tool that Congress gave to the U.S. Forest Service for managing and restoring federal lands. With stewardship contracting, the agency can more completely address the total ecological needs of an area by using timber sale contracts, service contracts, agreements, and new integrated resource contracts—or any combination thereof.

The agency can describe the "end result" it wants to achieve in a certain area and its contractor can then develop and implement a mutually agreed-upon plan to achieve that goal. Stewardship contracting also allows the agency to enter into multi-year contracts and to use the value of any products removed and sold as a by-product of the restoration or maintenance work to offset some or all of the costs of the work. Finally, with stewardship contracting, the agency can work with the local community to design and implement the contract, and in the process, build community capacity and bring jobs and income into the local community.

Due to a number of factors (including declining Agency budgets, and office downsizing), employment opportunities and project implementation within the national forest system have witnessed a steady decline. Despite these reductions, the need for restorative work clearly remains paramount.

Such work includes: watershed restoration and maintenance, road obliteration for sediment control, wildlife habitat improvements, fuel load reductions, timber stand improvements, and insect/disease protection. In the past, these stewardship projects were completed largely within the confines of timber sale contracts and performed by an independent contractor or smaller sub-contracting firms. Revenues generated within these sales provided the funds necessary for stewardship work. However, with the marketed decline in the federal timber sale program, available funds for such work have declined as well. Limited appropriations from Congress and restricted money within existing trust funds further exacerbate the situation.

Given the economic challenges for accomplishing restoration work, creative approaches must be utilized to complete the necessary work and simultaneously contribute to the economic growth of local, rural communities.

### *What is Stewardship Contracting?*

Land stewardship contracting can best be explained as a set of natural resource management practices that seeks to promote a closer working relationship with local communities in a broad range of activities that improve land conditions, consistent with a community's ecological, social, and economic objectives. Such projects are seen as a means of shifting the focus of federal forest and rangeland management towards a desired future resource condition, rather than meeting on-the-ground targets or a

predetermined schedule of resource outputs. They are also considered a means by which federal agencies can contribute to the development of sustainable rural communities through restoring and maintaining healthy forest ecosystems and providing a continuing source of local income and employment.

The concept of stewardship contracts began in the 1980s, when land service management contracts were first introduced as a response to shrinking federal budgets, reduced personnel, and demands from the public for a broader range of outputs from federal forests and rangeland. These early contracts were designed to create significant savings of public funds through improved contract administration, specification of desired end-results, and the consolidation of multiple stand improvement contracts into one mechanism. Although these contracts were initially developed to facilitate traditional timber management objectives, they soon evolved into a more comprehensive approach, supporting the many tenets and practices defined within ecosystem management. In the 1990s, these early land stewardship contracts broadened to include local small business participation, alternative land management strategies, and locally based planning efforts.

Today, some or all of the following key points can be used to characterize stewardship contracting:

Broad-based public (community) collaboration: The intent of stewardship contracts is to develop a process of broad-based community participation that is open, transparent, and inclusive. This collaboration can be used to bolster public and agency learning, to encourage interaction among a broad array of stakeholders, and to utilize the existing knowledge base. As such, collaboration often facilitates the production of a unified vision (desired future conditions) that can then be applied during implementation and monitoring phases of a given project.

Provisions for multi-year, multi-task, end-results oriented activities: Within stewardship contracts, bidders are typically given a description of the desired future condition from the agency and asked to describe how they would use their skills and experience to achieve the defined vision. This format provides an opportunity for contractors to be flexible and innovative in their approaches and practices. These contracts can incorporate numerous tasks, over a course of years to reach the desired goal and objectives.

Comprehensive approach to ecosystem management: Within stewardship contracts, techniques and practices are designed under the umbrella of holistic, ecosystem approaches. Often these management activities are coordinated within a diverse set of objectives, including vegetation management, wildlife habitat enhancement, recreational development, and stream or riparian restoration. They also refocus the scope of projects from stand-level (as used in the past) to new ecological scales.

Improved administrative efficiency and cost to the agency: It should be noted that stewardship contracts are designed to complement and expand, not replace existing procurement or timber sale instruments. They are an alternative means of implementing

ecosystem management policies, relying on the shift of forest/rangeland management towards achieving a desired future resource condition rather than meeting an assigned target or predetermined schedule of output. Unlike timber sale contracts or service contracts, stewardship contracts are designed to combine a set of activities into a single contract, thereby improving contract efficiency and possibly reducing cost to the Agency.

Creation of a new workforce focused on maintenance and restoration activities:

Because stewardship contracts often contain a wide array of services (including those that involve the collection of multiple forest products), such contracts have the ability to contribute to the development of sustainable rural communities. Through improved and increased restoration/maintenance of the natural environment, stewardship contracts help provide living wages, new employment opportunities, and overall diversification of rural economies.

To this end, land stewardship contracts benefit the agency and the public in different ways. For the Forest Service, land stewardship contracts provide a means to improve contracting flexibility and efficiency; to address forest health concerns in areas of low-value material; and to increase collaboration among federal agencies and outside partners. Within the surrounding local communities, stewardship contracts are capable of promoting local involvement in National Forest management, while also strengthening local economies through the diversification of available jobs and the development of new and expanded markets. From a biological perspective, stewardship contracts provide a means of improving the health of forest systems, such as reducing the threat of wildfire, improving forest composition and structure, improving wildlife habitat and forage, and improving water quality.