



Stewardship Contracting

Collaboratively Addressing Forest Health and Job Creation throughout the West **February 20, 2014**

The Stewardship Contracting Authority has been utilized across the West over the past twelve years to improve forest health, stimulate forest-based economies, and improve collaborative project development among diverse constituencies. This Authority, which enables both the Forest Service (USFS) and Bureau of Land Management (BLM) to enter into collaboratively-developed contracts, was recently permanently reauthorized in the 5-year 2014 Farm Bill. This Authority is one tool among others used by the agencies on federal lands across the West to improve forest health, stimulate forest-based economies, and increase collaborative project development among diverse constituencies. **The Western Forestry Leadership Coalition (WFLC) has been supportive of Stewardship Contracting Authority since its inception, and believes this permanent authorization will assure its continued use and will help to improve and sustain healthy forests now and into the future.**

What is Stewardship Contracting?

The stewardship contracting authority directs the USFS and BLM (the agencies) to focus on three interacting areas: 1) the development of sustainable rural communities, 2) restoration and maintenance of healthy forest ecosystems, and 3) provision of continuing sources of local income and employment. Stewardship contracting is a unique tool as it allows for the exchange of goods for services, thus facilitating land restoration and enhancement efforts by using the value of traded goods to complete and complement management at a landscape scale. The agencies can contract for a variety of services including, but not limited to, pre-commercial thinning, road or trail maintenance, and fuels reduction. A benefit of stewardship contracting includes offsetting treatment with the value of the vegetative material removed in the course of the work by applying retained receipts to future stewardship contracts. The contracts are awarded through “best value contracting” and can last up to 10 years, which assists local contractors in qualifying for loans and capital-intensive purchases.

New to the authority, and authorized by the 2014 Farm Bill, is the inclusion of fire liability provisions mirroring those included in integrated resource timber contracts and timber sale contracts. The application of these fire liability provisions addresses concerns by contractors and partners around the lack of clarity on fire suppression costs (i.e. ‘negligent’ versus operations or other fires on contract area). The inclusion of these provisions clearly indicates what the contractor is responsible for depending on the type of fire that occurs on the contract area. This places stewardship contracts fire liability on the same level as integrated resource timber contract and timber sale contracts.

Western Implications

While stewardship contracting is utilized by and is important to the entire U.S., its impact is especially salient in the West due to substantial federal land ownership. Federally-managed forests account for more than 60 percent of all forests in the West. People in the West are more likely to live near federal forest lands and to rely on these lands to provide clean air and water, jobs, and recreation, among other values.



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Successful Implementation

Since its inception in 1999 as a pilot program, the USFS, partners, and communities have derived enormous benefits from stewardship contracts. The use of the authority is applied across the country and has been used to address a range of management challenges. Figure 1 illustrates the application of stewardship contracting nationwide by the number of contracts granted. Figure 2 shows the number of acres treated through stewardship contracts by USFS Region.

Figure 1 – Stewardship contracts awarded

USFS Region	Contracts			
	FY 2006-2010	FY2011	FY2012	FY2013
Region 1	57	9	15	6
Region 2	117	44	42	28
Region 3	60	11	12	23
Region 4	51	8	8	18
Region 5	81	16	16	16
Region 6	171	41	49	31
Region 8	82	39	44	43
Region 9	67	37	34	30
Region 10	2	3	6	0
Total	688	208	226	195



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Figure 2 – Acres treated by the USFS using stewardship contracting

USFS Region	Acres Treated			
	FY 2006-2010	FY2011	FY2012	FY2013
Region 1	60,249	4,550	4,957	2,787
Region 2	42,890	13,127	9,707	8,226
Region 3	58,462	11,107	14,085	27,943
Region 4	45,470	7,221	6,032	34,511
Region 5	68,494	9,414	21,859	13,552
Region 6	87,207	17,291	36,695	33,407
Region 8	65,351	26,837	29,685	39,358
Region 9	16,836	9,495	8,780	11,983
Region 10	89	1535	2438	0
Total	445,048	100,577	134,238	171,767

Stewardship Contracting Improves Forest Health

Stewardship contracts provide a means for addressing the millions of acres across the West in need of restoration to improve forest health and reduce the risk of catastrophic wildland fire, and provide resource benefits such as watershed management for salmon habitat and trail improvements for recreational use. Insect and disease infestations have left millions of standing dead trees that threaten human safety and affect the quality of water flowing from our forests. Many western forests are overly dense, unhealthy, and in need of active management.

Stewardship contracts facilitate the removal of traditionally lower-value products (e.g., dead trees, small diameter material) in combination with saw log removals through one contract mechanism. Receipts from the sale of commercial timber are then re-invested locally to maintain roads, improve habitat for fish and wildlife, plant trees following timber harvest or wildland fire, and improve recreation sites and trails, among other uses.



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Success Story - Addressing Fire Risk and Forest Health in Colorado's Front Range

In Colorado's Front Range, hundreds of thousands of acres of forests are in need of restoration and thinning to reduce fire risk to communities and increase resiliency to pine beetle outbreaks. In response to these needs, a 10-year, long-term stewardship contract to treat and restore up to 10,000 acres per year on the Arapahoe-Roosevelt and Pike-San Isabel National Forests was implemented in July 2009. The contract is one of the many successes of the Front Range Roundtable, a diverse coalition working together to develop a long-term vision and roadmap to reduce the risks of wildfire to communities and restore forests to sound ecological conditions.



Stewardship Contracting Encourages Collaboration

One of the cornerstones of stewardship contracting is collaborative project development. Stewardship contracting fosters collaboration between agencies, contractors, and environmental groups to devise projects that meet land management needs, create tangible economic benefits to communities, and address environmental concerns. This collaboration also fosters development of projects that stretch beyond agency boundaries. The use of stewardship contracting helps build the relationships that allow for landscape-scale management.

Success Story - Fostering Collaboration in Southwestern Oregon

The Rogue River-Siskiyou National Forest and its partners saw stewardship contracting as an opportunity to collaboratively address longstanding ecological, economic, and social needs. The National Forest, the Lomakatsi Restoration Project, the Siskiyou Project, and other local stakeholders collaboratively developed a 10-year stewardship master agreement in 2008 to treat 10,000 acres. The project focus is on restoring forest complexity and improving road conditions in order to mitigate impacts on water resources, while also bolstering the local economy and training the local workforce. The master agreement lays out the collaborative process under which development and implementation of subsequent stewardship contracts should occur to achieve the mutual benefit of all stakeholders. During 2009, project partners treated 1,300 acres as part of the Hope Mountain Stewardship Project, infusing local communities with almost \$1 million in wages and salaries.





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Stewardship Contracting Creates Economic Stimulus

Stewardship contracting has had profound positive economic impacts on forest-based rural economies across the West. Contracts help maintain industry capacity in areas that have been hit by decades of decline in the forest products industry and help keep skilled industry employees working. Many stewardship contracts include a multitude of activities that will be completed in a single contract, thus allowing for contractors to subcontract to local companies or expand their company's technical and operational capabilities. The variety of income sources generated from the completed activities from a single stewardship contract provides economic benefits and returns to the local communities.

Success Story - Economic Stimulus and Job Creation in Eastern Arizona

On the Apache-Sitgreaves National Forest in eastern Arizona, the first ever 10-year stewardship contract was implemented in 2004. The White Mountain Stewardship Contract focuses on the



restoration and thinning of approximately 150,000 acres of largely ponderosa pine forest with the goals of reducing wildfire risk to communities, reducing the cost of forest treatments, and encouraging the development of new industry in support of job creation. The contract has resulted in the creation or maintenance of 319 jobs, 226 direct forest industry jobs, and an additional 93 indirect jobs annually. In addition, 114 of these jobs are renewable energy jobs. Twenty businesses have purchased material from project treatments, creating a wide range of finished products including wood pellets, biomass electricity, lumber, furniture, soil fertilizer, and animal bedding. It is estimated that \$13 million has

been spent annually in local communities over the first five years of the White Mountain contract by these businesses and project contractors.

Stewardship Contracting is a Wise Federal Investment

Stewardship contracts enable a greater return on federal investment. Long-term contracts create local economies for service work that, over time, lead to reductions in costs per acre to agencies for landscape treatments and allow the treatment of more acres with limited budgets. Through active collaboration with nongovernmental organizations and other private groups on stewardship contracts, agency budgets can be supplemented by matching funds and donor contributions to address landscape-scale management challenges. Additionally, the more collaborative form of project development fostered by stewardship contracting often saves time and money in the long run by reducing project challenges and litigation.

The Western Forestry Leadership Coalition represents a unique partnership between state and federal foresters. The WFLC is a coalition of 34 members from across the West: the Council of Western State Foresters comprised of the 23 western State and Pacific Island forestry agency directors, and 11 U.S. Forest Service members, which include 7 western USFS Regional Foresters, 3 western USFS Research Station Directors, and the USFS Forest Products Laboratory Director. Visit us at www.wflcweb.org, or call 303.445.4365 for more information.