



# Policies Affecting Implementation of Landscape-scale Treatments on National Forest System Lands at High Risk of Insect and Disease Mortality

*by*

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and

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The College of Natural Resources Policy Analysis Group (PAG) was established by the Idaho Legislature in 1989 to provide objective analysis of the impacts of natural resource proposals (see Idaho Code § 38-714). The PAG is administered by Kurt Pregitzer, Dean, College of Natural Resources.

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and

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## **About the Policy Analysis Group (PAG)**

**Role and Mission.** The Idaho Legislature created the Policy Analysis Group (or “PAG”) in 1989 as a way for the University of Idaho to provide timely, scientific and objective data and analysis, and analytical and information services, on resource and land use questions of general interest to the people of Idaho. The PAG is a unit of the College of Natural Resources Experiment Station, administered by Kurt Pregitzer, Director, and Dean, College of Natural Resources.

**PAG Reports.** This is the thirty-sixth report of the Policy Analysis Group (see inside cover). The PAG is required by law to report the findings of all its work, whether tentative or conclusive, and make them freely available. PAG reports are primarily policy education documents, as one would expect from a state university program funded by legislative appropriation. The PAG identifies and analyzes scientific and institutional problems associated with natural resource policy issues. In keeping with the PAG’s mandate, several alternative policy options are developed and their potential benefits and detrimental effects are analyzed. As an operational policy the PAG does not recommend an alternative.

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## Executive Summary

Almost 40% of Idaho's land base is national forests managed by the U.S. Forest Service (USFS). The focus of this report is three provisions of the 2014 Farm Bill (P.L. 113-79) that could lead to increased cooperative management between the state of Idaho and the USFS to improve conditions on Idaho's national forests. This report analyzes the provisions through replies to a series of focus questions.

***What provisions of the 2014 Farm Bill affect management of national forests in Idaho?*** Three provisions are the focus of this report: Landscape-scale Treatment Areas, Good Neighbor Authority, and Stewardship End Result Contracting.

The 2014 Farm Bill allows states to identify, and the USFS to approve, Landscape-scale Treatment Areas on national forests where they are experiencing or at risk of increased tree mortality or dieback due to insect and disease infestation. Treatment and restoration projects within these areas are subject to streamlined National Environmental Policy Act (NEPA; P.L. 91-190) analysis and documentation requirements.

The 2014 Farm Bill authorized \$200 million per year for projects in Landscape-scale Treatment Areas for Fiscal Years 2014 through 2024. However, no funding was appropriated at the time the bill was passed in 2014, and none has been appropriated as of the time of this report.

The 2014 Farm Bill also expanded Good Neighbor Authority from two pilot projects to a nationwide program. Good Neighbor Authority allows the USFS to enter into cooperative agreements or contracts with a state so that the state or its subcontractors can undertake restoration activities on national forests.

The 2014 Farm Bill also made permanent Stewardship End Results Contracting, commonly called Stewardship Contracting. Stewardship Contracting allows the USFS to enter into long-term contracts with a state or other entity for restoration projects on national forests. Stewardship Contracting allows the USFS to fund restoration projects by trading the value of goods (timber) for the value of services (forest restoration).

***What areas in Idaho have been identified as Landscape-scale Treatment Areas?*** In 2014, the state of Idaho identified, and the USFS approved, 1.7 million acres in Idaho as Landscape-scale Treatment Areas based on the criteria in the 2014 Farm Bill. Every national forest has a least one area. The Idaho Panhandle National Forests have the most areas designated with 26, while the Caribou-Targhee National Forest has the most acres designated with almost 678,000.

***How do Good Neighbor Authority and Stewardship Contracting enable state agencies and other entities (e.g., private businesses, nonprofit organizations, local governments) to engage with the federal land management agencies in the implementation of projects on Landscape-scale Treatment Areas?*** Both Good Neighbor Authority and Stewardship Contracting allow state agencies and other entities to engage with the USFS on restoration projects on federal lands within Landscape-scale Treatment Areas. However, neither Good Neighbor Authority nor Stewardship Contracting is restricted to Landscape-scale Treatment Areas and can be used on other areas of national forests. The U.S. Bureau of Land Management also is authorized to use Good Neighbor Authority and Stewardship Contracting on public lands.

Good Neighbor Authority agreements for national forests must be between the USFS and a state agency, most likely the Idaho Department of Lands (IDL). However, local governments,

nonprofit organizations, and private businesses could engage in restoration activities through agreements or contracts with the state. Stewardship Contracting is open to state agencies as well as other entities. The state agency or other entity with whom the USFS has an agreement or contract can undertake the restoration activities itself or it can subcontract the work to other entities.

IDL is not prevented by statute from entering into cooperative agreements or contracts with the USFS, but engaging in administration or activities on national forests would be new for the department. The Idaho Legislature authorizes both the mission and funding for IDL. In 2015, the Idaho Legislature passed a resolution recommending IDL develop Good Neighbor Authority agreements with the USFS and requesting IDL establish an internal working group to work with federal land managers to identify specific parcels of federal lands suitable for use of Good Neighbor Authority. Additional policy direction from the Legislature regarding the state's participation in Stewardship Contracting would be useful, and additional funding and personnel resources may necessary if IDL is to undertake new responsibilities related to restoration activities on national forests.

Although more limited for projects in Landscape-scale Treatment Areas, NEPA analysis and documentation will continue to be a bottleneck to implementation of forest restoration projects. With both Good Neighbor Authority and Stewardship Contracting NEPA decisions remain with the federal agencies; however, information gathering, analysis, and documentation can be assisted by other parties. More focused federal NEPA resources, such as NEPA "strike teams," or increased NEPA roles for non-federal entities, including "cooperating agency" status for IDL, could help alleviate delays to implementation of projects.

***What has been the past experience with Good Neighbor Authority and Stewardship Contracting in Idaho, other western states, and across the nation?*** Good Neighbor Authority under pilot programs has been authorized in Colorado and Utah for more than a decade. Yet, formal assessment of the authority's successes and challenges is scant. State agencies in Colorado and Utah were able to successfully implement projects on national forests in their states; however, pilot projects were relatively small scale so results from larger and/or more numerous projects on Landscape-scale Treatment Areas may be different.

Stewardship Contracting has been in use by the USFS for more than 15 years; the 2014 Farm Bill made the authority permanent. The flexibility provided by Stewardship Contracting and the ability to trade goods for services have allowed the USFS to accomplish restoration activities that might otherwise have gone unfunded. Many projects have resulted from increased collaborative efforts and have helped support local industries and economies. Challenges for Stewardship Contracting have included: lack of consistent implementation across the USFS, funding contract cancellation ceilings, disinterest by contractors, and poor markets for materials removed during restoration activities.

***If Idaho Department of Lands or other entities were to engage in Landscape-scale Treatment Area project implementation under Good Neighbor Authority and/or Stewardship Contracting, what would be the costs and benefits to the state?*** The costs and benefits from implementing projects on Landscape-scale Treatment Areas under Good Neighbor Authority or Stewardship Contracting will vary depending on many factors, including how the costs and benefits are measured, using financial efficiency analysis, avoided costs analysis, or net public benefits analysis. Regardless of approach, data do not exist to accurately estimate the costs and benefits of treating the 1.7 million acres identified as Landscape-scale Treatment Areas in Idaho. Project costs and benefits will vary with

numerous factors, including current forest conditions, the types of restoration projects undertaken, and characteristics of local forest products industries. A more resilient landscape will be just one of many benefits from restoration projects.

Implementation of forest restoration on Landscape-scale Treatment Areas through Stewardship Contracting has the potential to affect county revenues differently than if those same activities were done under Good Neighbor Authority or traditional timber removal contracting. Historically, the USFS shared 25% of revenues produced from national forests with counties for the benefit of public roads and schools. Revenues produced under stewardship contracts are not counted as moneys received for the purposes of computing the 25% Fund amount. Revenues produced under Good Neighbor Authority agreements are counted towards the 25% Fund. Currently, 25% Fund revenues are not an issue because payments to counties are based on a formula in the Secure Rural Schools and Self-Determination Act of 2000 (P.L. 106-393) and unaffected by current revenue levels from national forest lands. However, that act is only reauthorized through Fiscal Year 2015. If the U.S. Congress does not reauthorize that act, or create an alternative, the 25% Fund formula would be the basis for federal payments to counties after Fiscal Year 2015.

***What are the legal risks for the state or other entities in implementation of Landscape-scale Treatment Area projects on federal lands?*** Legal risks for a state agency or another public or private entity undertaking forest restoration work on federal lands are associated with several areas of law, including contract law, liability law, and resource management law. A full legal analysis of the risks from using Good Neighbor Authority or Stewardship Contracting on federal lands is best left to lawyers and other professional legal experts. A single example of legal risk—fire—that may arise from restoration work is discussed herein. Regardless of who employs them, workers in the woods have an obligation to extinguish unwanted fires and control those that are set intentionally. If a prescribed fire escapes, in many cases federal and state employees are protected from damage liability by tort claims laws. However, private organizations and individuals may be subject to some level of liability based on those same laws.

***How could the success of Landscape-scale Treatment Area projects be measured?*** The objective of projects on Landscape-scale Treatment Areas is to restore forest conditions that increase resilience to insect and disease infestations in the future. Measures of success are likely to be multi-dimensional because restoration involves many ecological, economic, and social facets. Effectiveness, or the degree to which a project reduced the severity of a current insect or disease outbreak or likelihood or severity of a future infestation is a measure of success and will require monitoring. Multi-faceted performance measures such as those developed for Collaborative Forest Landscape Restoration Program projects also may be useful. By themselves performance measures are of limited utility; they do not serve as substitutes for evaluation, which involves making value judgments about the worth of a project.

Determining how much of the 1.7 million acres of Landscape-scale Treatment Areas designated in Idaho could be treated over a 10-year period requires information beyond what is known at this time. Numerous legal, policy, and funding decisions by courts, the U.S. Congress, the USFS, IDL, and the Idaho Legislature as well as financial decisions by private individuals, businesses, and nonprofit organizations will determine the answer.

Despite not currently knowing all answers, Good Neighbor Authority and Stewardship Contracting are alternatives to the status quo for management of Landscape-scale Treatment

Areas on the national forests in Idaho. Both mechanisms would allow the state and other entities to be more involved in managing federal forest lands and potentially reduce negative impacts of insect and disease epidemics. Additional state resources would be required, but benefits from more resilient forests, lower risks of adverse effects from wildfire, and increased economic activity for forest-dependent industries and communities would be gained.

## Chapter 1. Introduction

In February 2014 the U.S. Congress passed and the President signed into law the Agricultural Act of 2014 (P.L. 113-79), more commonly known as the Farm Bill. The law contains several provisions affecting national forests that are managed by the U.S. Forest Service (USFS), an agency of the U.S. Department of Agriculture. About 21.4 million acres of the 52.9 million acres (40%) in Idaho are forest land, and national forests account for 16.4 million acres, or 76%, of all forest land in Idaho (Smith et al. 2009).

The focus of this report is the provisions of the 2014 Farm Bill that allow for the creation of Landscape-scale Treatment Areas on national forests where they are experiencing or at risk of increased tree mortality or dieback due to insect and disease infestation (see **Chapter 2** for more details). Insect and disease treatment projects within Landscape-scale Treatment Areas are eligible to be carried out under streamlined National Environmental Policy Act (NEPA; 42 U.S.C. § 4321 et. seq.) analysis and documentation requirements, which potentially expedites their implementation.

Projects in Landscape-scale Treatment Areas may be implemented using other provisions of the 2014 Farm Bill, including "Good Neighbor Authority" and "Stewardship End Result Contracting." Good Neighbor Authority allows the USFS to enter into cooperative agreements or contracts with states to conduct forest restoration activities on federal lands (see **Chapter 2** for more details). Stewardship End Result Contracting, more commonly called Stewardship Contracting, allows the USFS to bundle into a single contract goods—such as marketable forest products—and services—such as removal of woody biomass for restoration (see **Chapter 2** for more details). Stewardship contracts are focused on achieving desired future resource conditions rather than meeting assigned output targets, contributing to the development of sustainable rural communities by restoring and maintaining healthy forest ecosystems, and providing income and employment opportunities to local residents. Both Good Neighbor Authority and Stewardship Contracting may result in implementation of more and/or more timely restoration projects within Landscape-scale Treatment Areas on national forests.

Together these three provisions of the 2014 Farm Bill—Landscape-scale Treatment Areas, Good Neighbor Authority, and Stewardship Contracting—create opportunities for increased cooperation between the USFS, the state of Idaho, and other entities, such as private businesses, nonprofit organizations, and local governments to improve conditions on Idaho's national forests. However, the roles the state and other entities could play and the costs and benefits of increased involvement in the management of national forests have not been evaluated. Analyzing those roles, opportunities, and limitations is the purpose of this report.

This report replies to a series of focus questions about provisions of the 2014 Farm Bill that affect national forest management in Idaho:

- What provisions of the 2014 Farm Bill affect management of national forests in Idaho?
- What areas in Idaho have been identified as Landscape-scale Treatment Areas?
- How do Good Neighbor Authority and Stewardship Contracting enable state agencies and other entities (e.g., private businesses, nonprofit organizations, local governments) to engage with the federal land management agencies in the implementation of projects on Landscape-scale Treatment Areas?
- What has been the past experience with Good Neighbor Authority and Stewardship Contracting in Idaho, other western states, and across the nation?

- If the Idaho Department of Lands or other entities were to engage in Landscape-scale Treatment Area project implementation under Good Neighbor Authority and/or Stewardship Contracting, what would be the costs and benefits to the state?
- What are the legal risks for the state or other entities in implementation of Landscape-scale Treatment Area projects on federal lands?
- How could the success of Landscape-scale Treatment Area projects be measured?

## **Chapter 2. What provisions of the 2014 Farm Bill affect national forest management in Idaho?**

Title VIII of the 2014 Farm Bill contains several provisions related to forestry and national forest management. Three provisions are the focus of this report: Landscape-scale Treatment Areas, Good Neighbor Authority, and Stewardship Contracting.

### **Landscape-scale Treatment Areas**

Section 8204 of the 2014 Farm Bill amended Section 602 of the Healthy Forest Restoration Act of 2003 (HFRA; 16 U.S.C. § 6591 et seq.) to allow designation of Landscape-scale Treatment Areas on national forests experiencing declining forest health, at risk of experiencing substantially increased tree mortality over the next 15 years due to insect or disease infestation, or where hazard trees pose an imminent risk to public infrastructure, health, or safety. If requested by the governor of a state and within 60 days of passage of the Farm Bill, the Secretary of Agriculture was required to designate at least one Landscape-scale Treatment Area in at least one national forest in each state that is experiencing an insect or disease epidemic. After 60 days of the Farm Bill becoming law, the Secretary has the authority to designate additional areas as needed to address insect and disease threats. In general, the provisions of the 2014 Farm Bill allow projects on federally-owned lands within the designated treatment areas that reduce the risk or extent of, or increase resilience to, insect or disease infestation to receive priority.

Proposed projects in designated Landscape-scale Treatment Areas for which NEPA scoping is initiated prior to September 30, 2018 can be carried out using requirements similar to those for HFRA fuel reduction projects. These requirements include that projects must be consistent with national forest resource management plans and other relevant administrative policies or decisions applicable to the areas being considered, and that projects cannot occur on lands in the National Wilderness Preservation System, in wilderness study areas, or on other lands where vegetation removal is prohibited by law.

*NEPA Requirements.* Proposed projects in Landscape-scale Treatment Areas are subject to the same streamlined requirements for NEPA environmental analysis as other HFRA projects. In general, for environmental assessments or environmental impact statements, the USFS is required to develop only two alternative actions: the proposed agency action and a no-action alternative. However, if an alternative that meets the purpose and need of the project is proposed by another entity during the NEPA scoping process or the required HFRA collaborative process, the USFS must also develop and consider it.

Proposed Landscape-scale Treatment Area or HFRA projects that fall within the wildland-urban interface (WUI) are subject to slightly different NEPA environmental analysis requirements. If a project falls within the WUI, the USFS is not required to develop more than the proposed agency action and one other action alternative. However, if a proposed project is within the WUI and within 1.5 miles of an at-risk community, only development of the proposed agency action is required, unless the community has adopted a community wildfire protection plan and the proposed agency action does not implement the recommendations of that plan, in which case the USFS must consider an alternative based on the community's plan. Public notice, a public meeting, and a public collaboration process between the USFS, state and local governments, Indian tribes, and other interested parties also are required for HFRA and Landscape-scale Treatment Area projects.

Proposed projects in Landscape-scale Treatment Areas also are subject to the same, limited NEPA administrative and judicial review as other HFRA projects. To participate in the administrative review process for HFRA and Landscape-scale Treatment Area projects, a

person or organization must have submitted written comments specific to the proposed action during the NEPA scoping or public comment period on the draft environmental analysis. A civil court action challenging a HFRA or Landscape-scale Treatment Area project can only be filed after exhausting the administrative review process. Judicial review under HFRA is restricted to the district court with jurisdiction over the area where the project is proposed, is encouraged to be expeditious, has limited injunctive authority, and should consider the short- and long-term effects of the agency undertaking and not undertaking the action.

*2014 Farm Bill Categorical Exclusion Requirements.* If a proposed project in a Landscape-scale Treatment Area also meets other requirements specified in the 2014 Farm Bill (see next paragraph), then it is eligible for a "categorical exclusion" under NEPA and is exempt from administrative review under HFRA. A categorical exclusion means that the proposed project will not have a significant effect on the environment and that the USFS is not required to develop a NEPA environmental assessment or environmental impact statement for it (40 C.F.R. § 1508.4). However, the USFS is required to provide public notice and scoping for any proposed project where it plans to use the categorical exclusion.

A proposed forest restoration treatment project in a Landscape-scale Treatment Area is eligible for a categorical exclusion if it meets the following requirements:

- maximizes the retention of old-growth and large trees, as appropriate for the forest type, to the extent that the trees promote stands that are resilient to insects and disease;
- considers the best available scientific information to maintain or restore the ecological integrity, including maintaining or restoring structure, function, composition, and connectivity; and
- is developed and implemented through a collaborative process that includes multiple interested persons representing diverse interests and is transparent and nonexclusive, or meets the requirements for a resource advisory committee under the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. § 7125).

Projects that comply with the requirements of the Collaborative Forest Landscape Restoration Program (16 U.S.C. § 7303(b)) are also eligible for the categorical exclusion. Projects within Landscape-scale Treatment Areas also must meet the following requirements to be eligible for a categorical exclusion:

- may not exceed 3,000 acres in size;
- must be in the WUI or in Condition Classes 2 or 3 in Fire Regime Groups I, II, or III outside the WUI;
- cannot include the establishment of permanent roads; and
- temporary roads must be decommissioned within three years after the project is completed.

*Fiscal Authority.* The 2014 Farm Bill authorized \$200 million per year for projects in Landscape-scale Treatment Areas for Fiscal Years 2014 through 2024. However, no funding was appropriated at the time the bill passed in 2014, and none has been appropriated at the time of this report.

### **Good Neighbor Authority**

Two sources of Good Neighbor Authority exist: one from the 2014 Farm Bill and one from the Fiscal Year (FY) 2014 Consolidated Appropriations Act (P.L. 113-76). Important

differences between the two authorities exist. (See **Chapter 5** for a history of Good Neighbor Authority.)

Good Neighbor Authority in the 2014 Farm Bill allows the USFS to enter into cooperative agreements or contracts with a state for it to carry out restoration services on national forest lands. The authority is also available for public lands managed by the U.S. Department of the Interior Bureau of Land Management (BLM). Restoration services include activities to treat insect- and disease-infected trees, reduce hazardous fuels, and other activities to restore or improve forest, rangeland, and watershed health, including fish and wildlife habitat. Restoration services do not include construction, reconstruction, repair, or restoration of paved or permanent roads or parking areas, or construction, alteration, repair or replacement of public buildings or works. Good Neighbor Authority does not extend to lands that are part of the National Wilderness Preservation System, wilderness study areas, or federal lands on which the removal of vegetation is prohibited or restricted by law. All decisions required by NEPA with respect to restoration services are to be made by the USFS and not delegated to the state.

Good Neighbor Authority also was included in the FY 2014 Appropriations Act that became law in January 2014. The authority under this act is only available to the USFS in states with National Forest System lands, not to the BLM. Also, unlike the 2014 Farm Bill Good Neighbor Authority which is permanent, the Appropriations Act Good Neighbor Authority expires at the end of FY 2018. Also, under the Appropriation Act authority, the USFS may only enter into agreements with a state's forestry agency, whereas under the 2014 Farm Bill authority agreements can be with any state agency. The Appropriations Act authority also requires that similar and complementary services are performed by the state on adjacent state or private lands, whereas the Farm Bill authority has no such restriction. (See **Chapter 4** for more about how the differences in authorities affect implementation.)

Timber sales made under Good Neighbor Authority do not have to be advertised, and USFS personnel do not have to mark trees or supervise the timber harvesting. However, the USFS must approve all silvicultural prescriptions and marking guides that will be applied on timber sales on federal lands conducted under Good Neighbor Authority.

### **Stewardship Contracting**

The 2014 Farm Bill also amended HFRA to permanently authorize "Stewardship End Result Contracting" projects, commonly known as Stewardship Contracting. (See **Chapter 5** for a history of Stewardship Contracting.) Stewardship Contracting allows the USFS and BLM to enter into agreements or contracts with private individuals or public or private entities to perform services to achieve land management goals for the national forests and the public lands that meet local and rural community needs. The land management goals as spelled out in the 2014 Farm Bill include:

- Road and trail maintenance or obliteration to restore or maintain water quality, soil productivity, habitat for wildlife and fisheries, or other resource values;
- Setting of prescribed fires to improve the composition, structure, condition, and health of stands or to improve wildlife habitat;
- Removing vegetation or other activities to promote healthy forest stands, reduce fire hazards, or achieve other land management objectives;
- Watershed restoration and maintenance;
- Restoration and maintenance of wildlife and fish; and
- Control of noxious and exotic weeds and reestablishing native plant species.

Stewardship contracts can be multi-year but cannot exceed 10 years. Contracts and agreements are to be awarded on a best-value basis, which means that criteria other than lowest price can be considered when awarding contracts.

The USFS may collect revenue from a stewardship contract, but only if revenue generation is a secondary objective of the contract. If revenues from the forest products harvested under a stewardship contract exceed the value of the resource improvement treatments, the USFS can collect residual receipts and apply the excess to other authorized stewardship projects. The value of services received by the USFS under a stewardship contract and any payments made or resources provided by the contractor or USFS are not to be considered monies received from the National Forest System. Timber sales made under Stewardship Contracting do not have to be advertised, and USFS personnel do not have to mark trees or supervise the timber harvesting. The USFS may require performance and payment bonds from contractors.

The USFS must establish a multi-party monitoring and evaluation process that assesses the Stewardship Contracting program. In addition to USFS personnel, participants in the process may include other governmental agencies, including tribal governments, and any other interested groups or individuals.

### **Other provisions**

In addition to the three provisions of the 2014 Farm Bill that are the focus of this report, several other provisions have implications for national forest management in Idaho (Hoover 2014). Among them are modifications to timber sale contract requirements and modifications to the land use planning process.

In the 2014 Farm Bill, timber sale contract requirements were modified for "all thinning sales" to no longer require that all trees that are to be harvested must be marked.<sup>4</sup> Designation by prescription and designation by description are now valid methods for establishing timber harvest parameters, and timber harvests may be supervised by use of post-harvest cruise, sample weight scaling, or other methods determined to be appropriate by the USFS.

With regards to land and resource management planning for national forests, the 2014 Farm Bill repealed the previous administrative appeals procedure (16 U.S.C. § 1612) and replaced it with the pre-decisional objection process set forth in HFRA. However, the pre-decisional objection process does not apply to projects that have a categorical exclusion under NEPA; no administrative review is available for such projects (Hoover 2014).

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<sup>4</sup> Section 8303 of the 2014 Farm Bill refers to "all thinning sales" in its title, although it modifies a section of the National Forest Management Act (16 U.S.C. § 472a) that applies to all *timber* sales. At the time of this report, the USFS is unclear about the extent to which the new requirements apply (Dawe, review comments).

### Chapter 3. What areas in Idaho have been identified as Landscape-scale Treatment Areas?

The Idaho Department of Lands (IDL) led the state's collaborative effort to identify and propose Landscape-scale Treatment Areas to the USFS (Davis 2014). IDL used several sources to identify areas meeting criteria in the 2014 Farm Bill for treatment areas including areas experiencing declines in forest health (USFS 2014a), areas at increased risk of tree mortality due to insect and disease infestation (Krist et al. 2014), and areas with imminent risk to public infrastructure, health, and safety from hazard trees. IDL worked closely with supervisors and staffs of national forests in Idaho to consider proximity to existing transportation and wood-industry infrastructure and municipal watersheds in evaluating potential treatment areas. IDL also worked closely with forest collaborative groups in the state through the Idaho Forest Restoration Partnership ([www.idahoforestpartners.org](http://www.idahoforestpartners.org)). The statewide goals and strategies of the Idaho Forest Action Plan (IDL 2012) also were considered in the identification process. In addition, IDL collaborated with numerous other federal and state agencies, local governments, and interested citizens to identify treatment areas (Davis 2014).

On March 31, 2014, the Governor of Idaho submitted the state's list of proposed Landscape-scale Treatment Areas to the USFS (Otter 2014). The state proposed 50 treatment areas covering more than 1.8 million acres. On May 20, 2014, the Chief of the U.S. Forest Service approved the state's proposal, with minor modification, and designated the 50 areas as Landscape-scale Treatment Areas (Tidwell 2014). On March 6, 2015, the state received notification from the USFS of additional corrections to area boundaries. As of this writing, a total of 1,755,318 acres in Idaho's national forests have been designated Landscape-scale Treatment Areas (Tidwell 2015).

Landscape-scale Treatment Areas have been designated on each of Idaho's national forests (**Table 3-1** and **Figure 3-1**). The Idaho Panhandle National Forests have the most areas designated with 26, while the Caribou-Targhee National Forest has the most acres designated with almost 678,000.

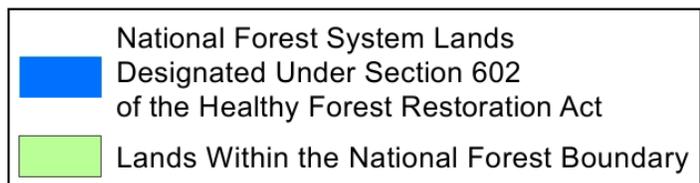
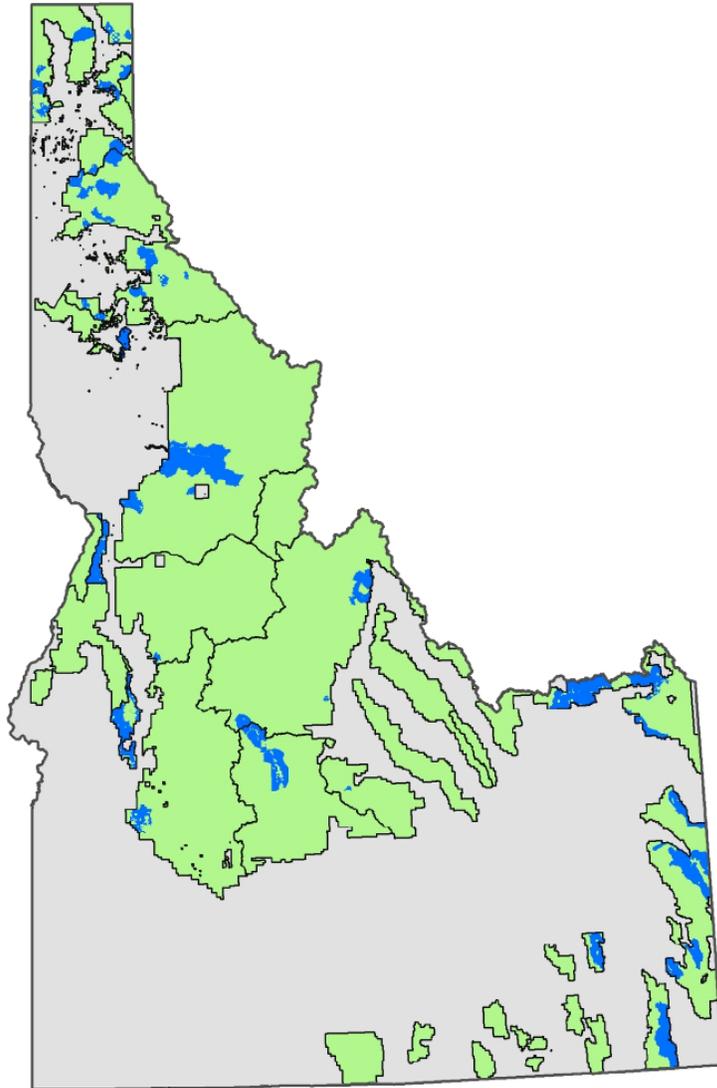
**Table 3-1.** Number and acres of designated Landscape-scale Treatment Areas on Idaho's national forests.\*

<b>National Forest</b>	<b>Number of treatment areas</b>	<b>Acres of treatment areas (thousands of acres)</b>
Idaho Panhandle	26	397.5
Clearwater-Nez Perce	5	423.7
Salmon-Challis	3	23.4
Payette	1	6.6
Boise	2	143.4
Sawtooth	3	143.3
<u>Caribou-Targhee</u>	<u>10</u>	<u>678.0</u>
TOTAL	50	1,815.9

\*Note: Number of areas and acres reflect original designation in March 2014. In March 2015, the USFS announced revisions (Tidwell 2015) that resulted in a total of 1,755,318 acres, but statistics by national forest were not available at the time of this report. Source: Davis 2014.



## National Forest System Lands Designated Under Section 602 of the Healthy Forest Restoration Act in Idaho



Note: Data displayed are for informational purposes only and depict designations made under section 602 of the Healthy Forest Restoration Act. Please contact Tony Tooke for details: [ttooke@fs.fed.us](mailto:ttooke@fs.fed.us)



Map created by USFS Geospatial Service and Technology Center on February 20, 2015.

**Figure 3-1.** Designated Landscape-scale Treatment Areas (Section 602) on Idaho's national forests.  
Source: USFS 2015c.

## **Chapter 4. How do Good Neighbor Authority and Stewardship Contracting enable state agencies and other entities (e.g., private businesses, nonprofit organizations, local governments) to engage with the federal land management agencies in the implementation of projects on Landscape-scale Treatment Areas?**

Although the focus of this report is on Landscape-scale Treatment Areas designated under the 2014 Farm Bill, Good Neighbor Authority and Stewardship Contracting are not restricted to these areas. Good Neighbor Authority and Stewardship Contracting are tools that potentially can be used on other federal lands, too. Stewardship Contracting, and to a more limited extent Good Neighbor Authority, have the potential to engage state agencies, private businesses, nonprofit organizations, and other entities in restoration activities on federal lands in Idaho.

### **Good Neighbor Authority**

Good Neighbor Authority under the 2014 Farm Bill provides the USFS and BLM with the ability to enter into cooperative agreements or contracts with a state to provide restoration services on all federal lands (with prohibitions for Wilderness areas, wilderness study areas, and other areas where laws prohibit vegetation removal), not just Landscape-scale Treatment Areas. The criteria for designating Landscape-scale Treatment Areas are focused on forests with insect or disease infestations; other forest and rangeland health issues caused by other factors exist on federal lands. Restoration services under Good Neighbor Authority can address a variety of ecosystem health issues on federal lands including hazardous fuels reduction, rangeland improvement, and fish and wildlife habitat restoration.

The 2014 Farm Bill places some restrictions on the types of restoration services that can be conducted under Good Neighbor Authority, in particular the reconstruction, restoration, or repair of permanent roads. Good Neighbor Authority under the FY 2014 Appropriations Act has no such restriction on roadwork, but requires restoration services on federal lands be accompanied by similar and complementary services on adjacent state or private lands.

*Implementation by the U.S. Forest Service.* Although the USFS had Good Neighbor Authority in Colorado and Utah through pilot projects (see **Chapter 5** for a history), its use as a tool nationwide began with passage of the 2014 Farm Bill and the FY 2014 Consolidated Appropriations Act. As of early 2015, the USFS is making progress on regulations and other policies that will affect implementation of Good Neighbor Authority, but they are not complete.

Based on experience in Colorado and Utah, the USFS decided new forms for Good Neighbor Authority contracts and agreements would improve implementation. When a federal agency creates new forms such as contracts and agreements, it must meet the requirements of the Paperwork Reduction Act of 1995 (44 U.S.C. § 3501 et. seq.). That act requires a public notification and comment period prior to approval of a new form.

In December 2014, the USFS published notice in the *Federal Register* seeking comments about Good Neighbor Authority templates (79 FR 73026). Comments were due February 9, 2015. The USFS submitted its revised templates to the U.S. Office of Management and Budget on March 6, 2015 (80 FR 12144), which began a 30-day comment period. The agency expects to have the new templates approved by late spring 2015.

Templates for Good Neighbor Authority include four types of agreements:

- [Master Good Neighbor Agreement](#)—a non-obligating instrument that incorporates general terms and framework of the collaborative agreement. Supplemental Project Agreements (SPA) are executed under this master agreement.

- [Good Neighbor Agreement \(2014 Farm Bill\)](#)—a standalone instrument that incorporates a statement of work and financial plan for authorized restoration activities. Timber Sales are not incorporated under this instrument and must be executed in a SPA under a Master Good Neighbor Agreement.
- [Supplemental Project Agreements \(SPA\)](#)—an obligating instrument that incorporates specific project roles and responsibilities, statement of work, financial plan, reporting requirements, payment provisions, and other conditional provisions necessary to complete work on and off national forest lands. Timber sales are allowed under this instrument, and require inclusion of a timber removal plan and contract.
- [Good Neighbor Agreement \(FY2014 Appropriations Act\)](#)—a standalone instrument that incorporates a statement of work and financial plan with state foresters to perform restoration services on national forests when similar and complementary services are performed by the state on adjacent state or private lands. All agreements will expire no later than September 30, 2018.

This structure of agreements is similar to that used by the agency for Stewardship Contracting (see **Stewardship Contracting** section below).

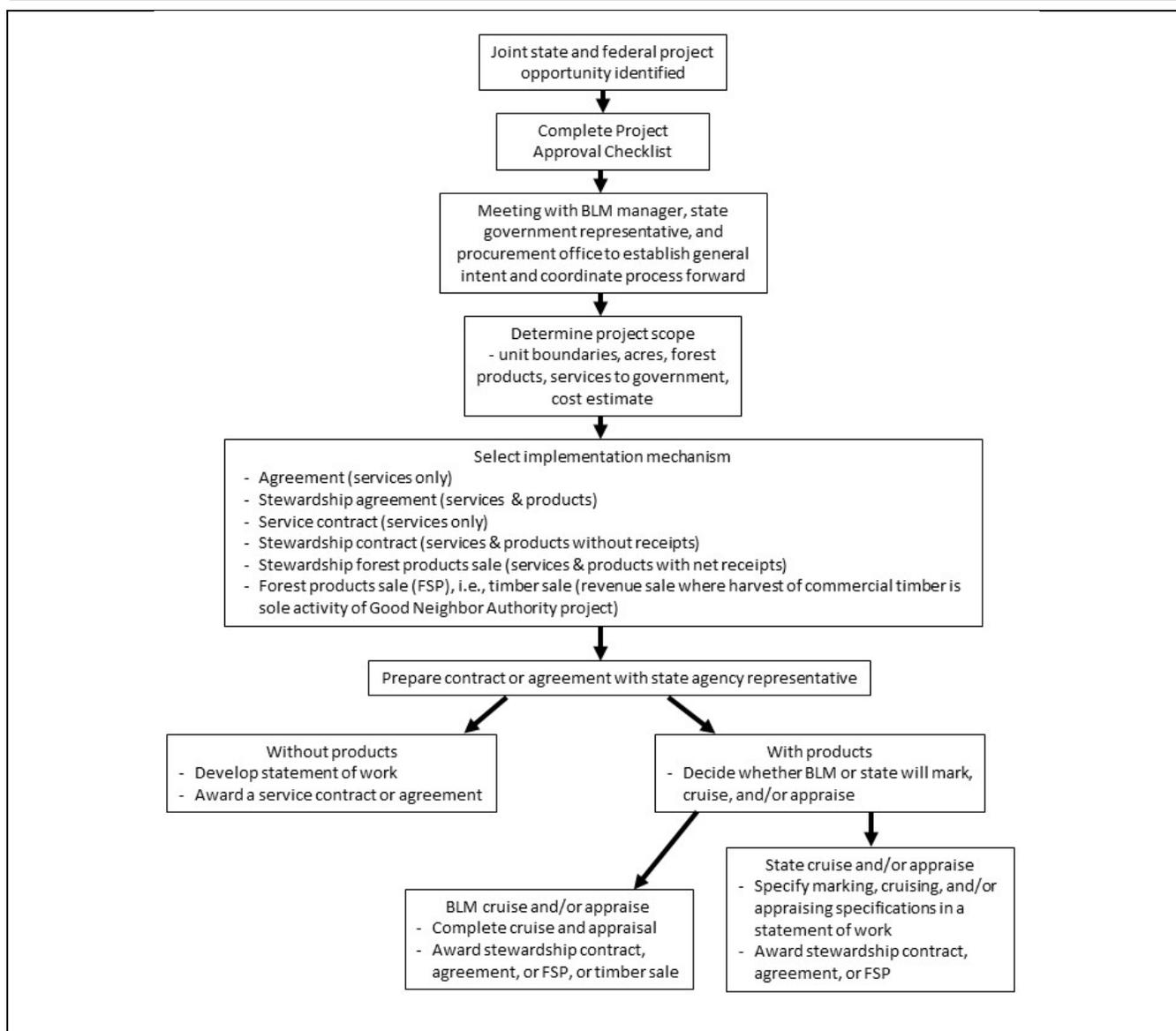
All proposed Good Neighbor Authority agreement and contract templates emphasize that project goals, objectives, and restoration activities are collaboratively agreed upon by the USFS and the state. All Good Neighbor Authority agreements and contracts are subject to the U.S. Office of Management and Budget government-wide guidance for grants and agreements (2 C.F.R. § 400 et seq.). There is no statutory match required for Good Neighbor Authority projects, though states are encouraged to provide resources to projects of mutual benefit. Performance reporting for Good Neighbor Authority projects by the state is required, and the state is encouraged to give public notice of the receipt of Good Neighbor Authority agreements and contracts and announce progress and accomplishments.

*Implementation by the Bureau of Land Management.* The BLM has already published guidance on the implementation of Good Neighbor Authority (BLM 2014). The process is outlined in **Figure 4-1**. BLM's process is illustrative of the process the USFS may use when it implements Good Neighbor Authority.

The BLM Good Neighbor Authority procurement process is much like a typical procurement for BLM with the only differences being that there is no advertising of the contract opportunity and the contract with the state does not contain subcontracting stipulations. Good Neighbor Authority project administration post award is the same as normal BLM contracts and agreements (BLM 2014).

If a Good Neighbor Authority project involves the sale of forest products from BLM's lands, the appropriate federal regulations must be followed (43 C.F.R. § 5400 et seq.). BLM has chosen to use existing forest product sales procedures to facilitate the proper and lawful conveyance of timber from public lands under Good Neighbor Authority rather than create new contracts and agreements. The available instruments for timber sales include BLM forest products sale (FPS) contracts and stewardship contracts or agreements (BLM 2014).

The BLM recognizes synergy between Good Neighbor Authority and Stewardship Contracting. For example, the use of Stewardship Contracting and Good Neighbor Authority together combines the use of goods-for-services authority that Good Neighbor Authority does not authorize, while Good Neighbor Authority could additionally authorize a stewardship contract to be awarded directly to a state without advertisement or subcontracting stipulations (BLM 2014).



**Figure 4-1.** BLM's Good Neighbor Authority project design matrix.  
Source: adapted from BLM (2014).

*Potential roles for the Idaho Department of Lands.* From the federal perspective, the potential roles that IDL could fulfill under Good Neighbor Authority are numerous. Good Neighbor Authority under the 2014 Farm Bill requires the cooperative agreement or contract entered into by the USFS or BLM be with the "Governor" or "any other appropriate executive official" of a state. Similarly, Good Neighbor Authority under the FY 2014 Appropriations Act requires the agreement or contract be with "a State Forester." At a minimum, IDL would need to enter into a "master" cooperative agreement with the USFS or BLM under Good Neighbor Authority that would then allow IDL to either accomplish restoration activities itself or enter into state cooperative agreements or subcontracts with other entities to accomplish the restoration work on Good Neighbor Authority projects.

If IDL was authorized and allocated resources, the types of work it could undertake under Good Neighbor Authority include a wide range of activities including project planning, design and administration, marking and selling of timber, and service contracting. Good Neighbor Authority agreements require the state train, supervise, and direct the work of all its employees and other participants in project activities. If a project requires NEPA analysis,

IDL could assist with information gathering and report preparation (see **NEPA analysis** section below); however, NEPA decisions under Good Neighbor Authority remain with the USFS or BLM.

In practice, IDL's role in implementing Good Neighbor Authority may be more limited due to its mission, structure, and financial, personnel, and administrative capacity. Because IDL's opportunities and limitations for Good Neighbor Authority are similar for Stewardship Contracting, they are discussed in more detail below at the end of the **Stewardship Contracting** section.

*Potential roles for other entities.* Good Neighbor Authority potentially creates roles for other entities, including other state agencies, local governments, private businesses, and nonprofit organizations. While a cooperative agreement or contract with the USFS or BLM is restricted to the "State Forester," i.e., IDL, under Good Neighbor Authority in the FY 2014 Appropriations Act, the restriction in the 2014 Farm Bill authority is with "an appropriate executive official" of the state. Potentially, if given state authority and resources, other state agencies such as the Idaho Department of Parks and Recreation or Idaho Department of Corrections could enter into Good Neighbor Authority agreements with the USFS or BLM to undertake restoration activities on federal lands.

Roles for other entities such as local governments, private businesses, and nonprofit organizations under Good Neighbor Authority would be limited to whatever subcontract or cooperative agreement opportunities IDL (or another state agency) provided. IDL currently uses contractors to accomplish much of its work on state endowment lands, and these types of contracts and agreements also could be used for restoration activities on federal lands. While public and private contractors could help with NEPA analysis (see **NEPA analysis** section below), NEPA decisions under Good Neighbor Authority remain with the USFS or BLM.

One idea that has been floated is creation of a nonprofit organization to allocate funding and resources to implement restoration projects on Landscape-scale Treatment Areas (IDL 2015a and 2015b). Whether such an arrangement would work using Good Neighbor Authority is unclear because the statute requires agreements to be between the USFS and a state agency. It is not clear the state could legally delegate decisions about projects using Good Neighbor Authority to a nonprofit organization.

### **Stewardship Contracting**

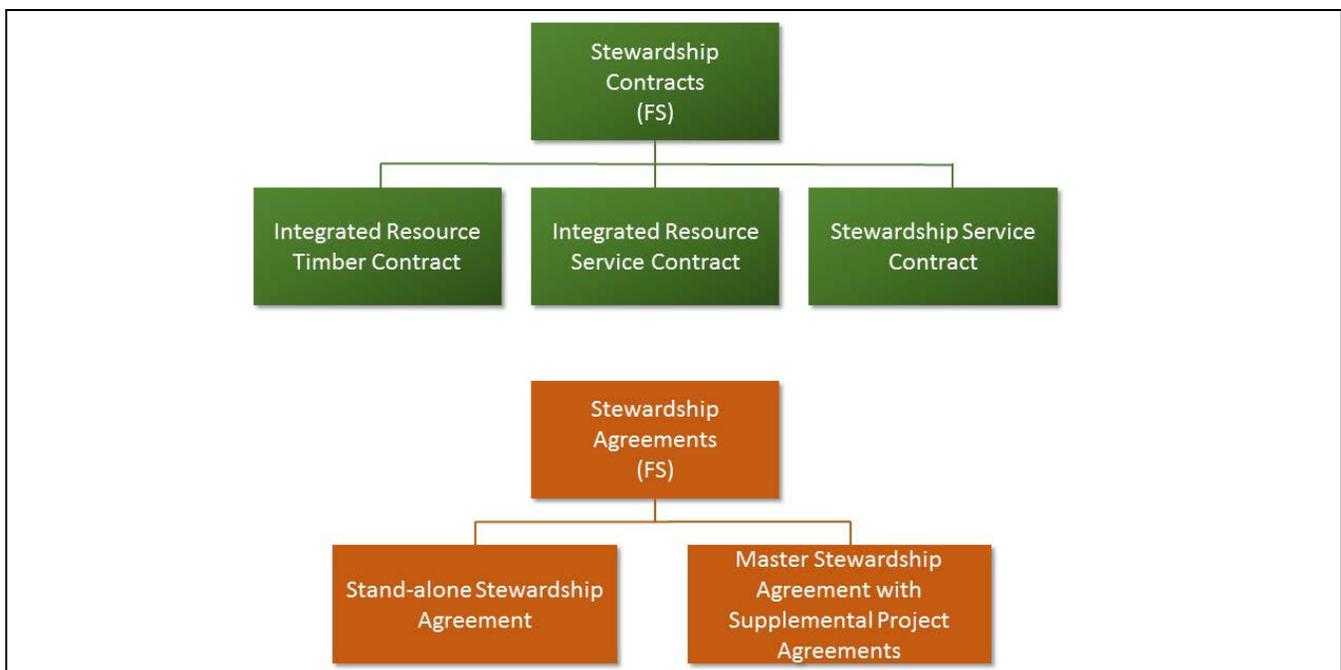
Similar to Good Neighbor Authority, Stewardship Contracting can be used for projects on Landscape-scale Treatment Areas but has the potential to be applied more broadly to other projects on federal lands. As with Good Neighbor Authority, the goals and activities of projects undertaken under Stewardship Contracting are broader than forests and insects or disease infestation that are the focus of Landscape-scale Treatment Area restoration activities. Stewardship Contracting has been in use by both the USFS and BLM for over a decade (see **Chapter 5** for a history) so the mechanisms for its implementation on a permanent basis are well documented. The features of Stewardship Contracting authority are outlined in **Table 4-1**.

*Implementation by the U.S. Forest Service.* Stewardship Contracting is actually a suite of tools that includes both agreements and contracts (**Figure 4-2**). Chapter 60 of the USFS *Renewable Resources Handbook* (FSH 2409.19) provides details about implementation of stewardship contracts and agreements and provides a decision tree to help determine if Stewardship Contracting is an appropriate set of tools for a project and which type of agreement or contract to use (**Figure 4-3**).

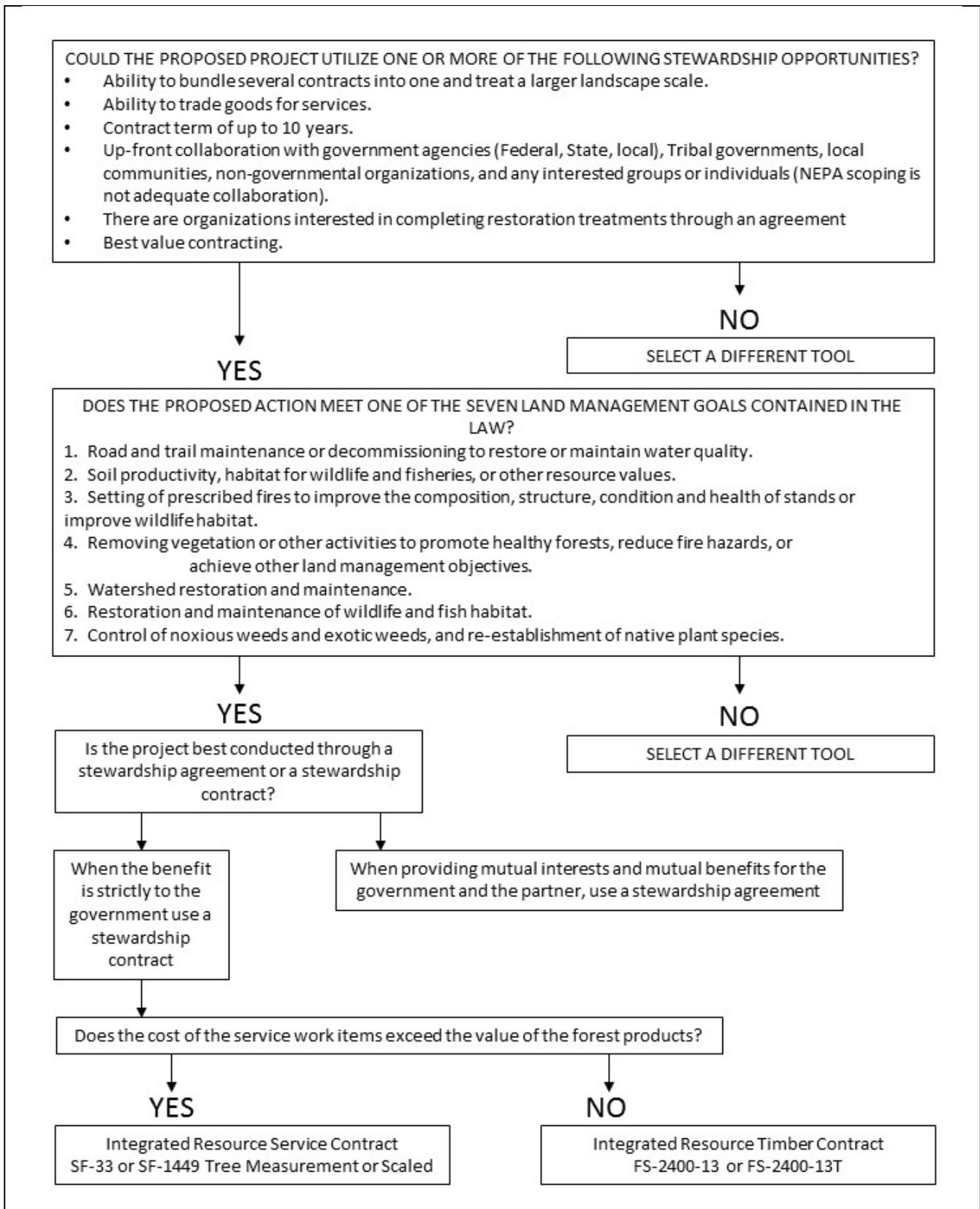
**Table 4-1.** Features of Stewardship Contracting.

<b>Stewardship authority</b>	<b>Description of authority</b>
Best-value contracting	Requires consideration of other criteria in addition to cost (e.g., prior performance, experience, skills) when selecting bids.
Multi-year contracting	Allows for contracts and agreements to be up to 10 years in length.
Designation by prescription	Specifying within a contract the desired end results of a project, while giving the contractor operational flexibility to achieve results.
Designation by description	Specifying which trees should be removed or retained without having to physically mark them.
Less than full and open competition	Award of sole-source contracts in appropriate circumstances.
Trading goods for services	The ability to apply the value of timber or other forest products removed as an offset against the cost of services received.
Retention of receipts	The ability to keep revenues (timber receipts) generated by a project when product value exceeds the service work performed and then applies the funds to service work that does not necessarily need to occur within the original project area.
Widening the range of eligible contractors	Allows non-traditional bidders (nonprofits, local governmental bodies, etc.) to compete for and be awarded stewardship contracts.

Source: adapted from Pinchot Institute for Conservation (2014).

**Figure 4-2.** Types of USFS stewardship contracts and agreements.

Source: National Forest Foundation (2014a).



**Figure 4-3.** Is a stewardship contract or agreement the right tool to use?  
 Source: adapted from USFS *Renewable Resources Handbook* (FHS 2409.19.60).

Integrated Resource Timber Contracts (IRTCs) are used when the value of goods a contractor is receiving is greater than the value of services the USFS is receiving. IRTC's can produce retained receipts that the USFS can use on other stewardship contract projects (National Forest Foundation 2014a).

Integrated Resource Service Contracts (IRSCs) are used when the value of goods a contractor receives is less than the value of services a contractor provides, so funds must be added to the contract in the form of appropriated dollars or retained receipts from other projects (National Forest Foundation 2014a).

Stewardship Service Contracts do not involve a goods-for-services trade; they are used to spend retained receipts. Usually these contracts are awarded for a single task or category of work, and are designed for small and/or highly specialized projects that do not involve timber removal (National Forest Foundation 2014a).

Stewardship Agreements provide for the mutual interest and benefit of the USFS and a partner, which can be a state or local government, tribe, and/or a nonprofit organization. Agreements can be terminated by either party and require ongoing involvement from the USFS. Considerations for agreements include best-value selection criteria, the extent of mutual interest and benefit, and the advantages and effectiveness of mutual participation. Stewardship agreements do not require a trade of goods for services. Agreements are very flexible, and additional work can be added after the agreement is finalized. Partners are required to provide a 20% project match that can be cash, non-cash, or in-kind contribution with the 20% based on the total project value less the value of timber. Funding levels of the USFS and its partner in an agreement are to reflect the benefit each receives (National Forest Foundation 2014a).

Master Stewardship Agreements (MSAs) with Supplemental Project Agreements (SPAs) are used to designate large areas, typically at the regional level, where a series of projects may take place across a landscape, and may be entered into at the region or forest level. SPAs tier from a MSA and outline the details of a specific project. SPAs cannot serve as stand-alone agreements. MSAs with SPAs are useful mechanisms for partners who intend to have multiple stewardship agreements with the USFS (National Forest Foundation 2014a).

As stated in the *Renewable Resources Handbook* (FSH 2409.19.60), it is USFS policy to use stewardship contracts and agreements to accomplish resource management objectives with a focus on restoration, so they fit well with projects on Landscape-scale Treatment Areas. Although not spelled out in legislation authorizing Stewardship Contracting, the USFS requires collaboration with states, counties, local communities, tribal governments, non-governmental organizations, and interested stakeholders in a public process to provide input on implementation of stewardship projects.

Stewardship contracts, agreements, or retained receipts cannot be used for:

- USFS overhead costs;
- USFS salaries for contract or agreement design, preparation, or administration or stewardship project implementation;
- USFS purchase of supplies;
- project planning or environmental analysis, including NEPA;
- construction of administrative facilities or major developed recreation facilities;
- utilization of forage within a grazing allotment;
- protection, operation, or maintenance of improvements resulting from stewardship projects;

- inventories; or
- research and environmental monitoring (FSH 2409.19.60).

*Implementation by the Bureau of Land Management.* The BLM also has issued guidance on the implementation of Stewardship Contracting (BLM 2013). BLM's guidance is similar to the USFS, but differences exist. For example, BLM uses three general procurement options to implement stewardship projects: service contracts, forest product sale (FPS) contracts, and financial assistance agreements (**Figure 4-4**).

BLM guidance suggests units should consider Stewardship Contracting a priority for projects that involve treatments to make forests, woodlands, and rangelands more resilient to natural disturbances such as fire, insects, disease, and climate change. Projects in which the primary objective is revenue or timber volume enhancement are not appropriate uses of Stewardship Contracting authority (BLM 2013).

*Potential roles for Idaho Department of Lands.* From the federal perspective nothing in Stewardship Contracting law and regulation prevents IDL from entering into a stewardship contract or agreement with the USFS or BLM. However, given IDL's current mission, structure, and personnel and financial resources, IDL may be limited in its abilities to engage in federal land management. Although the following discussion focuses on IDL's opportunities and limitations with respect to Stewardship Contracting, many of the same factors apply to IDL's involvement with Good Neighbor Authority.

IDL has a two part mission (IDL 2014a). It is both the land manager of Idaho's endowment lands (Idaho Code § 58-101 et seq.), and it has regulatory, protection, and general assistance responsibilities for all of Idaho's forests (Idaho Code § 38-102). While statutes do not specifically mention cooperation with federal forest managers, duties such as "to represent the state in cooperation with forest owners and others in forest protection work," "to promote community forest management on public and private lands," and to "take such steps as shall lead to the adoption and execution of a comprehensive state forest policy in the interest of the entire state," suggest that cooperating with federal agencies in the management of federal forests is not beyond what IDL could do under existing statute. However, it is not clear the extent to which IDL resources could be used for projects on federal lands, so if IDL were to become a party to stewardship or Good Neighbor Authority agreements or contracts, statutory changes to clarify IDL's duties would be helpful.

In 2015, the Idaho Legislature expressed its support for Good Neighbor Authority by passing Senate Concurrent Resolution No. 126. The resolution recommended IDL develop agreements with federal agencies based on Good Neighbor Authority, requested IDL establish an internal working group to meet with federal land management agencies and identify specific parcels of federal lands suitable for use of the Good Neighbor Authority, that the working group consider factors such as proximity to communities, natural resources production, economic viability, and minimization of environmental impact when considering parcels for using Good Neighbor Authority, and that Good Neighbor Authority projects maximize benefits to local communities. The Legislature also instructed IDL to report at least annually on the status and performance of any proposed or executed agreements under Good Neighbor Authority. While not a statutory change, the Legislature's resolution is supportive of the use of Good Neighbor Authority by IDL.

**EXHIBIT 7 - DECISION PROCESS – AGREEMENT, SERVICE OR FPS CONTRACT**

The following table provides general guidance of whether an agreement, service contract or forest product sale is the appropriate instruments for completing resource goals under the stewardship authority.

Primary Tests	Financial Assistance Agreement	Service Contract	Timber/Vegetative Sale Contract 43 CFR 5400 5450-1 (vegetative sales), 5450-3 (lump sum), 5450-4 (scaled), 5450-25 (lump sum), 5450-26 (scaled)	
Is the principle purpose public support or stimulation? That is, does it forward the mission of the proposed partner/applicant, other than for monetary gain, as well as addressing the Government's resource management goals and objectives?	Yes	No	No	
Will the project generate excess receipts?	May	May	Required	
Other Considerations *				
Will the agency have substantial, ongoing involvement in the project?	Yes	No	No	
Does the project encompass cost sharing principles?	Yes	May	No	
Is the entity a non-profit, state, local government or educational institution?	Yes	May	May	
Is the entity a for profit business?	May	Yes	May	
Is the project of a highly complex nature?	No	Yes	5450-1	5450-3, 5450-4, 5450-25 and 5450-26
Potential for contract disputes? Note, no formal dispute resolution process exists for agreements.	No	Yes	Yes	
Does project failure pose substantial risk to the agency, i.e. non-accomplishment of specific mandated land management goals?	No	Yes	Yes	
Will the project create significant financial risks for either party?	No	Yes	Yes	
Will the project pose significant safety liability risks for either party?	No	Yes	Yes	
Has similar work been effectively and efficiently completed as a contract in the past?	No	Yes	Yes	
Are the product values and volumes under the maximum limits?	Based on Grants Management Officers warrant and 250 MBF	Based on Contracting Officers warrant	250 MBF this limit can be exceeded if exceptions apply.	
Maximum Contract/Agreement Term	10 years	10 years	3 years	3 years
Is performance/payment bonding required?	Atypical	Optional	Optional	Required
Who is the authorizing official?	Grants Management Officer	Contracting Officer	Field Manager	

\* In addition to the "Primary Test," one or more answers under "Other Considerations" could indicate or point towards the applicability of an agreement or contract; however, all answers must be viewed when making a determination. There also may be instances where the "Primary Test" points in one direction, yet all or a majority of the "Other Considerations" point in another. When in doubt, seek guidance from your State Procurement Analyst, CO or GMO.

**Figure 4-4.** BLM guidance on appropriate type of stewardship agreement or contract.  
Source: BLM (2013).

If IDL were to undertake responsibilities under Stewardship Contracting or Good Neighbor Authority, financial and personnel resources to support those activities would need to be identified. Under both Good Neighbor Authority and Stewardship Contracting the USFS or BLM pays for the restoration activities, at least in part, either directly or by trading goods (timber) for services. However, additional planning and administrative costs are likely to be incurred by IDL. These could be included under the terms of an agreement or contract with the federal agencies through items such as overhead costs, or other sources of funding could be secured. For stewardship agreements, sources of funding for the 20% partner match would need to be found.

IDL's current budget structure reflects its mission (Legislative Services Office 2014). All funds IDL receives regardless of source are deposited into the state treasury and then appropriated by the Idaho Legislature (Idaho Code § 58-116). Therefore, additional financial obligations related to projects on federal lands would require the Idaho Legislature's consent. Most (76%) of IDL's \$47.2 million budget (FY 2015) is dedicated funding with most of that coming from earnings from endowment lands (\$26.5 million). Earnings from endowment lands are used to manage endowment lands and support programs that lead to those earnings. Taking personnel or resources paid for with endowment revenues away from endowment-related activities may be inappropriate. The other major portion of dedicated funding is the Department of Lands Fund (\$8.4 million in FY 2015) which consists primarily of revenues from fee-based services such as forest practices administration, forest protection fees, and scaling fees. Again, using such fees to pay for the management of federal lands may be inappropriate.

Only \$5.3 million of IDL's \$47.2 million FY 2015 budget (11%) came from Idaho's General Fund whose sources are individual and corporate income taxes, sales tax, and a variety of miscellaneous taxes, fees, interest, and receipts collected by various agencies. Although the Idaho Legislature has the power to appropriate more funds that would allow IDL to undertake Stewardship Contracting or Good Neighbor Authority responsibilities, such action is not assured.

The remainder of IDL's budget, \$6.3 million in FY 2015 (13%), is federal grant funding specifically authorized by the USFS for program activities on state or private forest lands. IDL currently does not receive any USFS funding for program activities on federal forest lands. If IDL were to participate in Stewardship Contracting or Good Neighbor Authority, these sources of funding and its distribution would need to be accounted for in its budget.

Idaho's legislative appropriations authority also includes a cap on the number of employees (full-time equivalent positions—FTP) that a state agency can have. IDL's FY 2015 cap was 264.47 FTP (Legislative Services Office 2014). Any increased staffing due to undertaking Stewardship Contracting or Good Neighbor Authority projects would have to be approved by the Idaho Legislature.

Under IDL's current administrative structure, two divisions would possibly have a role in administering Stewardship Contracting or Good Neighbor Authority projects. The IDL Division of Forest Resources has responsibility for providing technical guidance, developing administrative procedures, and maintaining a system of review for all programs relating to the protection, administration, improvement and utilization of the forest resources on state and private lands within Idaho. Within the division, the Bureau of Forestry Assistance assists landowners in meeting their management objectives by providing up-to-date, practical forestry related expertise, and ensuring consistent, prioritized application of regulatory programs. IDL's current strategic plan goals, objectives, and strategies for the Bureau of Forestry Assistance support current cooperative programs that address state and private forestry related issues (IDL 2014a). New responsibilities related to cooperative management on federal lands would need to be incorporated.

IDL Support Services Division might also have a role in administration of Stewardship Contracting or Good Neighbor Authority. The Division provides administrative and technical assistance in legal, data processing, personnel, fiscal, and contracting.

IDL is experienced with administration of federal funding. For example, in 2014, IDL administered over \$8 million in grants funded by USFS State and Private Forestry (IDL 2014), including the Idaho Forest Stewardship Program (IDL 2013), Landscape Scale

Restoration Grants (USFS 2014c, IDL 2015c), and state fire assistance. Administration of federal awards through Stewardship Contracting may have different requirements, but is not unfamiliar to IDL. IDL would need additional staffing and operating resources to assume increased responsibility for Stewardship Contracting. IDL also has experience in contract administration. IDL's procurement staff in 2014 solicited, evaluated, and awarded \$10 million in more than 440 contracts with the private sector to carry out IDL's work. Few other Idaho state agencies rely more heavily on contracting than IDL (IDL 2014c).

IDL has its own set of rules for selling forest products from state endowment lands (IDAPA 20.02.14). The extent to which these contract rules would need modification to meet requirements for harvesting forest products from federal lands would need to be determined.

Much of forest restoration work is service contracting that may not involve removal of marketable forest products. IDL does not have specific rules for service contracting, so services would be subject to general state contracting provisions from the Idaho Division of Purchasing (IDAPA 38.05.01). Under Idaho Division of Purchasing rules, if IDL were to choose contracting, in general it would be responsible for establishing initial specifications of bids, scopes of work, and technical input from subject matter experts for solicitations. It would also monitor contractor performance for compliance with the terms of the contract, and also would receive and pay all invoices tied to deliverables. It would be responsible for notifying the Division of Purchasing of the need for modifications or amendments in scope of work or serious issues or unresolved disputes (IDOP 2014).

Similar to best-value criteria for awarding federal stewardship contracts, Idaho statute (Idaho Code § 67-5715) and administrative regulations (IDAPA 38.05.01) allow for awarding of contracts using criteria other than low bid. Idaho requires contracts be awarded to the "lowest responsible and responsive bidder." Standards of responsibility can include appropriate financial, material, equipment, facility and personnel resources and expertise, a satisfactory record of integrity, experience, and prior performance record. Contract solicitations must include the requirements and criteria that will be used to make the lowest responsive and responsible determination.

*Potential roles for other entities.* From the federal perspective Stewardship Contracting is open to all entities—state agencies, local governments, tribes, private businesses, and nonprofit organizations. These entities can play administrative roles as well as accomplish the on-the-ground forest restoration activities. The roles other entities have played in Stewardship Contracting over its 15-year history and the opportunities and challenges for these entities are examined in more detail in **Chapter 5**.

### **Models from other states**

Colorado and Utah were the pilot states for Good Neighbor Authority, and Montana has chosen to cooperatively implement Stewardship Contracting through a master agreement with the USFS. These states provide examples of how state forestry agencies have used Good Neighbor Authority and Stewardship Contracting. However, it is important to examine the mission and structure of the forestry agencies in these other states to see how they are different from IDL.

The Good Neighbor Authority pilot program in Colorado was carried out through the Colorado State Forest Service (CSFS). The CSFS is a division of Colorado State University, with a general forest stewardship, outreach, and technical assistance mission (Colorado Revised Statutes § 23-31-301; CSFS 2015). Its legislated mandate includes direction to collaborate with the USFS and BLM to contract for sources of forest biomass that meet the plans of Colorado's communities.

The CSFS is not responsible for the management of state endowment lands, which is the responsibility of the Colorado State Board of Land Commissioners and its small staff (Colorado Revised Statutes § 36-1-100 et. seq.; Colorado State Board of Land Commissioners 2015). Colorado has 284,000 acres of state-owned timberlands (Smith et al. 2009), and the land board may contract with CSFS or private entities to harvest timber from those lands (Colorado Revised Statutes § 36-7-103). However, the Land Board does not have a specific timber sale program that produces revenue for its endowment (Colorado State Board of Land Commissioners 2014).

The state forestry agency in Utah is the Division of Forestry, Fire, and State Lands within the Department of Natural Resources (Utah Code § 65A-1 et seq.). As its name implies, the division has responsibilities for both general forest protection and forests on "state lands." In Utah, "state lands" are not the same as endowment or "trust" lands that are managed for the benefit of schools and other institutions. Trust lands in Utah are managed by the School and Institutional Trust Lands Board of Trustees (Utah Code § 53C-1 et. seq.), which is not associated with the Division of Forestry, Fire, and State Lands. Although Utah has 154,000 acres of state-owned lands classified as timberlands (Smith et al. 2009), it does not have "state forests" (Utah Office of the Legislative Fiscal Analyst 2013) nor a timber program that produces revenue for public schools and other beneficiaries.

In Montana, the Department of Natural Resources and Conservation (MDNRC) is the state forestry agency (MDNRC 2015a). Although its mission is much broader than forestry, MDNRC is the administrative arm of the Montana State Board of Land Commissioners, the trustee for the state's endowment lands (Montana Code Annotated § 77-1-201 et. seq.) and the agency responsible for general forest protection and assistance. The agency's Trust Land Management Division and Forestry Division reflect this dual mission, similar to IDL's mission and structure.

In an effort to share resources and partner with the USFS on projects of mutual benefit, the MDNRC entered into a Master Stewardship Agreement (MSA) with the Region 1 of the USFS (MDNRC and USFS 2013). The pilot project under the MSA is the Red Mountain Flume Chessman Reservoir Project in the Tenmile watershed near Helena (USFS 2015a, MDNRC n.d.). The 490-acre project includes fuels reduction and forest restoration work aimed at protecting Helena's municipal water supply. The City of Helena is actively involved and supportive of the project, having facilitated treatment of private lands in the same area (City of Helena 2015). In February 2015, the Montana Association of Counties and the USFS signed a general memorandum of agreement to improve communication and collaboration which may lead to more cooperative projects on Montana's national forest lands (Montana Association of Counties and USFS 2015).

Montana has chosen a unique way of funding cooperative projects with federal land managers. The effort is called the Forests in Focus initiative (MDNRC 2015b). Under authority granted by the 2013 Montana Legislature (HB 0354), the Montana governor can make up to five million dollars per biennium available from the state fire suppression account for the purposes of fuel reduction and mitigation and forest restoration. In 2014, the governor made one million dollars available to engage directly with the USFS on projects which meet some or all of the following criteria:

- are designated Landscape-scale Treatment Areas under the 2014 Farm Bill;
- are developed collaboratively at the local level;
- provide restoration of vegetation, watersheds and wildlife habitat;
- enhance recreational opportunities;

- produce commercial timber volume; and
- are financially viable.

In late 2014, MDNRC began soliciting proposals for USFS projects in Montana that best meet the intent of the Forests in Focus initiative, and whose pace and outcomes would benefit from state investment. For FY 2016 and FY 2017, MDNRC is requesting \$82,251 and \$68,950, respectively, from the state's General Fund, for the Forests in Focus program. The funds will provide one employee (1 FTE) and associated personal services and operating expenses. This position will serve as a MDNRC-USFS liaison, represent the state's interests in the management of national forests and the implementation of federal forest and fire management policy in the state. This includes identifying and coordinating USFS stewardship projects that maximize the return on state funds, targeting state resources where they will provide the best long-term benefit for the state's natural resources and citizens (Montana Governor's Office of Budget and Program Planning 2015).

### **NEPA analysis**

Numerous analysts, land managers, and others have identified NEPA analysis as one of the "bottlenecks" to accomplishing projects on national forests lands (e.g., Auer et al. 2011). One of the purposes of designating Landscape-scale Treatment Areas is that projects meeting specific criteria are eligible for categorical exclusion from full NEPA documentation (see **Chapter 2** for details). However, not all projects that may take place on Landscape-scale Treatment Areas will be eligible for categorical exclusion, and even projects categorically excluded from full NEPA analysis and documentation (i.e., an environmental assessment or environmental impact statement) are required by USFS regulations to include NEPA documentation of the proposed action, scoping, and a finding of no extraordinary circumstances related to the proposed action (36 C.F.R. § 220.6(a)).

Whether full or abbreviated, fulfilling NEPA requirements will remain part of proposed projects on Landscape-scale Treatment Areas. Both Good Neighbor Authority and Stewardship Contracting are clear that any NEPA-required decisions remain with the federal agencies. However, there may be opportunities for non-federal entities to assist in NEPA analysis and document preparation.

For example, federal Council of Environmental Quality (CEQ) regulations for implementing NEPA allow "cooperating agencies" to participate in numerous aspects of the NEPA process (40 C.F.R. § 1501.6). While the regulations reference other federal agencies as cooperating agencies, CEQ guidance encourages engaging non-federal agencies as cooperating agencies (Connaughton 2002). Cooperating agencies can participate early in the NEPA process, including during scoping. Cooperating agencies can participate in developing information and preparing environmental analyses and participate on NEPA interdisciplinary teams.

IDL, other state agencies, and local governments are eligible to participate in the NEPA process as cooperating agencies (Connaughton 2002). The benefits of participation might include more timely implementation of projects. The downside is the cost of participation. CEQ regulations state that normally cooperating agencies use their own funds, unless the lead agency (e.g, USFS) requests major activities or analyses from the cooperating agency (40 C.F.R. § 1501.6).

Another opportunity to increase federal agency capacity to fulfill NEPA requirements is to contract some NEPA activities to other entities. Federal agencies are allowed to contract out parts of NEPA analyses if the federal agency remains responsible for the overall process,

independently evaluates information provided by the contractor, and remains responsible for the final decision (40 C.F.R. § 1506.5; see Frank 1985 for history and critique of NEPA contracting). Private companies and nonprofit organizations could serve as NEPA contractors, if they did not have a conflict of interest with the proposed action. State agencies also could serve as contractors, provided they were not also cooperating agencies or had another conflict of interest. Under USFS regulations, stewardship contracts cannot be used for NEPA analysis (FSH 2409.19.60), though currently there are no regulations preventing Good Neighbor Authority agreements from being used for NEPA activities.

The USFS examined NEPA activity contracting and whether it would improve efficiency (Richards et al. 2007, Auer et al. 2011). These analysts concluded some activities within the NEPA process were better suited to contracting than others. Specifically, activities involving high levels of discretion and uncertainty are poor candidates for contracting, while tasks involving less discretion are more appropriate for contracting. They also concluded reengineering or restructuring how the USFS approaches the NEPA process would involve major investment, and thus have substantial opportunity costs associated with developing and deploying new strategies for hiring and training personnel to execute the agency's NEPA responsibilities—whether agency personnel or contractors were used (Auer et al. 2011).

Another idea for increasing NEPA capacity and timeliness is for the USFS or BLM to develop "strike teams" with expertise in NEPA analysis who could then be deployed to expedite projects on Landscape-scale Treatment areas (IDL 2015b). Region One of the USFS that includes northern Idaho has a "Timber Strike Team" specializing in helping USFS personnel complete timber sale preparation (USFS 2015b). The team provides services in sale feasibility and planning, harvest unit and sale layout, marking, cruising, appraisal and contract preparation, and sale administration. A similar strike team specializing in NEPA could be deployed to facilitate restoration projects on Landscape-scale Treatment Areas. In March 2015, the Idaho State Board of Land Commissioners asked the Idaho delegation to the U.S. Congress to support funding for two NEPA teams focused on analysis of projects in Landscape-scale Treatment Areas of Idaho's national forests (Land Board 2015).

## **Conclusions**

Both Good Neighbor Authority and Stewardship Contracting allow state agencies and other entities to engage with the USFS or BLM on forest restoration projects on federal lands in Landscape-scale Treatment Areas. Good Neighbor Authority agreements must be between the federal agency and a state agency, but local governments, nonprofit organizations, and private businesses could engage in restoration activities through agreements or contracts with the state. Stewardship Contracting is open to all entities.

Nothing in statute appears to prevent IDL from entering into Good Neighbor Authority or Stewardship Contracting agreements with the USFS or BLM. However, more clarity from the Legislature in IDL's statutory mission with regards to cooperation with the federal agencies would be helpful. In addition, additional resources for IDL would be needed to undertake new responsibilities.

Other states where state agencies are implementing Good Neighbor Authority and Stewardship Contracting projects provide instructive examples of how these programs can work. However, differences in agency structure, mission, and resources may mean that Idaho's implementation takes a different path.

NEPA analysis and documentation will continue to be a bottleneck to implementation of forest restoration projects on Landscape-scale Treatment Areas. With both Good Neighbor Authority and Stewardship Contracting NEPA decisions remain with the federal agencies;

however, information gathering, analysis, and documentation can be assisted by other parties. More focused federal NEPA resources, such as NEPA "strike teams," and increased roles in NEPA for non-federal entities may help alleviate bottlenecks to implementation of projects on Landscape-scale Treatment Areas.

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**Chapter 5. What has been the past experience with Good Neighbor Authority and Stewardship Contracting in Idaho, other western states, and across the nation?**

Good Neighbor Authority and Stewardship Contracting are not new ideas that first appeared in the 2014 Farm Bill. Both have been in use under limited authority for more than a decade, and the 2014 Farm Bill expanded or made permanent their use. Very little formal research has been conducted about use of Good Neighbor Authority. Research about experiences with Stewardship Contracting is more prevalent.

**Good Neighbor Authority**

Good Neighbor Authority was originally authorized by the FY 2001 Interior Appropriations Act (P.L. 106-291) as a pilot program in Colorado with authority granted through FY 2004. The FY 2005 Consolidated Appropriations Act (P.L. 108-447) extended the pilot program through FY 2009 and expanded it to include BLM-managed lands in addition to national forest lands in Colorado. This Act also created a separate pilot program that applied only to national forest lands in Utah with authority granted through FY 2006. The FY 2010 Interior Appropriations Act (P.L. 111-88) extended the Colorado pilot program through FY 2013 while the Utah pilot program expired at the end of FY 2010.

The Colorado and Utah Good Neighbor Authority pilot programs had somewhat different requirements. The Colorado authority required that similar or complimentary treatments occur on adjacent state or private lands; the Utah authority had no such requirement. In practice, the less restrictive requirements led to a wider variety of projects in Utah than Colorado (Forest and Rangelands n.d.).

As of 2013, the states of Colorado and Utah had used Good Neighbor Authority to carry out approximately \$1.4 million of work on 40 projects in Colorado and 15 in Utah on 2,800 acres of federal land, almost all of it USFS lands (U.S. Senate Committee on Energy and Natural Resources 2013). Most of the work was fuels reduction in WUI areas of Colorado, and repair of fire-damaged trails and watershed protection and restoration in Utah. Although most projects involved paying contractors for services such as fuel reduction (i.e., service contracts), some projects involved timber sales (GAO 2009).

Although some informal descriptions of the Good Neighbor Authority pilot projects in Colorado and Utah exist (e.g., CSFS 2010, CSFS n.d.), little formal assessment of the benefits, costs, opportunities, or challenges has been conducted. The only formal assessment of the Good Neighbor Authority pilot programs was conducted by the U.S. Government Accountability Office in 2009 (GAO 2009). The GAO found experiences with Good Neighbor Authority in Colorado and Utah provided insights for the authority's potential expansion into other states, but more systematic documentation of the experiences, including analyses of cost savings or other efficiencies, would have been helpful (GAO 2009).

The specific purposes for using Good Neighbor Authority to conduct projects in Colorado and Utah varied. For example, under Good Neighbor Authority, Colorado contracted with a single vendor to carry out fuel reduction activities across multiple tracts of land with fragmented federal, state, and private land ownership, to avoid leaving pockets of untreated forest in the project area (GAO 2009). State agencies typically took the lead on using Good Neighbor Authority, and agreements were oftentimes driven by projects on state, local, and private lands, not federal lands (Western Foresry Leadership Coalition 2011). In some cases, additional partners (e.g., the Denver Water Board in Colorado) paid for treatments on national forest lands adjacent to their ownerships (Forest and Rangelands n.d.).

Both federal and state guidance, procedures, and controls were used in conducting Good Neighbor Authority projects. For those projects involving service contracts, a master agreement with each state allowed Colorado and Utah to use state procedures to enter into contracts with vendors that provided services such as fuel reduction. State agencies followed all applicable state requirements with respect to contracting, hiring, and labor laws for projects carried out under Good Neighbor Authority. Projects that included timber sales incorporated both federal and state requirements (GAO 2009).

The GAO examined both Colorado's and Utah's contracting requirements with attention to three fundamental principles of government contracting—transparency, competition, and oversight—and found state requirements generally addressed each of these areas (GAO 2009). For example, both states solicited competition among bidders, gave potential contractors reasonable amounts of time to prepare bids, and generally required service contracts to be awarded to the lowest-priced bidder meeting the contract criteria. GAO also found state requirements were generally comparable to federal procurement requirements in specific areas it examined (GAO 2009).

For all Good Neighbor Authority projects, the USFS or BLM were responsible for ensuring compliance with NEPA (GAO 2009). The USFS also provided or approved silvicultural prescriptions and marking guides that were applied to national forest lands. Such guides and prescriptions were compatible and/or complementary to treatments applied to adjacent state or private lands (USFS and CSFS 2010).

When Good Neighbor Authority projects involved timber sales, state procedures incorporated requirements that helped the USFS account for state removal of federal timber. For example, Good Neighbor Authority project procedures developed jointly by the USFS and Colorado State Forest Service (CSFS) directed state foresters to work with USFS officials to appraise the value of timber on project sites and determine minimum bid price. GAO (2009) found that provisions in standard USFS timber sale contracts were typically more extensive than those in timber sales administered by CSFS under Good Neighbor Authority. For example, initial Good Neighbor Authority timber sale contracts administered by the CSFS did not include some elements that are part of USFS contracts such as provisions requiring the contractor to address aspects of road maintenance, or information about whether there were threatened or endangered species in the project area. The USFS and CSFS developed more detailed Good Neighbor Authority procedures to ensure that these types of provisions were included in future Good Neighbor Authority timber sale contracts administered by Colorado, and supplemented these procedures to strengthen timber sale accountability (GAO 2009).

Either the USFS or CSFS was responsible for timber sale design and layout. The two agencies agreed on the project boundaries and how the boundaries were to be marked. Either agency did the timber marking (USFS and CSFS 2010). Timber cruising and volume determination was the responsibility of either agency. If timber cruising was conducted by the CSFS, the two agencies worked together to be sure the data was entered into the USFS-approved system. Appraisals were required to be completed by the USFS using USFS-approved appraisal procedures. CSFS sold timber at the appraised rate determined by the USFS (USFS and CSFS 2010).

National Forest System lands within the Colorado pilot project areas were set up as separate payment units so that payments and special requirements could more easily be administered (USFS and CSFS 2010). Timber sales were subject to federal requirements that prevent exporting of unprocessed logs. CSFS was responsible for timber sale administration

on all lands within project areas, but USFS timber sale administrators could provide guidance and assistance as needed (USFS and CSFS 2010).

Federal and state officials in Colorado and Utah who used Good Neighbor Authority noted project efficiencies and enhanced federal-state cooperation as its key benefits (GAO 2009). The agencies cited their ability to begin projects more quickly, to work on federal lands that were otherwise difficult to access because they were surrounded by private property, and to improve the effectiveness of fuel reduction treatments in areas that included federal, state, and private ownerships (GAO 2009, Stanton 2009). As an example of increased efficiency, the BLM was able to accomplish a project located nearly 200 miles from the nearest BLM field office by using nearby CSFS personnel (Stanton 2009).

In contrast, federal and state agencies encountered some challenges in using Good Neighbor Authority, such as a lack of understanding of the authority, which complicated partnerships between federal and state officials (GAO 2009). In addition, some USFS officials in Colorado considered state timber sale procedures to be insufficient to protect federal interests and imposed additional requirements on the state before agreeing to Good Neighbor Authority projects. Conversely, some state officials found the overlay of federal requirements burdensome, making them less likely to participate in Good Neighbor Authority projects (GAO 2009).

Agencies in Colorado and Utah also suggested differences in the structure, staffing levels, and workload of other state forestry agencies, and the characteristics of federal lands in other states—particularly the value of timber on these lands—would affect Good Neighbor Authority's chances for success in other states (GAO 2009). For example, in Colorado, CSFS was able to enter into "reverse" good neighbor agreements that allowed federal contractors to do work on private and state lands where the preponderance of work in an area was on federal lands and it was more efficient for federal contractors to complete the work than for the state to send its crews for small amounts of work (Forest and Rangelands n.d.). Such contracting arrangements may not be available in Idaho or other states. Experiences using Good Neighbor Authority in Colorado and Utah may not be directly applicable elsewhere (GAO 2009). (See **Chapter 4, Models from other states** section for more detail on differences between Idaho's and other states' forestry agencies structures and missions.)

### **Stewardship Contracting**

Stewardship Contracting has a better-documented history and record of assessment than Good Neighbor Authority, as the laws authorizing Stewardship Contracting have required monitoring and assessment of the program (e.g., Pinchot Institute for Conservation 2014). Past experience with Stewardship Contracting provides insights into its usefulness for implementation on Landscape-scale Treatment Areas.

In the 1980s, the USFS began to look for new contracting methods to reduce costs and improve fiscal responsibility (Hausbeck 2007). In addition, the USFS wanted to improve the efficiency and effectiveness of ecosystem restoration on national forests, meet the needs of local and rural communities in the vicinity of national forests, and conduct thinning and hazardous fuels reduction activities to reduce the threat of wildfire on national forests. Stewardship Contracting was viewed as having the potential to provide significant social, ecological, and economic benefits to public lands and nearby communities (Hausbeck 2007).

In 1999, Stewardship Contracting authority was granted to the USFS as a series of 28 pilot projects (Pub. L. No. 105-277). In 2002, the number of authorized Stewardship Contracting pilot projects was doubled. In the Omnibus Appropriations Act for FY 2003 (P.L.

108-007), Congress extended the authority until 2013, gave the same authority to the BLM, and removed restrictions on the number of projects.

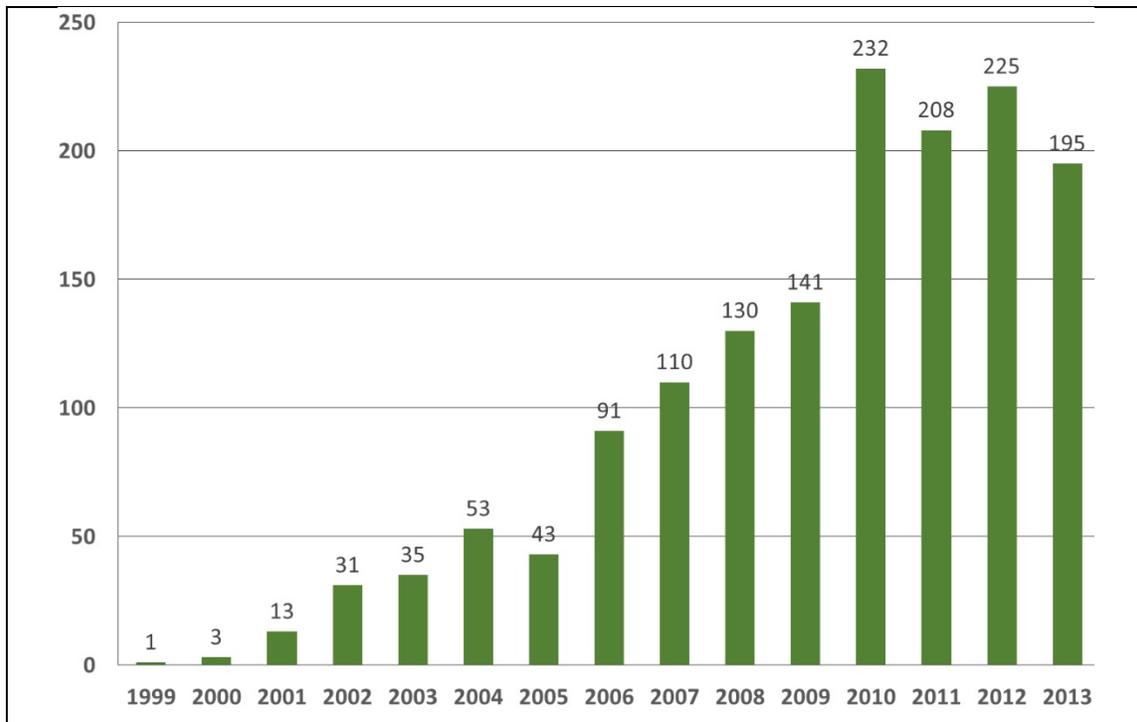
Stewardship Contracting provided a suite of new contracting tools and mechanisms to the federal agencies, including integrated resource contracts (goods-for-services contracts), end-results contracting, best-value contract awards, retention of receipts, and multi-party monitoring. Integrated resource contracts allowed the USFS and BLM to exchange forest products for contract services. End-result stewardship contracts allowed the agencies to use designation by description or designation by prescription with bidders submitting plans showing how they would achieve agency objectives. "Best value" allowed the agencies to award contracts using criteria other than price, such as the bidder's technical expertise, past performance, capacity for careful stewardship, or employment of local workers. Stewardship contracts can be awarded under less than full and open bidding competition to address complex ownership patterns, difficult pricing scenarios, community capacity, or local economic growth. Stewardship contracts allowed local USFS or BLM administrative offices to retain products' sales receipts rather than returning them to the U.S. Department of the Treasury's general fund. In the original Stewardship Contracting authorization of 1999, multi-party monitoring of individual contracts was required. In the 2003 authorization, however, this requirement was changed to only programmatic monitoring. While each Stewardship Contracting tool alone provided an incentive for the USFS and BLM to move away from a traditional focus on forest resource extraction, the entire box of tools, packaged together, provided the agencies with opportunities to increase forest restoration efforts (Hausbeck 2007).

The USFS and BLM have used Stewardship Contracting extensively. The 1999 authorization limited the number of contracts, but the cap was removed in 2003, and the number of stewardship contracts and acres treated has grown since then (**Figure 5-1** and **Figure 5-2**). In FY 2013, the USFS awarded 195 stewardship contracts nationwide covering 171,767 acres (National Forest Foundation 2014b). These contracts included 3,391 acres of forest vegetation establishment, 44 miles of stream habitat restored or enhanced, 1.3 million cubic feet of timber sold, and 72,578 acres of wildlife habitat restored or improved.

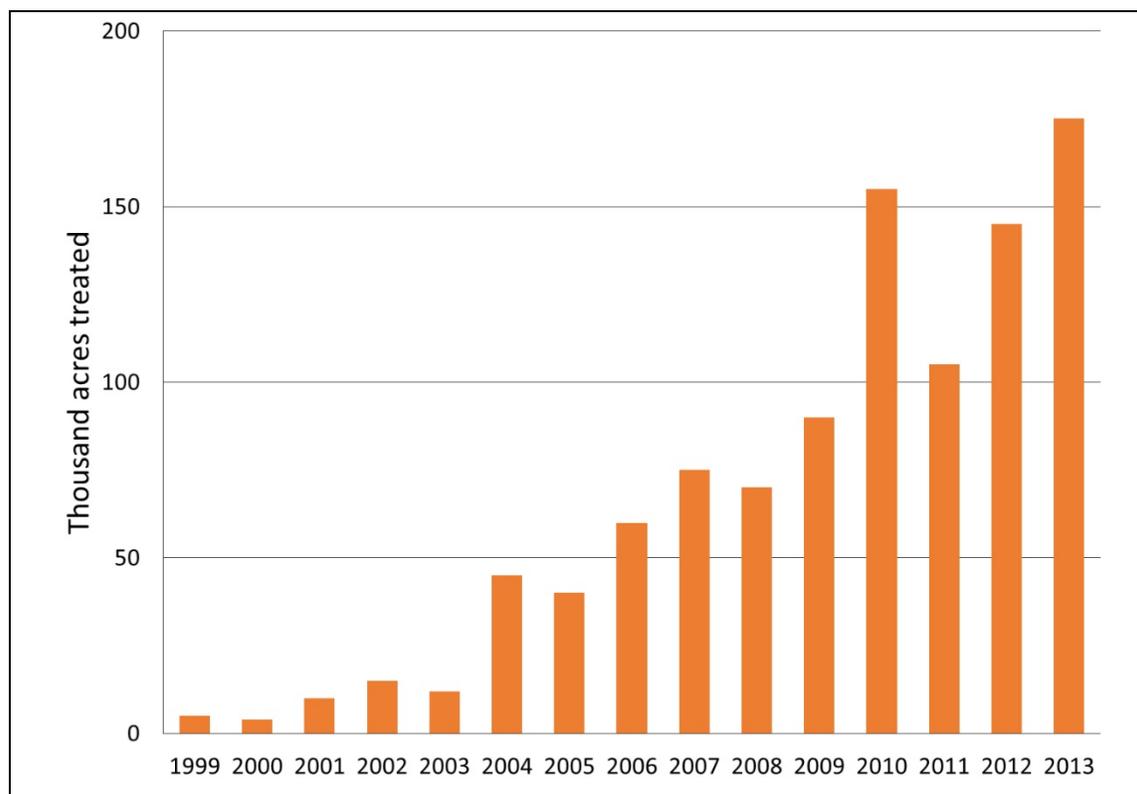
Stewardship contracts are being used in Idaho. Between 2002 and 2011, Idaho's national forests in USFS Region One (Panhandle, Clearwater/Nez Perce) reported using 45 stewardship contracts, 24 of which included timber removal (USFS 2011a, USFS 2011b). The contracts that included timber harvests removed a total of almost 161 million board feet of timber with a value of \$12.8 million, and the service value of those contracts totaled \$5.3 million.

Among the most-studied stewardship contracts is the White Mountain Stewardship Contract in eastern Arizona, which was the first large stewardship contract in the nation (e.g., Lenart 2006, Neary and Zieroth 2007, Fleeger 2008, Sitko and Hurteau 2010 Schultz et al. 2012). Other well-studied stewardship contracts include the Clearwater Stewardship Project on the Lolo National Forest in Montana (e.g., Hausbeck 2007).

Numerous benefits of using Stewardship Contracting have been cited by the USFS, BLM, other participants, and scholars. The most obvious is improved ecosystem health in areas where restoration work has been accomplished using Stewardship Contracting (e.g., Hausbeck 2007, Sitko and Hurteau 2010, Pinchot Institute for Conservation 2014).



**Figure 5-1.** Number of stewardship contracts awarded annually by USFS. Source: adapted from Pinchot Institute for Conservation (2014).



**Figure 5-2.** Acres treated nationwide through stewardship contracts and agreements, FY 1999-2013. Source: adapted from Ecosystem Workforce Program (2014).

The USFS and BLM have credited Stewardship Contracting with allowing them to accomplish more work, in part because of the ability to trade goods for services, thereby extending their budgets for restoration and other services (GAO 2008, Pinchot Institute for Conservation 2014). Stewardship Contracting has been credited with allowing the federal agencies to implement resource management projects that they would not have been able to carry out or that would have been delayed due to lack of funding (Hausbeck 2007).

The long-term nature of stewardship contracts has been credited for reducing administrative procedures for contract activities over the duration of the contract (Sitko and Hurteau 2010). A stewardship contract negates the need to undergo individual contract bids for each project area, which can take months, allowing multiple task orders to be bundled under one contract and completed in days. Also, use of a single contractor over multiple projects facilitates the use of descriptive treatment prescriptions rather than the more labor-intensive task of marking each tree to be harvested (Sitko and Hurteau 2010).

"Retained receipts" is cited as a boon from Stewardship Contracting. The ability to retain the value of excess receipts under a stewardship contract, instead of being compelled to send the money to the U.S. Department of Treasury general fund, as is done under timber sale contracts, has enabled the USFS to complete forest restoration projects that would not have been possible without this feature (Hausbeck 2007, Neary and Zieroth 2007).

Flexibility also has been cited as an advantage of Stewardship Contracting (Sitko and Hurteau 2010). For example, "best value" contract awarding has freed the agencies from having to award contracts to the lowest bidder and allowed them to place a premium on quality and competency (Hausbeck 2007). The agencies also have flexibility in how contractors are paid for restoration services, with either cash or timber (Hausbeck 2007).

Participation by non-government organizations in Stewardship Contracting has been cited as a benefit. Non-government organizations have pursued opportunities to become stewardship contractors and have been willing to provide partial funding to finance some contracts (USFS 2007). In 2013, non-agency participants, particularly non-governmental wildlife conservation organizations, provided funding in 40% of USFS stewardship contract projects (Pinchot Institute for Conservation 2014).

The collaboration that Stewardship Contracting has spurred with communities and environmental groups also has been cited as a benefit. While not always a requisite condition for successfully implementing desired stewardship activities, researchers have found an association between successful projects and projects that exhibit collaborative community engagement (Pinchot Institute for Conservation 2014). In projects where the USFS has successfully engaged communities and other non-agency stakeholders in robust forms of collaboration, projects have tended to have more diverse objectives and often occurred at larger scales. In addition, in projects with significant collaborative efforts, non-agency participants have invested significant amounts of time, and often, significant non-federal financial resources (Pinchot Institute for Conservation 2014). Increased collaboration also has been credited with reducing litigation of projects undertaken through Stewardship Contracting (Fleeger 2008, Schultz et al. 2012).

Stewardship Contracting also has been credited with helping to sustain the forest products industry and other related forest-dependent industries in some areas (Hausbeck 2007, USFS 2007, Sitko and Hurteau 2010, Schultz et al. 2012, Pinchot Institute for Conservation 2014). Long-term stewardship contracts can be attractive because they offer contractors and industry operators some certainty of supply, enabling them to obtain loans for equipment or processing facilities, which can then spur demand for materials resulting

from stewardship projects (GAO 2008). A stable supply of raw materials can be essential for developing or sustaining restoration-based businesses and markets for low-value, small diameter wood and its byproducts (Fleeger 2008, Schultz et al. 2012). The ability to market and use more byproduct material can reduce the costs of conducting fuel reduction projects (Neary and Zieroth 2007, Fleeger 2008). Stewardship contracts also can be used to supply markets for non-wood forest products (Peck and Christy 2006).

Experience with Stewardship Contracting over the last 15 years also has shown some downsides and difficulties with its implementation (e.g., Hausbeck 2007, Kerkvliet 2010). Like any new tool or program, Stewardship Contracting experienced some start-up problems (GAO 2004, GAO 2008). For example, early efforts to assess the number of contracts, acres treated, and other accomplishments were hindered by a lack of consistent systems for doing so (GAO 2008).

Some critics of Stewardship Contracting have argued its intent has not been met through its implementation. Some groups suggest that ecological restoration has not been sufficiently incorporated into Stewardship Contracting projects (Hausbeck 2007, Fleeger 2008, Kerkvliet 2010), while other groups have expressed concerns the USFS's ability to pay for services with trees gives the agency too much incentive to cut trees and too much autonomy over its budget and programs. The argument is that Stewardship Contracting encourages the USFS to sell timber not otherwise needing to be cut for forest restoration or fuel reduction purposes just to finance other projects or programs that lack federal funds (Hausbeck 2007).

Stewardship Contracting has been resisted by some agency personnel (GAO 2008, Kerkvliet 2010), who see the process as awkward, rigid, costly, and difficult to administer (USFS 2007). While the enabling legislation intended for greater flexibility in the use of stewardship contracts, the resulting process has been perceived as complex, time consuming, and difficult to adapt to local conditions (GAO 2008).

Stewardship Contracting blurs the line between traditionally very separate agency functions—procurement and timber contracting. Timber contracting staff may be familiar with timber contracts but not procurement procedures and vice versa. This may make both types of staff reluctant to use a stewardship contract or require the two staff types to work together. Communication and coordination across functional areas within the agencies has been seen as difficult, and staff were sometimes reluctant to work together (GAO 2008).

Varying interpretations of the requirements of Stewardship Contracting in different places have affected its effectiveness (Pinchot Institute for Conservation 2014). The GAO (2008) found some agency staff were concerned about lack of a central source of expertise and guidance on Stewardship Contracting, although the situation may have changed since the GAO conducted its study.

Funding Stewardship Contracting can be financially challenging for the federal agencies (GAO 2008, Schultz et al. 2012). Even though stewardship contracts can be up to 10 years in length, contracts beyond one or two years are unusual. The federal agencies have difficulty implementing long-term contracts for a variety of reasons. Some of the difficulties stem from a lack of funding for planning staff time. Moreover, a contractor entering into a long-term contract may want a substantial cancellation ceiling—i.e., the bond the agency must post to protect the contractor's investment in the event the agency cancels. However, the cancellation ceiling may be beyond the capabilities of a regional or field office to fund or at odds with their other goals. There have been numerous calls for revising the cancellation ceiling requirement for Stewardship Contracting (e.g., USFS 2007, Ford 2012, U.S. Senate 2014). In addition, annual service work in a multi-year contract can have more financial

impact to the agency than anticipated if project costs increase or revenues decline. To continue funding the contracted work, a regional or field office may have to sacrifice other programs to pay for the multi-year contract (GAO 2008, Nie and Fiebig 2010). The obstacles to implementing long-term contracts are especially troublesome because many argue that 10-year and longer contracts are required to stimulate investment in potential woody biomass-to-energy markets (GAO 2008, Kerkvliet 2010).

The use of Stewardship Contracting can have negative financial implications for county revenues. Revenues produced through stewardship contracts are not counted as revenues from national forests for the purposes of computing federal revenue-sharing payments to counties under the 25% Fund. (See more detailed discussion in **Financial impacts on county revenue-sharing payments** section in **Chapter 6**.)

Stewardship Contracting also has been resisted by some contractors (GAO 2008, Kerkvliet 2010). Contractor capacity has been shown to be important to the types of projects that are eventually implemented and the diversity of interests served by the projects (Pinchot Institute for Conservation 2014). Some contractors have viewed the contracting process as tedious and risky (USFS 2007), while others have argued the technical proposals required for a winning bid are intimidating and time consuming. Contractors have expressed reluctance to bid on or carry out work with which they are unfamiliar and are uncertain of the criteria that will be used to select winning bids. Local contractors have argued that complexity and high bonding requirements give a bidding advantage to regional or national businesses with large mobile workforces and specialized equipment (Kerkvliet 2010). In addition, agency personnel sometimes viewed involvement of contractors in project planning or collaborative processes as problematic because of actual or perceived conflicts of interest, and many agency personnel as well as contractors have been unwilling to engage in such activities (Pinchot Institute for Conservation 2014).

In some instances, match requirements have been a challenge for non-agency collaborators, and misconceptions of what qualifies as match exist. The USFS reports that it is working internally to clarify match qualifications for stewardship agreements (Pinchot Institute for Conservation 2014).

Inclusive collaboration has not occurred at the desired level. In a 2013 survey, agency and non-agency respondents felt that stakeholder groups were missing in 40% of projects (Pinchot Institute for Conservation 2014). Collaboration could be enhanced through a variety of mechanisms, including incentives to agency staff, partnerships with diverse organizations, facilitation, training, and developing readily available sources of guidance (Kerkvliet 2010).

A paucity of markets for the small trees also has limited the success of Stewardship Contracting projects in some places (GAO 2008). The low value of small-diameter material often targeted by stewardship contracts does not provide sufficient revenue for contractors to make a profit or agencies to fund non-timber management goals. The market for small-diameter trees can be quite strong in areas near pulp and paper mills or biomass-to-energy facilities. Elsewhere, there may be little market for small-diameter wood, and sometimes it is more cost effective to burn the wood on site than use it (GAO 2008).

Evaluations of monitoring efforts related to Stewardship Contracting have been mixed. Although the original authorization required multi-party monitoring of individual stewardship contract projects, this requirement was removed in 2003. Now only programmatic monitoring is required. Some reviewers saw the original multi-party monitoring process as a success (e.g., Hausbeck 2007), but others were critical (e.g., Kerkvliet 2010). USFS guidelines do not allow receipts from stewardship contracts to be used

for environmental monitoring, so little environmental or socioeconomic monitoring was done (GAO 2008). The monitoring that was done focused on project implementation rather than project outcomes. Effectiveness monitoring of both the ecological and socioeconomic impacts of restoration activities would help inform adaptive management (GAO 2008, Sitko and Hurteau 2010).

The most recent programmatic review of USFS Stewardship Contracting found the use of stewardship agreements has declined in the Northern Rockies (Pinchot Institute for Conservation 2014). In the Northern Rockies, since 2006 there has been growing trend toward implementation of smaller scale projects with a more limited range of activities than were pursued in earlier years. Hazardous fuels reduction in the WUI has predominated recent Stewardship Contracting work, along with forest stand improvement/restoration and associated work such as road maintenance and weed control. Community involvement has tended to be narrow, with most reported activities being one-on-one discussions with neighboring landowners and fire interests, meetings with homeowners' associations, presentations to local government, and public and/or contractor field tours. Much of the public interactions in the Northern Rockies region has occurred during project NEPA scoping, and environmental organizations' participation has been mainly through the formal NEPA process. There have been some broader scale projects, particularly in areas involved in or seeking to qualify for Collaborative Forest Landscape Restoration Program participation (Pinchot Institute for Conservation 2014).

### **Conclusions**

Although Good Neighbor Authority has been in use for more than a decade, its limited use in only Colorado and Utah and lack of formal assessments makes conclusions about its usefulness for other states uncertain. Colorado and Utah were able to successfully implement projects on national forests in their states. However, pilot projects were relatively small scale. Results from scaling up to more and/or larger projects on Landscape-scale Treatment Areas may vary from pilot project results and vary depending on the degree of state and federal commitment and cooperation.

Before passage of the 2014 Farm Bill, the Western Governors' Association (WGA) provided advice on expanding Good Neighbor Authority nationwide, including:

- Make the program easier and clearer for USFS to administer and for states to implement. Provide clarification of federal and state roles and responsibilities.
- Ensure broad and thorough understanding of the program by federal and state land managers before implementation begins.
- Ensure federal and state partners develop plans that are compliant with state laws.
- Eliminate or strictly limit the discretion of regional federal management agencies to impose additional requirements on the basis of their interpretation of the adequacy of state laws and procedures.
- In consultation with the states, establish priority areas for Good Neighbor Authority projects. Those areas might include WUI lands, critical wildlife habitat, and priority areas identified in State Action Plans and Community Wildfire Protection Plans (WGA 2014).

The degree to which the WGA recommendations are heeded during implementation of Good Neighbor Authority remains to be seen.

The use of Stewardship Contracting over the last 15 years has resulted in successes as well as challenges. The flexibility provided by Stewardship Contracting and the ability to

trade goods for services has allowed the USFS and BLM to accomplish restoration activities that they might otherwise have not be able to fund. Many Stewardship Contracting projects have resulted from collaborative efforts with local stakeholders and have helped support local industries and communities.

As with any program, there is always room for improvement. Recommendations coming from previous reviews of Stewardship Contracting include:

- Develop a nationwide strategy for using Stewardship Contracting (GAO 2008, Schultz et al. 2012).
- Develop alternative funding mechanisms, particularly for the cancellation ceiling, to encourage multi-year contracts (Sitko and Hurteau 2010, Jahnke 2012).
- Increase the limit on multi-year contracts from 10 to 20 years to provide certainty in raw material supply and encourage infrastructure investment (Jahnke 2012).
- Increase training and technical assistance to agency personnel and collaborators in the use of Stewardship Contracting (Sitko and Hurteau 2010).
- Remove or reduce administrative constraints (e.g. requirements for marking leave trees when using designation by prescription, bonding requirements, requirement for 20% non-federal match in stewardship agreements) which limit the full use of Stewardship Contracting and appear to be applied unevenly across the National Forest System (Sitko and Hurteau 2010).
- Consider ways to make best value criteria for bid selection more transparent (Sitko and Hurteau 2010).
- Continue to encourage and invest in landscape-scale restoration, but balance the movement toward larger contracts with efforts to maintain a diversity of opportunities for small businesses in order to build capacity for restoration activities and provide local economic benefits (Sitko and Hurteau 2010, Pinchot Institute for Conservation 2014).
- Invest in collaboration and community engagement as a normal course of business. Engagement of stakeholders only during NEPA is not likely to result in long term trust (Pinchot Institute for Conservation 2014).
- Provide opportunities for networking between landscape restoration initiatives such as the existing Collaborative Forest Landscape Restoration Program (CFLRP) projects which often rely on Stewardship Contracting for implementation (Sitko and Hurteau 2010).

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**Chapter 6. If the Idaho Department of Lands or other entities were to engage in Landscape-scale Treatment Area project implementation under Good Neighbor Authority and/or Stewardship Contracting, what would be the costs and benefits to the state?**

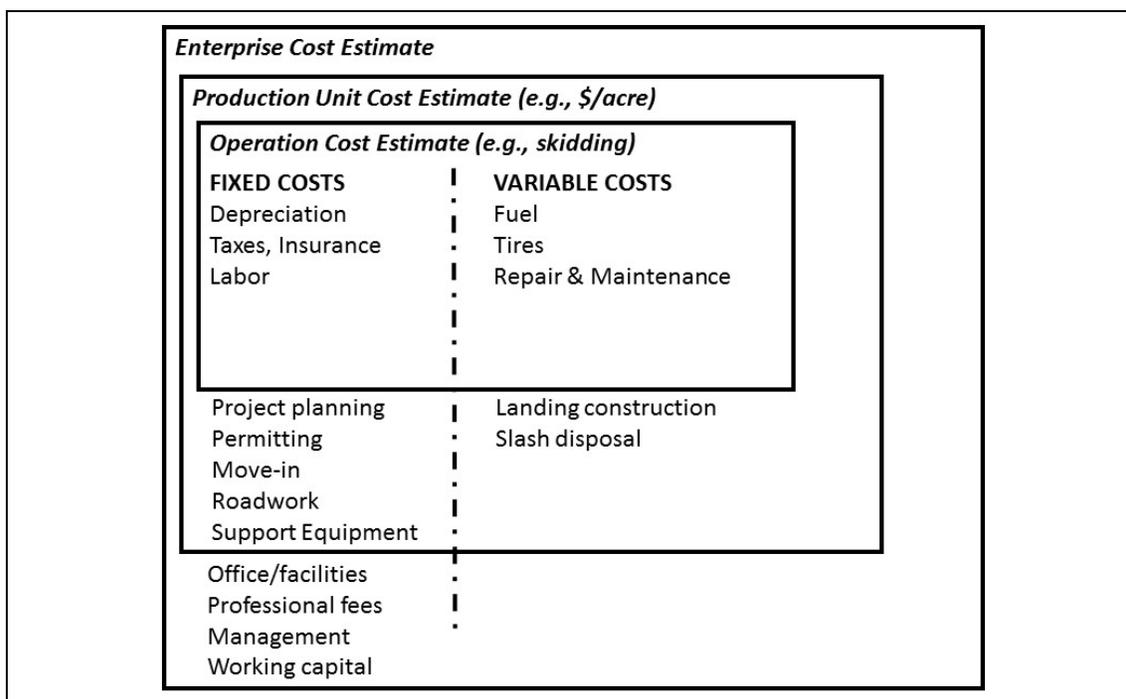
The primary purpose of projects conducted on Landscape-scale Treatment Areas is to restore forest conditions that increase resilience to insect and disease infestations. These restoration projects will have costs and benefits that accrue to the state and its communities, businesses, and citizens. These costs and benefits can be analyzed using several approaches, including financial efficiency, avoided cost, and net public benefit. Regardless of approach, being able to estimate actual dollar amounts with any reliability is dependent upon accurate and specific data, which are not readily available and likely to vary by project. The following discussion outlines in general terms how costs and benefits for restoration projects can be measured.

**Financial efficiency analysis**

Financial efficiency analysis is commonly used to evaluate projects in both the private and public sectors. It is often used for traditional, commercial timber sales and can be used for restoration projects (Talberth 2009). Financial efficiency analysis includes only monetary revenues and expenditures associated with a project. Typical costs for restoration-type projects include labor, equipment, fuel, supplies, on-site administration, and transportation associated with on-site activities. In addition, administrative costs of projects may include planning, NEPA analysis, contract administration, on-site preparation and administration, and post-treatment monitoring. Revenues include the value of timber and other merchantable products sold and removed during a project. Many restoration projects are planned and coordinated by one entity, for example the USFS, but implemented by private contractors. Financial efficiency analysis can be limited to revenues and costs that are part of agency monetary transactions, or it can be expanded in scope to include expenditures and revenues of contractors.

Studies of financial efficiency for forest restoration projects demonstrate some difficulties with its use. One challenge is data can be hard to come by and are highly variable (Rummer 2008, Nielsen-Pincus and Moseley 2010). For example, the data about the amount of money spent in-house by an agency on planning and coordination is not readily available and may vary substantially depending on the type of project (Nielsen-Pincus and Moseley 2010). Operation costs for restoration projects have been found to vary with numerous factors including variation in forest structure, site-specific topographic characteristics, site-specific treatment prescriptions, harvest methods, and hauling distances (Selig et al. 2010). Similarly, very little information on the business cost structure of forest operations contractors exists so estimates for profit, risk, and overhead are difficult to come by (Rummer 2008).

Study results for financial efficiency also vary because assumptions and included costs vary (**Figure 6-1**). Some studies have included only operations costs while others go so far as to include enterprise costs. Many studies have not clearly stated the assumptions used in their analyses, which makes it difficult to compare findings among studies. Consequently, researchers caution against citing a cost per acre from a case study and extrapolating to a regional application (Rummer 2008).



**Figure 6-1.** Different sets of costs included in financial efficiency analyses of restoration projects that cause variability in results.  
Adapted from: Rummer (2008).

In addition to implementation difficulties, financial efficiency as a criterion for forest restoration projects may not be appropriate because forest restoration necessarily focuses on restoring ecosystem health and resiliency (Talberth 2009). If merchantable products are produced at all, they are byproducts, so many of the project costs incurred are not used to produce revenues. Instead, non-commodity or non-market outputs such as reduced fire hazard or risk of insect or disease infestation are emphasized. Also, in forest restoration projects, the material removed may be the least desirable from a product standpoint and may contain a predominance of small diameter trees that cost more to remove than they are worth in the market (Talberth 2009).

Financial efficiency could be the basis for analyzing any role for IDL, another state agency, private business, or nonprofit in administering Good Neighbor Authority or Stewardship Contracting. The nature and amount of costs would depend on how involved the entity is in contract or cooperative agreement implementation.

### **Avoided cost analysis**

Another approach to assessing the costs and benefits of restoration projects is to calculate the avoided costs of probable future events, such as insect and disease infestations or wildfires, that would otherwise occur (Talberth 2009). This approach has been used most often for fuel treatments designed to reduce the severity of effects from wildfire. Under this approach, the per acre costs of implementing restoration activities are compared with the per acre costs of wildfire suppression and post fire rehabilitation expected over a specified time period with and without the project. Forest restoration projects are presumed to reduce future costs because, with treatments, fires that do occur are expected to need less suppression and result in less resource damage.

For wildfires, direct costs include: federal, state, and local suppression efforts (aviation, engines, firefighting crews, agency personnel), private property losses (insured, uninsured),

damage to utility lines and recreation facilities, loss of timber resources, and aid to evacuate residents. Rehabilitation costs include: emergency post-fire response (e.g., Burned Area Emergency Response—BAER), restoration activities, and additional damage from flood events, invasive species, and erosion. Indirect costs include loss of tax revenue (sales and county, decreased property values). Other costs that may be included in analyses include: human life, health problems, and loss of aesthetic value (Snider et al. 2003, Western Forestry Leadership Coalition 2010).

Completing an avoided cost analysis requires specification of an avoided outcome—e.g., a fire of a particular magnitude occurring within a particular time period—and its associated probability. All costs associated with this future event are estimated, converted to present values, and expressed as per acre values (Talberth 2009).

While straightforward in concept, there are many complexities associated with avoided cost analyses. First, it is impossible to know for sure where and when future events such as insect or disease infestations or wildfire will occur. Analysts often just assume such events are inevitable. In reality, it is just a probability of an event, thus avoided costs must be tempered by such probabilities (Talberth 2009).

Another complexity in avoided cost analyses is accounting for the effectiveness of restoration activities. For example, in some cases fuel treatments can lose their effectiveness without follow-up treatments, so time since treatment must be considered in the analysis. Another complexity is that thinning and prescribed burning projects may come with non-market economic costs of their own, such as displaced recreation uses, lower water quality, loss of habitat, and short term increases in fire hazard. Many avoided cost analyses overlook negative aspects, and so are incomplete (Talberth 2009).

Avoided cost analyses of forest restoration projects often show substantial financial benefits in situations where financial efficiency analysis alone shows major losses (Talberth 2009). For example, the White Mountain Stewardship contract in Arizona was estimated to cost the USFS \$4 million during the first year and \$60 million over the 10-year life of the project. However, the total stewardship project cost was estimated at 27% of the costs resulting from the 2002 Rodeo–Chediski Fire (Neary and Zieroth 2007).

Cost and benefit estimates in avoided cost analyses will vary by region, type of treatment, probability and costs of events avoided, and numerous other factors (Snider et al. 2003). The USFS has developed a cost savings and risk reduction program for fuel treatments called the Risk and Cost Analysis Tools (R-CAT) package (USFS 2010). Such a tool may be useful for analyzing avoided costs with other types of forest restoration projects. When avoided cost analyses are done, the relevant benefit is the incremental economic gain brought about by restoration, not the entire value of a healthy forest. What matters is the difference in the value of the forest before and after restoration (Hurd 2009).

### **Net public benefits analysis**

Perhaps the most appropriate approach for analyzing the costs and benefits of forest restoration projects is the net public benefits approach (Talberth 2009). This approach recognizes overall long term value of all outputs and positive effects (benefits) less all associated inputs and negative effects (costs). With the net public benefits approach, forests are recognized as an important element of natural capital and yield economic returns to society in the form of a wide range of market and non-market benefits if they are maintained in good condition by sustained investment (Talberth 2009).

Non-market benefits and costs include changes in ecosystem services such as changes in recreational opportunities, water filtration, carbon sequestration, and wildlife habitat

(Talberth 2009). People often value such goods and services more than they are worth by their monetary price alone. Researchers often use the contingent valuation method, travel cost method, or hedonic pricing method to ascertain these nonmarket values (Hurd 2009). Project completion delay and litigation costs can also be included in a net public benefits analysis (Prestemon et al. 2006). In a net public benefits analysis, all economic benefits and costs must be described and, where possible, quantified. The net public benefits approach does not exclude any significant economic cost or benefit (Talberth 2009).

### **Economic impact analysis**

Economic impact analysis is not a benefit-cost analysis. Economic impact analyses measure the amount of economic activity in a region attributable to a particular activity (e.g., forest restoration) and how the dollars that activity brings into the region cycle through the regional economy. Economic impact analyses typically express their results in terms of output, jobs, and/or labor income added to the local economy by a particular activity.

While economic impact analyses of the harvesting and manufacturing of traditional forest products (e.g., timber harvesting and lumber production) are common, the economic impacts of other forest restoration activities are less well studied. This is in part because forest restoration can be difficult to define as an economic sector (BenDor et al. 2014). Restoration does not consistently fall into any single economic sector because the work ranges from scientific research and project planning to earth moving and tree planting. As an example, researchers in Oregon developed an economic impact model for restoration projects (Moseley and Nielson-Pincus 2009, Nielsen-Pincus and Moseley 2010). They identified four types of work that restoration project managers typically hire contractors to perform:

- Equipment-intensive watershed work such as constructing stream habitat features or excavating of floodplain and wetland features;
- Equipment-intensive forestry work such as forest thinning, small-diameter and selective logging, and mowing and masticating ground fuels;
- Labor-intensive work such as site preparation, tree and shrub planting, and cutting small trees and brush by hand; and
- Technical planning and design work including conducting field surveys, engineering, and writing planning documents.

The amount and type of work in each economic sector varies with each type of project. In addition, projects are often collaborative, involving federal, state and local partners from the public and private sectors, and a variety of programs and funding sources (BenDor et al. 2014).

A study estimated the economic impacts of documented restoration activities from 2008 to 2013 in Custer and Lemhi counties, Idaho (Headwaters Economics 2014). The restoration projects studied covered a mix of project types including riparian, wildlife and fish habitat, native plant species, and forest restoration. The economic impact model was developed using data from 140 restoration projects that represented a subset of all projects undertaken in the region. Expenditures on the documented restoration projects during the study period in Custer and Lemhi counties averaged \$6.8 million annually, resulting in an average of \$9.1 million in total output each year. From 2008 to 2013, expenditures on restoration projects in this study grew on average 14 percent annually and associated employment grew on average 18 percent annually. In 2013, restoration expenditures were \$8.2 million, resulting in \$11 million in total output and creating a total of 89 jobs in the two counties (Headwaters Economics 2014).

The Custer and Idaho counties study showed that a variety of local economic sectors benefited from the restoration projects (Headwaters Economics 2014). These include businesses in sectors that planned and executed restoration projects such as agriculture, forestry, mining, construction, engineering, environmental services, technical services, and the public sector. They also involved businesses that either provided source materials or benefited from restoration spending in the local economy, including manufacturing, wholesale trade, retail trade, transportation, finance and insurance, arts, entertainment, recreation, accommodation, and food services (Headwaters Economics 2014).

Economic impact studies of restoration projects in other regions have produced some useful findings. For example, a study of the White Mountain Stewardship Project in Arizona found it diversified employment opportunities in this rural region by adding other sectors to primary employers, such as government, health care, and tourist-based industries (Sitko and Hurteau 2010). A study of the Clearwater Stewardship Project in Montana found that 85% of the impacts arose from the harvesting and processing of wood, while 10% arose from restoration activities paid for with the receipts from those harvests (Kerkvliet 2010). That study also found that the combination of harvesting, wood processing, restoration, administrative, and monitoring activities typical of a stewardship contract served to spread impacts across a wider variety of economic sectors than timber harvesting alone. Another study found many forest restoration jobs were labor-intensive and low quality, and may be disproportionately filled by Hispanic employees (Moseley 2006). Another study cautions that economic impact numbers only measure one aspect of societal welfare and may be counterproductive for justifying restoration activities (Hurd 2009).

### **Financial impacts on county revenue-sharing payments**

Federal lands are not subject to state or county property taxes. In light of this, the federal government has developed a variety of payment mechanisms to help offset the financial burden on counties caused by their inability to collect property taxes as they would from private landowners (Headwaters Economics 2010).

One of those payment systems, commonly called the 25% Fund, historically paid counties a percentage of revenues generated by the sale or use of natural resources on federal lands. Specifically, beginning in 1908, the federal government annually paid states an amount equal to 25% of the 7-year rolling average of all moneys received by each national forest within the state (16 U.S.C. § 500). The definition of "moneys received" was expanded over the years, but timber sales generated most of the revenue (Hoover 2015). Payments are spent in a way prescribed by each state legislature for the benefit of public schools and public roads in the counties where national forests are located. In Idaho, 70% of the funds allocated to a county go towards public roads and 30% go to public schools (Idaho Code § 57-1303).

A steep decline in federal timber sales during the 1990s, however, significantly decreased revenues from national forests. The Secure Rural Schools and Community Self-Determination Act of 2000 (P.L. 106-393) and several subsequent reauthorizations were enacted in part to address this decline by stabilizing payments to counties dependent on revenues from federal timber sales. Payments to counties under the act are based on a formula that does not factor in recent declines in revenues from national forests. However, Congress has opted to fund county payments under the Secure Rural Schools and Community Self-determination Act through a series of short-term reauthorizations. After not reauthorizing the act before it expired at the end of FY 2013, Congress reauthorized the act on April 16, 2015 retroactively for FY 2014 and for FY 2015 (P.L. 114-10).

If the Secure Rural Schools and Community Self-Determination Act is not reauthorized after FY 2015 and county payments revert to the 25% Fund formula, or a formula for computing payments in subsequent legislation includes recent national forest revenues as a factor, Stewardship Contracting has the potential to impact county payments from the 25% Fund because revenues produced under stewardship contracts are not counted as moneys received for the purposes of computing the 25% Fund amount. The more timber sold under stewardship contracts, the less revenue for counties from the 25% Fund. For this reason, county commissioners and other local public officials sometimes oppose stewardship contracts (Kerkvliet 2010). However, stewardship contracts can benefit counties through the economic impacts of increased employment and wages paid to local contractors.

Timber sales and other revenue-producing activities conducted under Good Neighbor Authority agreements do count towards moneys received for computing the 25% Fund allocation. From a county's financial perspective Good Neighbor Authority may be more acceptable than Stewardship Contracting.

### **Conclusions**

The costs and benefits to the state and other entities from implementing projects on Landscape-scale Treatment Areas under Good Neighbor Authority or Stewardship Contracting can be measured in a variety of ways. Financial efficiency analysis measures direct expenditures and revenues, but does not account for a wider range of benefits that restoration activities provide. Avoided costs analysis accounts for the benefit of improved forest conditions related to an avoided event, but also misses out on other benefits of restoration. Net public benefits analysis accounts for all costs and benefits, both market and non-market.

Regardless of approach, data does not exist to accurately estimate the costs and benefits of treating the 1.8 million acres identified as Landscape-scale Treatment Areas in Idaho. Findings from previous research on forest restoration suggest a wide variation in costs per acre. Costs will vary by current forest conditions, the types of restoration projects undertaken, and local industry structure. A more resilient landscape will be just one of many benefits from restoration projects, but quantifying those benefits will be a major undertaking.

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**Chapter 7. What are the legal risks for the state or other entities in implementing Landscape-scale Treatment Area projects on federal lands?**

Legal risks for a state agency or another public or private entity undertaking forest restoration work on federal lands include several areas of law, including contract law, liability law, and resource management law. Both federal and state laws may apply. For example, someone might sue the USFS to stop a project on a Landscape-scale Treatment Area claiming a categorical exclusion from full NEPA documentation under HFRA was granted illegally. The state might have signed a Good Neighbor Authority agreement to implement a project delayed by the federal litigation, and the delay might have financial implications for the state and its contractors under contract law. If a private contractor doing restoration work for the state somehow damaged the resource, there might be legal ramifications under both contract and liability laws.

A full legal analysis of the risks to the state or other entities from using Good Neighbor Authority or Stewardship Contracting on federal lands is best left to lawyers and other professional legal experts. Instead, the following general discussion focuses on one legal risk—fire—that may arise from restoration work on projects conducted under Good Neighbor Authority or Stewardship Contracting.

**Legal risks from fire**

In general, three types of fires might occur with restoration projects on Landscape-scale Treatment Areas: prescribed fires that are part of planned restoration activities, unintentional fires that result from restoration operations, and wildfires that occur as a result of natural causes. The legal risks from each of these types of fires are different.

Contracts and agreements with the federal land management agencies address fire suppression cost liability. The 2014 Farm Bill specifically directed the USFS and BLM to include in all stewardship contracts and agreements fire liability provisions substantially the same as those already contained in integrated resource timber contracts (2400-13, H.4) and regular timber sale contracts (16 U.S.C. § 472a). In May 2014, the USFS published an interim rule in the *Federal Register* of a clause for use in Integrated Resource Service Contracts (79 FR 29369). The provisions now are similar for all regular timber sale, Stewardship Contracting, and Good Neighbor Authority activities.

Specifically, the fire liability provisions say a contractor must immediately notify the USFS of any fires sighted on or in the vicinity of a work site, and must immediately extinguish all fires on a project that are not part of the work. A contractor may be held liable for all damages and for all costs incurred by the federal agencies necessary to control or suppress a fire set or caused by a contractor or a contractor's agents or employees, subject to the following fire classifications:

- Operations fire—a fire caused by a contractor's operations other than a negligent fire (see next classification). A contractor is required to reimburse the USFS for costs of an operations fire subject to a maximum dollar amount set in the contract. Costs incurred by the contractor on an operations fire, or otherwise provided at the request of the USFS are credited toward the maximum. If a contractor's actual cost exceeds the contractor's obligation, the USFS reimburses the contractor for the excess.
- Negligent fire—a fire caused by the negligence or fault of a contractor's operations including, but not limited to, fires caused by smoking or failure to comply with requirements under the contract. Damages and costs of suppressing negligent fires are borne by the contractor.

- Other fires on contract area. The USFS will pay the contractor, at local firefighting rates, to fight any fire on a contract area other than an operations fire or a negligent fire.

Contractors are not relieved by their federal contract of any fire suppression cost obligations they may have under state law, unless the costs result from an operations fire.

Prescribed fire, whether for forest restoration or fire hazard reduction of slash after timber harvest, is considered an operations fire. Implementation of prescribed fire involves some risk of escape and property damage, and the legal provisions related to liability for damages caused by escaped prescribed fire can affect an entity's willingness to use it (Yoder 2008).

The federal government may or may not be liable for damages related to an escaped prescribed fire under the management of federal employees based on the Federal Tort Claims Act (28 U.S.C. § 2671 et seq.) and its discretionary function exception (see, e.g., Bradshaw 2011, Palmer 2012). However, stewardship contracts and agreements make it clear contractors are not federal employees under the Federal Tort Claims Act. Good Neighbor Authority agreements also include provisions that the state agrees that any of its employees, volunteers, and participants are not deemed to be federal employees under the Federal Tort Claims Act, and that the state willingly agrees to assume these responsibilities. State liability laws would apply in such cases.

Liability for prescribed fire suppression and liability in Idaho would be covered by both the Idaho Forestry Act (Idaho Code § 38-101 et seq.) and the Idaho Tort Claims Act (Idaho Code § 6-901 et seq.). The Idaho Forestry Act states a civil action against any person, legal entity, state or political subdivision for real and personal property damage resulting from a forest fire caused by a negligent or unintentional act is limited to the reasonable costs for controlling or extinguishing the forest fire, economic damages, and either the fair market value of the real and personal property damaged or destroyed by the fire or the actual and tangible restoration costs associated with bringing the damaged real and personal property back to its pre-injured state to the extent that such costs are reasonable and practical. "Economic damages" under this law mean objectively verifiable monetary loss including, but not limited to, out-of-pocket expenses, loss of earnings, loss of use of property or loss of business or employment opportunities. "Fair market value" means the amount a willing buyer would pay a willing seller in an arms-length transaction when both parties are fully informed about all of the advantages and disadvantages of the property and neither is acting under any compulsion to buy or sell, as determined by a state certified appraiser, who is qualified to appraise the property.

Forest fire damage liability claims against the state or a political subdivision of Idaho are subject to the Idaho Tort Claims Act. Similar to the federal statute, it has a discretionary function clause (Idaho Code § 6-904(1)) that exempts state employees from liability if the act of commission or omission that resulted in damages was a discretionary function.

Wildfires caused by lightning strikes might also affect stewardship contracts or Good Neighbor Authority agreements if they burn in areas being restored. Timber losses are specifically addressed in stewardship contracts that involve the sale of timber. For timber that is destroyed or damaged by an unexpected event including fire, the federal agency bears the timber value loss resulting from the destruction or damage, except if the loss occurs after it has been removed from the sale area but before scaling, in which case the purchaser bears the loss. Purchasers are not obligated to remove and pay for damaged timber, and the USFS is under no obligation to offer other timber in lieu of that destroyed or damaged.

## **Conclusions**

The legal risk of fire is just one example of the legal risks for the state or other entities who may implement projects on Landscape-scale Treatment Areas. Regardless of employer, workers in the woods have an obligation to put out unwanted fires and control those that are intentionally set. If a prescribed fire escapes, in many cases federal and state employees are protected from damage liability by tort claims laws. However, private organizations and individuals may be subject to some level of liability based on those same laws.

Other legal risks also exist, such as challenges to projects based on NEPA, contract disputes, or damage to resources by the actions of a contractor. A legal analysis of the full spectrum of risks and liabilities to a specific party for any particular restoration project is best left to attorneys and other legal professionals.

## **Chapter 8. How could the success of Landscape-scale Treatment Area projects be measured?**

The objective of projects on Landscape-scale Treatment Areas is to restore forest conditions that increase resilience to insect and disease infestations in the future. Restoration has many meanings and is multi-dimensional involving ecological, economic, and social facets (DellaSala et al. 2003, Kaufmann et al. 2005, Reinhardt et al. 2008). Therefore, measures of project success are likely to be multi-dimensional.

### **Treatment effectiveness**

One way to measure project success is to look at effectiveness. Did a project reduce the severity of the effects of a current insect or disease outbreak? Did a project reduce the likelihood of occurrence or severity of an insect or disease infestation in the future? Controlling current insect or disease outbreaks may require different types of treatments than those that increase resilience to negative effects from future outbreaks (Egan et al. 2014, Six et al. 2014). Treatment effectiveness could be an important measure of success for projects on Landscape-scale Treatment Areas. However, it will require ongoing resources to monitor future conditions.

### **Performance measures**

Performance measures typically measure project or program inputs, outputs, or outcomes (Newcomer 1997). For Landscape-scale Treatment Areas, performance measures could be adapted from those developed for Collaborative Forest Landscape Restoration Program (CFLRP) projects (e.g., USFS 2012, Mattor et al. 2013, Snee et al. 2014, USFS 2014d) or other forest restoration efforts (e.g., Talberth 2009). For example, performance measures for the Selway-Middle Fork CFLRP project cover wide ranges of activities and ecological, economic, and social factors (**Table 8-1**). Performance measures would need to be tailored to reflect the goals and objectives of Landscape-scale Treatment Area projects.

Performance measures could also be developed to assess the costs and benefits to the state or other entities from project implementation using Good Neighbor Authority or Stewardship Contracting (see **Chapter 6**). Some tools for measuring the economic performance of restoration projects exist, but others could be developed. For example, the USFS has created the Treatments for Restoration Economic Analysis Tool (TREAT 2011) as a tool to model the economic impacts (jobs and labor income) of restoration activities tied to CFLRP projects. It uses sources, types, and distribution of funding, number of employees and types of work, and harvest volumes by product type to estimate economic impacts (TREAT 2011).

A suite of performance measures will only be useful if put into practice and then evaluated. Performance measures need to be relatively easy for agencies and contractors to measure accurately and report reliably (Dale and Gerlak 2007). Additionally, performance measures need to be evaluated to make judgments about success. By themselves performance measures are of limited utility; they cannot serve as a substitute or a shortcut for evaluation, which involves making value judgments about the worth of a project or program (Mohan et al. 2006).

**Table 8-1.** Examples of performance measures from Selway-Middle Fork CFLRP project.

- Percent change from 10-year average for wildfire controlled during initial attack.
- Percent change from 10-year average for number of unwanted human-caused wildfires.
- Percent of fires not contained in initial attack that exceed stratified cost index.
- Number and percent of WUI acres treated that are identified in CWPPs or other applicable collaboratively developed plans.
- Number and percent of non-WUI acres treated that are identified through collaboration consistent with the implementation plan.
- Number of acres treated per million dollars gross investment in WUI and non-WUI areas.
- Percent of collaboratively identified high priority acres treated where fire management objectives are achieved as identified in applicable management plans or strategies.
- Number and percent of acres treated by prescribed fire, through collaboration consistent with the implementation plan.
- Number and percent of acres treated by mechanical thinning, through collaboration consistent with the implementation plan.
- Number of acres and percent of the natural ignitions that are allowed to burn under strategies that result in desired conditions.
- Number and percent of acres treated to restore fire-adapted ecosystems which are moved toward desired conditions.
- Number and percent of acres treated to restore fire-adapted ecosystems which are maintained in desired conditions.
- Number and percent of burned acres identified in approved post-wildfire recovery plans as needing treatments that actually receive treatments.
- Percent of burned acres treated for post-wildfire recovery that are trending towards desired conditions.
- Jobs created or maintained from commercial forest product activities and other project activities.
- Acres treated annually to sustain or restore watershed function and resilience.
- Acres of forest vegetation established.
- Acres of forest vegetation improved.
- Acres of noxious weeds and invasive plants managed.
- Acres of highest priority acres treated for invasive terrestrial and aquatic species on national forest lands.
- Acres of water or soil resources protected, maintained or improved to achieve desired watershed conditions.
- Acres of lake habitat restored or enhanced.
- Miles of stream habitat restored or enhanced.
- Acres of terrestrial habitat restored or enhanced.
- Acres of rangeland vegetation improved.
- Miles of high clearance system roads receiving maintenance.
- Miles of passenger car system roads receiving maintenance.
- Miles of road decommissioned.
- Miles of passenger car system roads improved.
- Miles of high clearance system road improved.
- Number of stream crossings constructed or reconstructed to provide for aquatic organism passage.
- Miles of system trail maintained to standard.
- Miles of system trail improved to standard.
- Miles of property line marked/maintained to standard.

(continued)

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**Table 8-1.** (continued).

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- Acres of forestlands treated using timber sales.
  - Volume of timber sold.
  - Volume of timber harvested.
  - Green tons from small diameter and low value trees removed from national forest lands and made available for bio-energy production.
  - Acres of hazardous fuels treated outside the WUI to reduce the risk of catastrophic wildland fire.
  - Acres of WUI high priority hazardous fuels treated to reduce the risk of catastrophic wildland fire.
  - Number of priority acres treated annually for invasive species on federal lands.
  - Number of priority acres treated annually for native pests on federal lands.
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Source: USFS (2014d).

## Chapter 9. Conclusions

The 2014 Farm Bill included three provisions that could lead to improved conditions on Idaho's national forests—Landscape-scale Treatment Areas, Good Neighbor Authority and Stewardship Contracting. Each of these provisions could lead to increased cooperative actions between state and federal land management agencies.

In 2014, the state of Idaho identified, and the USFS approved, 1.7 million acres in Idaho as Landscape-scale Treatment Areas based on criteria in the 2014 Farm Bill. These areas are experiencing, or are at high risk of, insect or disease epidemics. Restoration projects on Landscape-scale Treatment Areas, and meeting other requirements of the law, are subject to streamlined NEPA analysis and documentation. Forest restoration projects on Landscape-scale Treatment Areas have the potential to be implemented more swiftly than they might be otherwise.

USFS Region One (Northern) and Region Four (Intermountain) have already identified 29 projects on Landscape-scale Treatment Areas in Idaho's national forests that they hope to implement during FY 2015 to FY 2017 (**Figure 9-1**). These projects will treat about 37,000 acres (**Appendix A**).

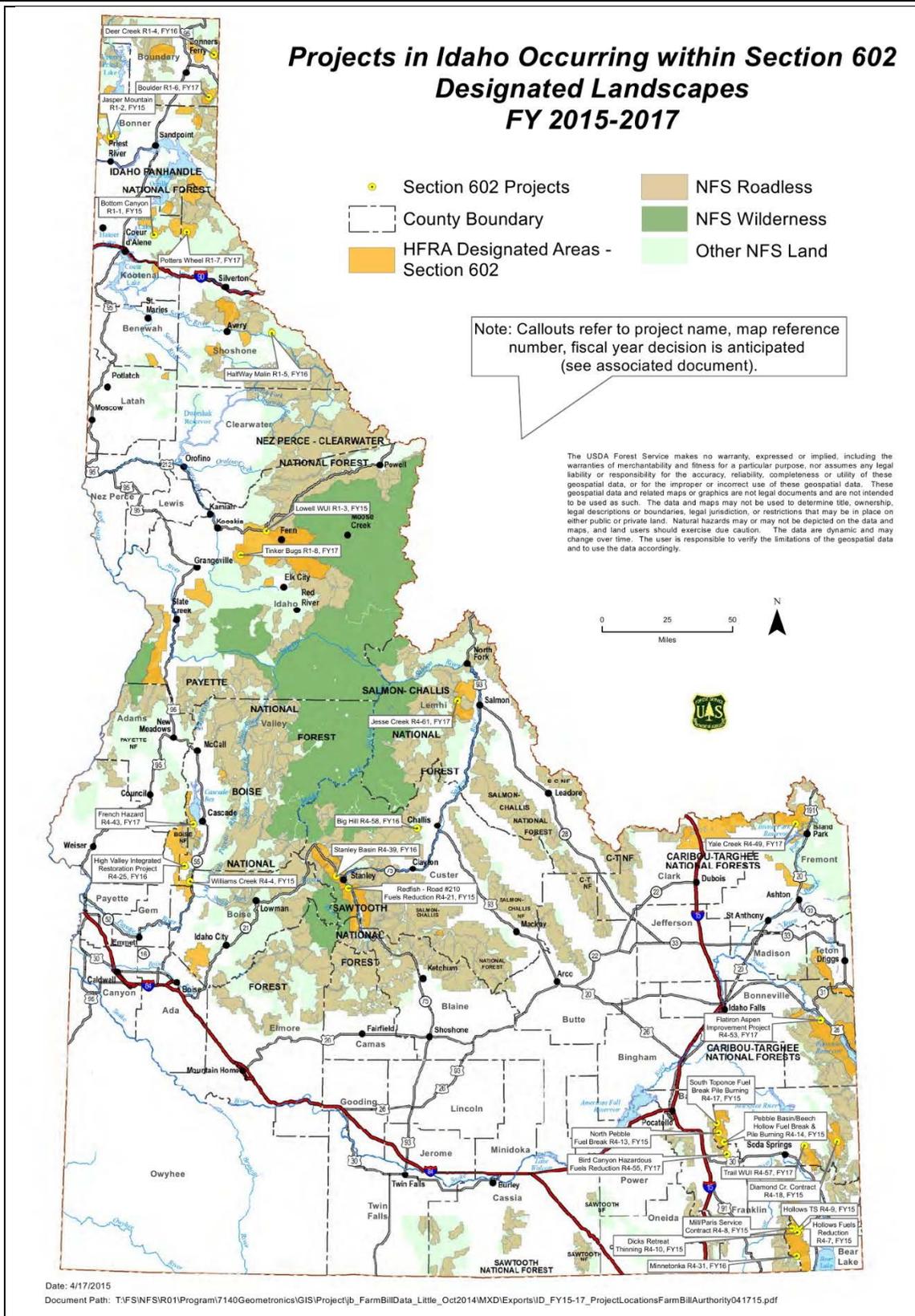
Good Neighbor Authority allows states to enter into cooperative agreements or contracts with the USFS in which the state or its subcontractors undertake restoration activities on national forests. Good Neighbor Authority can be used on Landscape-scale Treatment Areas, but it could be applied more broadly to other federal lands.

Stewardship Contracting allows the USFS to enter into long-term contracts with the state or other entities for restoration projects on national forests. Similar to Good Neighbor Authority, Stewardship Contracting is not restricted to Landscape-scale Treatment Area projects. Stewardship Contracting allows the USFS to fund restoration projects by trading the value of goods (most often timber) for the value of services (forest restoration).

Both Good Neighbor Authority and Stewardship Contracting provide opportunities for the state to engage directly in the management of national forests in Idaho. The state, most likely through IDL, and the USFS might work cooperatively to identify forest restoration projects on national forests in Landscape-scale Treatment Areas. Implementation of the projects could occur either through Good Neighbor Authority, Stewardship Contracting, or traditional timber contracts.

Good Neighbor Authority requires the cooperative agreement or contract for restoration services be between the USFS and a state agency. IDL, or another state agency, would not be required to do the services themselves, but could subcontract the restoration work to other entities, much as IDL currently does for timber sales from state endowment lands. Timber and service contracting could be done under IDL and state rules, with some modifications for federal requirements.

The state, through IDL or another state agency, could also participate in Stewardship Contracting on restoration projects on Landscape-scale Treatment Areas, although state participation is not required for Stewardship Contracting. Stewardship agreements and contracts can be between the USFS and other entities including local governments, nonprofit organizations, and private businesses. The state could enter into a stewardship contract or agreement for an individual project, or it could enter into a master stewardship agreement where it administered multiple projects across a region. In either case, the state could subcontract the on-the-ground restoration activities to private contractors.



**Figure 9-1.** Proposed projects on Landscape-scale Treatment Areas (Section 602 lands) in Idaho's national forests, FY 2015-2017. Source: Dawe (2015).

Although the USFS would pay for the forest restoration activities done under Good Neighbor Authority or Stewardship Contracting, IDL (or another entity) still must have the

institutional capacity to administer or carry out the activities. IDL's mission, although it encourages cooperation with other landowners, is less clear on authorizing the agency to undertake activities on another owner's land. IDL's budget and personnel resources are determined by the Idaho Legislature and currently are directed toward its mission of managing state endowment lands and assisting private forest landowners. Increased financial or personnel obligations for IDL due to Good Neighbor Authority or Stewardship Contracting projects on federal lands would need legislative approval.

In addition to assuming increased administrative and financial obligations, IDL may also assume some increased legal risks if it undertakes Good Neighbor Authority or Stewardship Contracting responsibilities. A full legal analysis by attorneys or other legal professionals would clarify the extent of the increased risks.

Estimating the costs and benefits to the state from implementing restoration projects on Landscape-scale Treatment Areas is not possible for a variety of reasons. Reliable public data for many benefits and costs do not exist either at the scale of interest, for regions of interest, or at all. Cost estimates for forest restoration work vary due to many factors including project type, existing forest conditions, site characteristics, and local industry structure. Cost and benefit comparisons also vary depending on what is measured and how it is measured.

Forest restoration activities will have positive economic impacts on local economies, generating income and jobs directly for those doing the restoration work as well as indirectly for others who provide them with supplies and other goods and services. Federal revenue-sharing payments to counties also may be affected by how restoration activities are accomplished, depending upon whether county payment amounts are determined by the 25% Fund formula. Specifically, under Good Neighbor Authority, revenues from timber and other products sold from the national forests are counted towards the 25% Fund shared with counties for the benefit of public schools and roads. Revenues from timber and other products sold under Stewardship Contracting are not applied to the 25% Fund, meaning less revenue from this program for counties. Currently, and through FY 2015, county payments are determined by the formula in the Secure Rural Schools and Community Self-Determination Act and are unaffected by current revenues from national forest lands. However, this may not be the case beyond FY 2015. Forest restoration activities will have positive economic impacts on local economies regardless of their impacts on county federal revenue-sharing payments.

Stewardship Contracting has been widely used by the USFS under previous authorities and has an extensive record of evaluation. Prior to the 2014 Farm Bill, Good Neighbor Authority was limited to two pilot projects and has not been assessed as thoroughly. Both programs have experienced successes as well as challenges.

### **How much of the Landscape-scale Treatment Areas in Idaho could be treated in 10 years?**

Determining how much of the 1.7 million acres of Landscape-scale Treatment Areas designated in Idaho could be treated over a 10-year period requires information not known at this time. The amount will depend on numerous legal, policy, and funding decisions by courts, the U.S. Congress, the USFS, IDL, and the Idaho Legislature as well as financial decisions by private individuals, businesses, and nonprofit organizations. Among many such questions are:

- Will federal funding be available to implement projects? Although the 2014 Farm Bill authorized up to \$200 million per year until FY 2024 for projects on Landscape-scale

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Treatment Areas, Congress did not appropriate any funds for this purpose in 2014. It is unknown if Congress will appropriate funds in the future to support implementation, and if so, what share of the \$200 million authorized will be allocated to national forests in Idaho. Other funding that may be required to fully implement Good Neighbor Authority or Stewardship Contracting is also dependent on annual Congressional appropriations.

- How will NEPA analysis and decisions play out? Projects on Landscape-scale Treatment Areas are eligible for streamlined NEPA analysis and documentation, and some projects that meet more specific requirements are eligible for a categorical exclusion. While this may expedite some projects, legal challenges also may arise. Additionally, NEPA decisions remain with the USFS, and its willingness to allow other entities to participate in information gathering and analysis will affect project implementation.
- To what level is the state willing to participate in projects on Landscape-scale Treatment Areas through Good Neighbor Authority, Stewardship Contracting, or otherwise? Authority and funding decisions by the Idaho Legislature and IDL will determine the answer.
- How will economic conditions and contract terms affect contractors' willingness to do forest restoration work? Private contractors will carry out much of the forest restoration work on Landscape-scale Treatment Areas. The contracting process as well as the opportunity to earn a profit will need to be attractive to potential contractors. Market conditions for products removed during forest restoration activities will affect the attractiveness of projects to contractors.

Despite the current unknowns, Good Neighbor Authority and Stewardship Contracting are alternatives to the status quo for federal management of national forests in Idaho. Both mechanisms would allow the state to be more involved in managing federal forest lands and potentially reduce negative impacts of insect and disease epidemics. Some state resources would probably be required, but the potential for gaining benefits is significant.

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**Appendix A. Proposed Projects on Landscape-scale Treatment Areas in Idaho, FY 2015-2017**

Map reference # (see Figure 9-1)	Project name	County	Estimated acres to be treated	Estimated volume	HFRA CE, EA or EIS	Formal collaborative group
<b>Decisions already signed for projects occurring in designated Landscape-scale Treatment Areas</b>						
Caribou-Targhee NF (Region 4)						
R4-7	Hollow Fuels Reduction	Bear Lake	910	3 MMBF		
R4-8	Mill/Paris Service Contract	Bear Lake	600			
R4-9	Hollows TS	Bear Lake	20			
R4-10	Dicks Retreat Thinning	Bear Lake	100			
R4-13	North Pebble Fuel Break	Soda Springs	360			
R4-14	Pebble Basin/Beech Hollow Fuel Break & Pile Burning	Soda Springs	600			
R4-17	South Toponce Fuel Break Pile Burning	Soda Springs	22			
R4-18	Diamond Cr. Contract	Soda Springs	100			
R4-21	Minnetonka	Bear Lake	50			
<b>FY 2015 decisions anticipated for projects occurring in designated Landscape-scale Treatment Areas</b>						
Boise NF (Region 4)						
R4-4	Williams Creek	Valley/Boise	2400	10MMBF	CE	Boise Forest Coalition
Sawtooth NF (Region 4)						
R4-21	Redfish-Road #210 Fuels Reduction	Custer	1200	1.7 MMBF	CE	Stanley Collaborative
Idaho Panhandle NF (Region 1)						
R1-1	Bottom Canyon	Kootenai	2300	10MMBF	EA/EIS	Panhandle Forest Collaborative
R1-2	Jasper Mountain	Bonner	2000	13 MMBF	CE	
Nez Perce-Clearwater NF (Region 1)						
R1-3	Lowell WUI	Idaho	300	0.6 MMBF	CE	

Map reference # (see Figure 9-1)	Project name	County	Estimated acres to be treated	Estimated volume	HFRA CE, EA or EIS	Formal collaborative group
<b>FY 2016 decisions anticipated for projects occurring in designated Landscape-scale Treatment Areas</b>						
Boise NF (Region 4)						
R4-25	High Valley Integrated Restoration Project	Valley	2375		EA/EIS	Boise Forest Coalition
Salmon-Challis NF (Region 4)						
R4-58	Big Hill	Custer	3000		CE	
Sawtooth NF (Region 4)						
R4-39	Stanley Basin	Custer	900		CE	Stanley Collaborative
Idaho Panhandle NF (Region 1)						
R1-4	Deer Creek	Boundary	1500		EA/EIS	Kootenai Valley Restoration Initiative
R1-5	Halfway Malin	Shoshone	1630		EA/EIS	

Map reference # (see Figure 9-1)	Project name	County	Estimated acres to be treated	Estimated volume	HFRA CE, EA or EIS	Formal collaborative group
<b>FY 2017 decisions anticipated for projects occurring in designated Landscape-scale Treatment Areas</b>						
Boise NF (Region 4)						
R4-43	French Hazard	Valley	1500		EA/EIS	Boise Forest Coalition
Caribou-Targhee NF (Region 4)						
R4-49	Yale Creek	Freemont	300		EA/EIS	Island Park Sustainable Fire Community
R4-53	Flatiron Aspen Improvement Project	Bonneville	1000		EA/EIS	Eastern Idaho Aspen Working Group
R4-55	Bird Canyon Hazardous Fuels Reduction	Franklin	200		EA/EIS	
R4-57	Trail WUI	Soda Springs	500		CE	
Salmon-Challis NF (Region 4)						
R4-61	Jesse Creek	Lemhi	3000		CE	Lemhi County Forest Restoration Collaborative
Sawtooth NF (Region 4)						
R4-62	Cape Horn	Custer	900		CE	Stanley Collaborative
Idaho Panhandle NF (Region 1)						
R1-6	Boulder	Boundary	1500		EA/EIS	Kootenai Valley Restoration Initiative
R1-7	Potter's Wheel	Shoshone/Kootenai	5000		EA/EIS	Panhandle Forest Collaborative
Nez Perce-Clearwater NF (Region 1)						
R1-8	Tinker Bugs	Idaho	<3000		CE	

Adapted from: Dawe (2015).