

Appendix F. An explanation Timber Sale Contracts

Traditional Timber Sales

Timber sales are an essential vegetation management tool used to meet forest health and wildlife management objectives set forth in the Forest Management Plan. They are a cost effective way to manipulate forest vegetation, mimic natural disturbance, and improve habitat conditions for a wide range of wildlife and plant species.

Timber sale planning begins by evaluating the suitability of potential treatment areas based on a range of criteria including but not limited to: logability, merchantability, and a clear purpose and need consistent with Forest Plan direction. Following the initial screening, areas proposed for treatment undergo a thorough evaluation following the rules set forth in the National Environmental Policy Act (NEPA). The NEPA process mandates public involvement and interdisciplinary team review. Experts and specialist from a wide range of disciplines thoroughly evaluate the proposed actions and public comments to ensure that the final project design and decision to proceed is well advised.

Traditional timber sale contracts are cost effective because they actually result in a cash payment to the government in exchange for the timber that is removed. The Knutson-Vandenberg Act (KV) of 1930 (16 U.S.C. 576-576b) established a special trust fund to collect a portion of timber sale receipts to pay for reforesting the area from which the timber was cut. The act was amended in 1976 to allow the Forest Service to use these funds for other activities, such as creating wildlife habitat or improving recreation facilities on the sale-area lands. The KV Act, however, prohibits spending more trust funds for reforestation and other related activities on a sale area than had been collected from that sale-area. In addition to how much funding is available, KV funds can only be spent on a limited range of activities within the "sale-area".

Overview of Stewardship Contracting

Stewardship contracting authorities are different from the traditional timber sale contract primarily in that it allows for the exchange of goods for services. What this means is that the Forest Service can exchange timber for specified services that are not limited to the "sale-area".

Standard timber sales are generally not suitable for projects that include marginally merchantable material (i.e. thinning small diameter or defective/damaged materials). In addition, service contracts often lack the necessary appropriated funds to pay for required activities.

It should be noted that stewardship contracts are designed to complement and expand, rather than replace existing timber sale contracts. They are an alternative means of implementing ecosystem management policies, relying on the shift of forest management towards achieving a desired future resource condition rather than meeting an assigned target or predetermined schedule of output. Within stewardship contracts, techniques and practices are designed under the umbrella of holistic, ecosystem approaches.

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.