



Redefining Stewardship

PUBLIC LANDS AND RURAL COMMUNITIES
IN THE PACIFIC NORTHWEST

Redefining Stewardship
is a joint publication of
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This map shows the
four National Forests
and neighboring
communities profiled
on the following pages.

Redefining Stewardship

Can the vision of healthy forests and healthy communities bring together traditional adversaries? This publication tells a story of collaboration that moves beyond the tales of the '90s-era timber wars. We share how four groups across the Pacific Northwest are acting on recent federal stewardship contracting authorities to help manage National Forest lands for watershed and community health. In the process, these innovators are redefining an essential 21st-century value: stewardship. ➔

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After decades of harvest and fire suppression, many National Forest lands are densely blanketed with young trees that are vulnerable to catastrophic wildfire, insect infestation and disease. High-grade logging and clearcutting throughout the 20th century reduced much of the region's historic old-growth forests, making the protection of those that remain a national priority and restoration a necessity. With much of the old growth gone – and, in salmon territory, fish runs dwindling as well – communities that depend on these public lands have suffered. Many rural towns have watched their local mills close up shop and local employment options disappear.

These four stories record how former opponents – industry workers, environmentalists and agency officials – recognized their mutual interests in both restoring the health of the forest and building an industry to utilize the by-products of forest restoration. In their pursuit of a shared vision, they encountered challenges and created opportunities that serve as lessons and models for all of us.

Enabling these efforts is the federal Stewardship Contracting Authority, a provision of the 2003 general appropriations bill. It directs the USDA Forest Service and the Bureau of Land Management (BLM) to collaborate with their neighboring landowners, interested community members and

business leaders to develop forest and watershed restoration projects that meet the needs of the community, the agencies and the land. In recent years, these public-private partnerships, often called stewardship collaboratives, have gathered momentum around the region.

The stakes are high. Millions of acres of crowded stands and degraded watersheds across the Pacific Northwest present a management as well as a market challenge. With these new authorities, stewardship collaboratives are forging solutions that consider both the supply and demand sides of the wood products market. In each of these four communities, a dedicated group of partners is working to gain long-term supply commitments and to spur reinvestment in local, small-diameter forest product infrastructure.

Rural communities and urban centers alike benefit from the good management of forest ecosystems. With this publication, Ecotrust and Resource Innovations highlight a shared public responsibility for forest and community health. For years, our own economic development and restoration work has paralleled that of the groups profiled here. These stories celebrate the accomplishments of four communities that have created groundbreaking partnerships and have changed the tone of public-lands discussions in the Pacific Northwest. 🌲



Pacific salmon are among the natural wealth of the Siuslaw basin, which overlaps the Siuslaw National Forest.



Thinning reduces the risk of destructive wildfires for neighboring communities of the Colville National Forest.

By-products from commercial thinning are traded for restoration work on the Shasta-Trinity National Forest.





The Northeast Washington Forestry Coalition finds solutions that integrate the ecological, social and economic benefits of forest restoration and fuels reduction.



The Siuslaw Stewardship Group uses stewardship contracting to restore natural watershed processes, such as repairing or replacing culverts for safe fish passage.

The Lakeview Stewardship Group works to reintroduce fire as a natural process on the Fremont-Winema National Forests.



What is Stewardship Contracting?

Stewardship contracting is a tool used to achieve federal land management objectives as well as rural community needs. The authorities enable the Forest Service and the Bureau of Land Management (BLM) to design restoration and fuels reduction projects that are more effective, efficient and responsive to communities. Collaboration is the key, and community partners play an active role in project planning, design implementation and monitoring. Congress has authorized the agencies to enter into stewardship contracts until 2013.

The following authorities are available for use in stewardship contracting:

Best Value Contracting: Projects using stewardship contracting authorities must be awarded on a best value basis, which means that factors other than price must be considered. Common criteria include, but are not limited to, the contractor's past performance, work quality, on-time delivery, technical approach and benefits to the local community.

Designation by Description: The agency can describe the trees that should be removed using verifiable characteristics, such as the species and size of trees. This can be accomplished without marking individual trees for removal.

Designation by Prescription: The agency can specify the end result expected to be achieved on the ground and then allow the contractor to propose the methods to be used to achieve that result, including which individual trees to cut. This authority enables land managers and contractors to more effectively deal with unique or changing forest conditions and take better advantage of qualified contractors' professional skills and knowledge.

Goods for Services: The Forest Service and BLM may apply the value of timber or other forest products removed as an offset against any services received from the contractor.

Multi-Year Contracting: Contracts used to implement stewardship projects may have terms of up to 10 years.

Retention of Receipts: Funds received from the sale of forest products or vegetation removed under a stewardship contract may be retained by the agencies and used for other appropriate work on the same or other stewardship project locations.



The Siuslaw Stewardship Group works to protect and enhance old-growth forest characteristics.

A Whole-Watershed Perspective

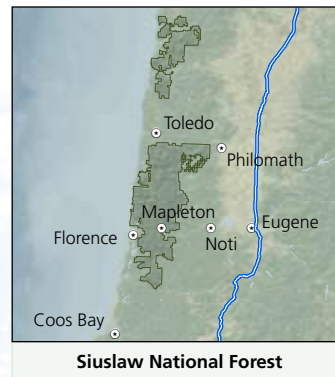
SIUSLAW STEWARDSHIP GROUP

SIUSLAW NATIONAL FOREST

The Siuslaw National Forest sits amidst the North American coastal temperate rain forest, one of the most productive landscapes on earth. Hugging the Oregon Coast Range, the Siuslaw's 630,000 acres are largely forested, with neighboring private lands that have been cleared for agriculture running alongside coastal rivers and their tributaries.

Historical records reflect the region's productivity. Over the peak years from 1960 to 1990, the Forest Service harvested more than two billion board feet of timber from the Mapleton Ranger District alone. Five mills operated full-time in Mapleton, sometimes running in shifts to feed demand for the high-quality Douglas fir. The Siuslaw basin, running east-west and transecting the National Forest, offered prime spawning grounds for Pacific salmon, especially the coastal-spawning coho. South of the Canadian border, the Siuslaw's coho productivity is believed to have once ranked second only to the mighty Columbia.

Today, many of the Siuslaw's natural assets show signs of stress from past forestry practices. Splash dams, once used to float logs down to the mills, scoured the watershed of its fish habitat. In many harvested areas, overstocked plantations of young Douglas fir have replaced the complex forest of diverse species and structure. In 1988, the "Headwall Injunction"



put a halt to the massive timber harvests, and, in 1998, the listing of Oregon coastal coho under the Endangered Species Act closed down the fishery. Following the 1994 implementation of the Northwest Forest Plan, the torrent of timber from federal lands dropped to a trickle. By 2004, the last mill in Mapleton was but a memory.

Stewardship Pilot

"We all love our watershed," says Johnny Sundstrom, chair of the Siuslaw Soil and Water Conservation District and one of the basin's restoration pioneers. "What we're trying

to do is move from an extractive era into one of restoration – seeking productivity as a result." That broad-based philosophy was one that Forest Service supervisor Jim Furnish, working in the Siuslaw, embraced as well. He directed the transformation of a National Forest that was focused on getting out the cut to one prioritized for restoration under the Northwest Forest Plan. Among those involved in the early discussions, the shared vision of logs going down the road, fish coming up the creek and good jobs for local companies became known as the "Siuslaw Option."

In 1995, Sundstrom and Furnish took this vision to Washington, D.C., and a few years later, with Furnish as the new deputy chief, the Forest Service established 28 stewardship contracting pilot projects nationwide, with specific direction to strengthen community participation in forest

management. “We started to talk to the neighbors,” recalls retired Siuslaw National Forest contracting officer Bob Turner. “Not just going through a formal National Environmental Policy Act (NEPA) process to gather comments—but actually taking their values and incorporating them into our projects.”

In 2002, the Siuslaw Stewardship Group coalesced into a working partnership between the Forest Service and local residents and landowners. Though agency and local partners had already been working together for 10 years, the Forest Service hired the Watershed Research and Training Center of Hayfork, California, to assist in navigating the stewardship pilot legalese. The group found easy agreement on a strategy of thinning to promote old growth on the forest uplands and reinvesting the profits in restoration. “There’s a lot of common ground,” explains stewardship group member Chandra LeGue of the conservation organization Oregon Wild. “We may have different reasons for promoting restoration, but we can all agree there’s plenty of work to go forward.”

The first stewardship contract offered on the Siuslaw National Forest was the Green Thin. It bundled forest thinning with restoration activities that included maintaining roads, planting vegetation in riparian areas, removing noxious weeds, creating forest snags and improving in-stream habitat. Timber companies don’t necessarily have expertise in each of these areas, and the Forest Service worked closely with the contractor, Philomath-based Georgia Pacific West, to help it get started. “We wanted the logs and wanted to experiment with a new approach. We wanted to get in early on the deal,” Georgia Pacific’s Todd Merritt said in 2004. Although there have been setbacks—one of the Green Thin subcontractors wasn’t able to fulfill its commitments due to limited equipment capacity—Georgia Pacific has learned to adapt and been awarded subsequent stewardship contracts.

Siuslaw Stewardship Fund

One stewardship authority that has attracted a lot of attention is the local retention of timber receipts, rather than sending them on to the federal treasury. An additional authority, the 1998 Wyden Amendment (Public

“Forests are not locked up anymore; they’re getting out some good wood and they’re turning it around and spending the money locally on projects to help our watershed and community.”

—Gus Gates

Siuslaw Soil and Water Conservation District

Law 105-277, Section 323 as amended by Public Law 109-54, Section 434), helps to facilitate a whole-watershed approach to restoration. It allows federal funds to be spent on private lands when the work is expected to benefit public resources.

With the trust forged through the stewardship project, the Forest Service and the Siuslaw Stewardship Group set up the Siuslaw Stewardship Fund in 2004. In this agreement, 60 percent of the revenue from stewardship contract thinning is reinvested in public-lands restoration, while the other 40 percent is placed in the Fund to finance work on private and other nonfederal lands. Cascade Pacific Resource Conservation and Development Council acts as the fiscal agent of the Fund, which operates like a grant program. Projects are solicited, reviewed and evaluated before contracts are awarded. Monitoring follows all work. To date, five rounds have been completed and more than 30 retained receipts and Wyden Amendment projects awarded for a total of \$1.7 million reinvested in the watershed.

Landowner Dana Rodet saw the funding source as an opportunity to restore a stream that had been pushed up against the hillside and disconnected from its original floodplain. “This is our heaven, and we can do something with it,” Rodet maintains. “I can’t do anything about China, but I can take responsibility for my own place. Even in the first three years, we’ve seen salmon numbers increasing.”

Pressing Needs

With 10 stewardship projects, almost 50 million board feet of timber sold and approximately 2,000 acres treated, the Siuslaw has earned a lot of recognition for its restoration work. In 2004, the Environmental Protection Agency selected the Siuslaw for funding as a Targeted Watershed Initiative, led by Ecotrust. Siuslaw restoration partners were awarded the International Thiess Riverprize that year as well. Yet the business of restoration remains underdeveloped. With no local mill or secondary manufacturing company, few of the dollars from the sale of the watershed’s resources remain in the community. Processing the timber, which could provide local jobs, is handled by facilities in Coos Bay and Noti.

As a community development

“Stewardship has provided increased funding across the board and has really allowed us to manage those resources holistically so we’re looking at the whole basin.”

—Dan Segotta

Siuslaw National Forest

strategy, the Siuslaw Stewardship Group would like to apply some of the monies from the Siuslaw Stewardship Fund toward economic development initiatives, such as training for restoration workers, funding for youth outdoor programs and training and equipment for volunteer fire departments. That financial leeway was part of the original stewardship pilot authorities but not the permanent guidelines.

At the same time, the Forest Service is short on appropriated funds to continue generating designs for future stewardship projects. “We’re working off of stewardship contracting sales that were already on the shelf prior to the authority coming into play,” Sundstrom explains. He argues that a dependable, multi-year supply of timber and projects is needed to attract an investor that might want to restart a local mill or launch a value-added processing activity.

Other economic development options are under discussion as well. With coho numbers holding steady, there’s still hope for a restored recreational fishery – one day. Others look to third-party Forest Stewardship Council certification as a way to earn a premium for wood products, and Ecotrust is working with Siuslaw partners to connect wood from ecologically managed forests, including stewardship projects, to local markets. “Our goal,” says Todd Miller, former Siuslaw Watershed Council coordinator, “is to have thriving watersheds and communities. We want a flexible forest management system that helps foster a sustainable natural resource economy.” 🌲



For Johnny Sundstrom, stewardship contracting is “the best opportunity to share in the management of natural resources that affect our own properties, our watersheds and our communities.”

Siuslaw National Forest

Forest Service Stewardship Contracts

- Accomplishments of four ongoing and completed stewardship contracts as of September 2007:
 - Thinning treatments on 668 acres of late successional reserve lands
 - Creation of 13 mature and 629 young tree snags
 - Noxious weed control over 13 acres
 - Brushing and maintenance work along three miles of trail
 - Closure, storm-proofing and maintenance along 26.5 miles of road
 - Sidecast pullback on 1,175 miles of road
 - Non-commercial thinning on 140 upland and 41 riparian acres
 - Upland planting on 75 acres
 - Riparian conifer planting and maintenance (release) on 25 acres
 - Structure placement by helicopter on three miles of stream
- Awarded to Georgia Pacific and Swanson Superior
- Value of commercial timber: \$967,118
- Total receipts retained: \$726,339

Retained Receipts Projects (on Forest Service lands)

- A total of 10 restoration projects implemented with eight completed and two ongoing in FY 2007:
 - Planting and maintenance (release) of trees and native grasses on 33 acres
 - Noxious weed control over approximately 100 acres
 - Placement of large woody debris along one mile of stream
 - Reconstruction or decommissioning of approximately nine miles of roads
- Stewardship credits contribution: \$435,803.46

Wyden Amendment Projects (on private and other nonfederal lands)

- Accomplishments of 12 Wyden Amendment projects as of September 2006:
 - Planting and maintenance (release) of 17,000 conifers, 5,500 deciduous trees and 10,000 other native plants on private lands
 - Placement of large woody debris along more than three miles of stream
 - Construction of more than 3,000 feet of fence to exclude cattle from riparian areas
- Stewardship Fund contribution: \$290,535.64

Collaborators/Partners: Siuslaw Institute, Siuslaw Soil and Water Conservation District, Siuslaw Watershed Council, Oregon Wild, Lane County, Resource Innovations, Cascade Pacific Resource Conservation and Development, local residents and landowners



Wildfire protection for communities near the Colville National Forest includes prescribed fire treatments using stewardship contracts.

Blueprint for Collaboration

NORTHEAST WASHINGTON FORESTRY COALITION

COLVILLE NATIONAL FOREST

In Northeast Washington, memories of fire run deep. The Great Fires of 1910 – the largest in U.S. history – burned a three million-acre swath across Idaho and Montana, as well as 160,000 acres of the Colville National Forest in Washington. For the fledgling National Forest Service, the event defined an era and contributed to the formation of its decades-long practice of fire suppression.

Periodic, low-intensity underburns were typical on the Colville’s lower-elevation forest lands. But after years of fire suppression and harvest of high-value species like ponderosa pine, hundreds of thousands of acres are overstocked with young stands of Douglas fir, grand fir and other species that are less resistant to fire and disease. Across the border in British Columbia, more than nine million hectares (22 million acres) have been ravaged by the mountain pine beetle since 1991. The insect is native to the lodgepole pine of western North America but kept in check by cold snaps of -4 degrees Fahrenheit. Scientists fear that with climate change abetting the spread of the infestation, the region’s overstocked and stressed forests may be especially vulnerable.

Although the Colville is not part of spotted owl territory or covered by the Northwest Forest Plan, the same concerns that halted logging farther



west affected the Colville as well. Timber harvests on the National Forest fell from a peak of 150 million board feet in the late 1980s to roughly 20 to 40 million board feet per year in 2005 and 2006. The Colville-based Vaagen Brothers Lumber closed its Ione mill in 1995 and its Republic mill in 2003.

The Coalition Forms

For Jim Doran, former mayor of Twisp, Washington, the 1994 Tye Creek Fire on the nearby Wenatchee National Forest was a turning point. “Why are we spending \$300 million putting out a fire,” he asks, “when we know that if we spent \$800 an acre on fuels reduction we’d save American taxpayers \$280 million?”

The answer was that by the mid-1990s fuels reduction – the thinning of over-dense forests – had become too hot a topic. “Years of mistrust aren’t easily put aside,” says Doran, but, in 1999, he began to bring people together to talk about ways of ending the stalemate. From those discussions emerged the Northeast Washington Forestry Coalition, a citizens’ group that includes loggers, mill owners, environmentalists and educators. The coalition found that they could agree to support Forest Service projects for job creation that respected the health and productivity of the forest – as long as they followed a few guiding principles: “no old growth,” “no new roads” and “no fighting.”

Members meet monthly at the Stevens County Conservation District. They make decisions as a group and bring unified ideas to the Forest Service, which in turn briefs the coalition on upcoming projects. In 2005, the Forest Service and the coalition joined in a three-day, facilitated stewardship contracting workshop, out of which emerged a Memorandum of Understanding (MOU), signed by coalition president Lloyd McGee and Colville National Forest supervisor Rick Brazell. The MOU helps bring continuity to what can sometimes be a revolving-door relationship between a local community and agency staff.

More recently, the coalition has developed a “Blueprint for the Colville,” a detailed recommendation to the Forest Service that maps the forest into three roughly equal-area management zones. One third, located nearest communities, would be open to active management to reduce fire risk. In the next third, designated as restoration areas, the management goal would be to restore forests to resilient, old-growth characteristics. No new roads would be allowed. The most remote third of the forest would be designated as a roadless and wilderness area.

Stewardship and Investment

After a few years of working with the Forest Service on pre-existing projects, the coalition got involved in 2004 with the Burnt Valley Stewardship Project, the first agency and coalition collaboration from start to finish. The project included the removal of smaller forest material to create fuel breaks and promote forest health around homes in Stevens County near Chewelah. Meanwhile, the Forest Service and the coalition worked with community, state and federal partners to secure funding

“The Blueprint for the Colville doesn’t represent a 90-degree turn in everybody’s ideology. People see they’re getting some of what is really important to them if they can live with how somebody else wants to go about things.”

—Dave Heflick
Conservation Northwest

from the National Forest Foundation for the development of the Chewelah Community Wildfire Protection Plan and for stewardship monitoring.

In recent years, fire suppression has jumped from 22 to 42 percent of the Forest Service’s appropriated funds on a national level. As a result, the goods for services and retained receipts provisions of

the stewardship authorities have become very attractive sources for funding projects on the 1.1 million-acre Colville National Forest. “With a really good stewardship project, the timber value will exceed the amount of service work, and we can use excess receipts to pay for underburning or pile burning,”

says Don Gonzalez, a forester for the Forest Service. “We can also transfer them from one project to another that may not have enough timber value.”

The multi-year contracting authority gives the contractor more time to get more work done and allows for planning based on market conditions. The Forest Service awarded a best value contract to Vaagen Brothers, which operates its Colville mill and a recently purchased mill in Usk. Through the best value authority, the contract was selected for its community benefit, rather than lowest bid. “The Forest Service can specify a preference for local employment. That’s another beauty of stewardship contracting,” says coalition president Lloyd McGee, who is also a Vaagen Brothers employee. “In our proposals, we state who we will hire and where they live.”

The Vaagen Brothers mill utilizes a high-speed Hew Saw, built in Finland, which produces marketable lumber from trees with as little as a four-inch diameter treetop. That investment is an example of how the company has adapted to changing conditions. “You’ve got to provide that long-term reliable supply of material,” insists Jim Doran. “When you get two or three 10-year contracts going in an area, then a timber industry person will invest.”

Looking Ahead

As of October 2007, the Forest Service has approved 11 stewardship contracts on the Colville, covering 17,000 acres, with two more pending. Between traditional and stewardship contracts, the Forest Service will offer 40 million board feet of timber in 2007, and a projected \$300,000 will be generated for forest restoration. In February 2007, the Forest Service Chief selected the Colville as one of three Proof of Concept Forests, a test program for encouraging even stronger ties to the community.

With 200,000 acres of the Colville’s wildland-urban interface in need

“We’re just one medium-sized business that’s willing to put good capital into some good management on the Colville National Forest—and everybody benefits from it.”

—Lloyd McGee
Vaagen Brothers Lumber

of treatment, much work remains. According to Conservation Northwest's wilderness campaign director and coalition member Tim Coleman, the Forest Service should implement a more aggressive thinning and restoration plan. "We are working against a ticking time bomb when it comes to dry forest restoration and wildfire risk."

Yet Coleman, one of the region's earliest restoration advocates, sees progress as well. "The Northeast Washington Forestry Coalition's greatest asset is its open, interest-based communication," he declares. Indeed, for the Colville, stewardship contracting has proven to be a powerful tool for bringing people's concerns and expertise to the table. "Stewardship contracting will succeed to the extent that you have a meaningful definition of collaboration," underscores Conservation Northwest coalition member Dave Heflick, "and a group that's implementing it together." 🌲



Stewardship contracting helps pay for fuels reduction to prevent large wildfires, like the 2007 Windy Ridge Fire on the Colville National Forest.

Colville National Forest

Burnt Valley Hazardous Fuels Removal Stewardship Contract

- Awarded: June 2005
- Contract start date: July 2005
- Contract end date: November 2007 (completed August 2007)
- Location: Five miles north of the town of Chewelah
- Planned activities:
 - Vegetative manipulation, including timber harvest
 - Removal of non-commercial conifer stems
 - Configuration of logging slash and brush for jackpot burning
 - Prescribed fire treatments
 - Harvest of merchantable trees
 - Precommercial thinning
- Treatment objectives:
 - Reduce surface forest fuel loading
 - Reduce ladder fuels
 - Reduce interlocking crowns
 - Maintain forest stand conditions that favor fire-resistant tree species in short-interval and mixed-severity fire regimes
- Awarded to Vaagen Brothers Lumber
- Planned acres: 7,000
- Accomplishments to date: 1,908 acres treated, fuels reduced, timber stand improved, hand piling, grapple piling, mastication, pile and underburning
- Authorities used: Multi-year contracting, goods for services, retention of receipts, best value contracting
- Value of commercial material: \$255,892
- Cost of services: \$241,520
- Retained receipts: \$14,372
- Total contract value: \$497,412
- Contract type: Integrated resource timber contract

Collaborators/Partners: Northeast Washington Forestry Coalition, Stevens County Rural Fire District, Stevens County commissioners, Washington State Department of Natural Resources, land owners



Low-impact harvesting techniques are light on the land and provide quality jobs for local contractors.

Local Resourcefulness

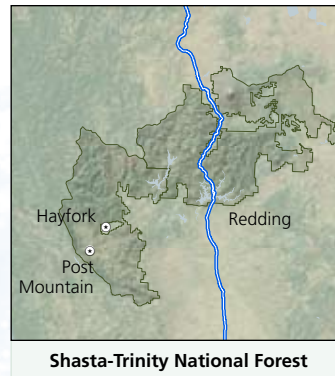
POST MOUNTAIN STEWARDSHIP COLLABORATIVE SHASTA-TRINITY NATIONAL FOREST

The small California town of Hayfork sits amidst the state's largest National Forest, the 2.1 million-acre Shasta-Trinity. With 75 percent of the land in Trinity County managed by the federal government, the area was hit hard by the post-Northwest Forest Plan harvest slowdown. Sierra Pacific Industries closed its Hayfork mill; the town's population dropped from 2,300 to 1,800; and far too many are still living below the poverty line.

After decades of logging, the health of these mountainous Northern California forests has diminished as well. Mixed-age, mixed-species conifer and hardwood forests, with their regular cycles of low-intensity fires, have been replaced by dense stands of young trees that are vulnerable to catastrophic fires. In 1987, the Hayfork Complex fires directly threatened the Post Mountain community, 15 miles outside of Hayfork. Yet that fire also lit a spark that brought residents together in support of active forest management. Years later, this spirit of collaboration helped birth the nonprofit Watershed Research and Training Center.

Common Ground

"We got together in 1992 to figure out what we could agree upon," recalls



Lynn Jungwirth, Watershed Center founder and executive director. The dry brush that overtook the roadsides caught the community's attention. With the support of a federal grant, the Watershed Center and the Post Mountain Volunteer Fire Department created roadside fuel breaks, treating the fuels for both egress of residents and ingress of fire suppression vehicles. Then, they launched an educational campaign that encouraged residents to remove flammable vegetation from their properties.

As the community's wildfire protection plan progressed, residents began to look more closely at the adjacent National Forest lands. "Once people had a defensible space around their own properties, they looked at the National Forest around them and thought, 'It is a mess!'" relates former fire department chief Ingrid Landis-Davis. "But, at the same time, a lot of people were afraid the Forest Service would come in and log the forest. We had a lot of community meetings, which the Watershed Center facilitated, and we were able to bring the factions together."

Nonprofit Contractor

Because local residents remained concerned about Forest Service transparency and accountability, collaborators worked to design a multi-party monitoring plan even before a stewardship project was defined.

“The social will has to be there to do collaborative work, to learn what stewardship means and find the energy to carry one of these projects all the way through—because it’s not quick.”

—Donna Harmon
Shasta-Trinity National Forest

was already in place and work had been done on private land,” says Nick Goulette, program director at the Watershed Center.

One point of debate was that community residents wanted to see wildlife and stream restoration work packaged into the stewardship contract, while the agency was being careful to keep the project manageable by limiting it to fuels reduction and prescribed burning. “The community wanted the agency to take a giant leap, but it took a big step,” Goulette explains. “Coming to grips with capacity was a learning process, and no one left upset.”

Through the goods for services stewardship authority, the Forest Service wrote a trade into the contract: timber for restoration services. The Forest Service offered the contract as an integrated resource service contract, but it received only one bid; the cost of the services—including 900 acres of mechanical thinning, 300 acres of designation-by-prescription tree marking, mastication, mechanical slash piling, hand work and pruning—was greater than the funds the agency had available to supplement the timber value. Ultimately, this first offering of the contract was not awarded, and they had to go back to the drawing board.

To make the contract more attractive, the Forest Service removed two of the lowest-value thinning units—along with most of the manual work—and marked the trees for harvest themselves. Some of the removed yet high-priority work was completed by the Watershed Center with federal Resource Advisory Council funding. Drawing on community resources and experimenting with new approaches, the community found ways to get the work done.

A revised contract was offered in July 2007, but as the contract period drew to a close, the Forest Service had received no bids. “It would have looked very bad for the infant stewardship program’s first project to go

“Monitoring built the trust that no matter what we did out there there’d be accountability,” recalls district ranger Donna Harmon. With this built-in security, the stage was set for a more comprehensive collaborative effort. “Post Mountain seemed like a natural opportunity for stewardship contracting, because a working relationship

no award and then no bid,” says the Watershed Center’s Goulette. “We made the tough call, as a nonprofit, to be the prime contractor.” With its foundation in stakeholder collaboration, the Post Mountain Stewardship Project became the first timber contract on the Trinity in over a decade that wasn’t challenged with an appeal and litigated.

Making a Market

Despite this success, some are concerned that there is not enough timber value in these projects to cover restoration expenses. “There is a long way to go,” cautions Joseph Bower, founder of Citizens for Better Forestry, “and the little piece of the forest that the Watershed Center bought is just the beginning of what needs to be done.”

Many are looking to Jefferson State Forest Products, the only secondary wood manufacturing company in the county, to boost the value of the wood coming out of the forest. Committed to the production of wood products from responsibly managed forests, Jim Jungwirth and Greg Wilson co-founded the company in 1996. In January 2007, Jefferson State Forest Products became a wholly owned subsidiary of Portland-based Upstream 21, a venture capital fund that purchases locally owned companies to help them build natural, social and economic capital. “When we purchased Jefferson State, we agreed growth would include a business that would utilize small-diameter wood and other materials from stewardship contracts and other restoration work,” says Upstream 21’s forest products director David Schmidt.

The project hit a snag when Jefferson State realized that the local workforce didn’t have the right equipment or capacity to efficiently remove the small-diameter wood. The company bought the needed equipment and worked with Watershed Center staff to thin the forest. “We became more involved in the contract than we anticipated,” Schmidt relates, “but we needed the contractor to be successful for us to be successful.” Jefferson State is using the small-diameter fir and pine to make utility and agriculture products, such as posts, poles and tree stakes.

With the Post Mountain project in place, the trajectory of forest management and community development in the Hayfork area has shifted perceptibly and the discussion

“If things were ever going to get better, we were going to have to roll up our sleeves, sit down, be nice and figure this out.”

—Lynn Jungwirth

Watershed Research and Training Center

has turned to long-term commitments. “The value-added utilization [provided by Jefferson State] has convinced the Forest Service to go forward with planning a more aggressive 10-year stewardship contract,” Lynn Jungwirth explains.

Among the lessons learned from the work of the Post Mountain Stewardship Collaborative is that, in some cases, the timber harvested through restorative forestry cannot pay its own way out of the woods. It’s a point that Lynn Jungwirth underscores, “If Americans really want clean air, clean water, recreation, and wildlife habitat from our National Forests, then we need to acknowledge that timber from restoration is not always going to pay for the work that’s needed. In forests like ours, continued investments will be required to support the growth and continuation of stewardship.” 🌲



Through Jefferson State Forest Products, co-founder Jim Jungwirth adds the value of secondary wood manufacturing to locally harvested timber.

Shasta-Trinity National Forest

Post Mountain Stewardship Contract

- Contract start date: September 2007
- Contract end date: September 2012
- Location: Post Mountain, South Fork Management Unit
- Planned activities:
 - 227.4 acres of fuel management zone construction, including commercial and biomass harvesting and slash and surface fuels clean-up
 - 297 acres of thinning, including commercial and biomass harvesting and slash clean-up
 - Whole-tree yarding and biomass removal, mastication and machine piling
- Treatment objectives:
 - Reduce wildfire risk to community
 - Improve access for fire fighters
 - Implement forest and watershed restoration
- Contract approved in FY 2006
- Awarded to Watershed Research and Training Center
- Planned acres: 2,131
- Accomplishments to date: 35 acres of thinning
- Authorities used: Multi-year contracting, goods for services, retention of receipts, best value contracting
- Value of commercial material: \$58,782.71
- Cost of services: \$329/acre average
- Total contract value: \$113,858.04
- Contract type: Integrated resource service contract

Collaborators/Partners: Post Mountain Volunteer Fire Department, Post Mountain Public Utility District, South Fork Management Unit of the Shasta-Trinity National Forest, Trinity County Fire Safe Council, Watershed Research and Training Center, local environmental community, interested forest contractors, county officials, other community members



Industry investment in Lakeview is helping foster successful stewardship contracting on the Fremont-Winema National Forests.

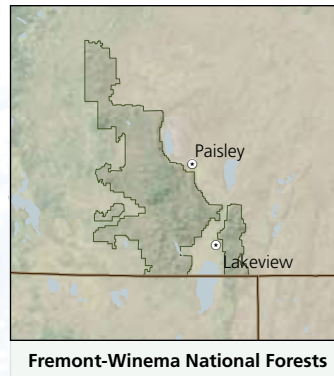
Long-Term Investment

LAKEVIEW STEWARDSHIP GROUP

FREMONT-WINEMA NATIONAL FORESTS

In 1950, the Forest Service designated a 495,000-acre parcel of the Fremont National Forest as the Lakeview Federal Sustained Yield Unit. One of five nationwide at that time, the Lakeview Unit guaranteed a harvest of roughly 60 million board feet of timber per year, all of it to be locally processed. The designation proved a boon for nearby communities east of the Cascades in southern Oregon. For four decades, the towns of Lakeview and Paisley were home to numerous milling and secondary manufacturing facilities that took advantage of the steady flow of ponderosa pine from the National Forest.

By the 1990s, the capacity for sustained yields on the Lakeview Unit had diminished greatly. On the fragmented landscape, the remaining old growth began to succumb to competition from young stands of white fir and lodgepole pine, species that had historically been kept in check by frequent, low-intensity fires. Then, drought and insect infestation took their toll on the younger stands. “One dry year, the Scolytus bark beetle wiped out 100,000 acres,” recounts Paul Harlan, vice president of western operations for The Collins Companies, whose 78,000-acre Lakeview Forest lies adjacent to the Fremont-Winema.



Although not covered by the Northwest Forest Plan, management of the Fremont-Winema saw its share of conflict. Environmentalists filed lawsuits to protect the remaining old growth, and eastside screens adopted in 1994 by the federal government prohibited cutting any tree over 21 inches in diameter. The local economy took a blow, and many in the community started to think that the Lakeview Unit had become something of an anachronism.

In 1996, The Collins Companies, known for its commitment to long-term management on its own lands, shut down its Paisley operation. “It became evident that we were running out of wood,” says Harlan. “There was not enough volume coming off of the Lakeview Unit to sustain the mills.” The closure of the Paisley mill, which left the community with Collins’ Fremont Sawmill in Lakeview as the only mill remaining in the area, automatically triggered a review of the Lakeview Unit per the original federal guidelines.

A New Mandate

Within a few years, community leaders and state and federal agency staff began to explore a more collaborative approach to resource management. Rancher and former Lake County Commissioner Jane O’Keefe invited state and national environmental organizations to join the discussions as well. “Rural communities and environmental communities must come to terms

with each other, and there's no better place to start than right here in Lakeview," she said in 2004.

From these discussions came the 1999 formation of the Lakeview Stewardship Group and, in 2001, the 10-year reauthorization of the Lakeview Unit. "The [Lakeview] Stewardship Unit has brand

new goals and objectives," explains National Forest supervisor Karen Shimamoto. Spelled out in the 2005 Long-Range Strategy for the Lakeview Federal Stewardship Unit, those objectives emphasize the restoration and sustainability of a healthy, diverse and resilient forest ecosystem.

One program that was fruitful in bringing the community together was a three-year ecological monitoring exercise. Under the supervision of experienced scientists, Lakeview-area high school students examined signs of stress, excessive densities and mortality in the forest's older trees – collecting data about the composition, structure and functional conditions of these stands. Monitoring served as a learning tool, helping the group to identify areas of agreement. As a result of these early exercises, the group recommended thinning not only the second growth stands but also some of the older forest stands to reduce competition from white fir and lodgepole pine.

Public-Private Memorandum

A pivotal partner in the community rebuilding process was the Portland-based nonprofit Sustainable Northwest. In 2002, the group founded the Lake County Resources Initiative to support the work of the stewardship group, and executive director Jim Walls began exploring energy generation through woody biomass as a way of financing the removal of hazardous fuels and restoring forest health. "We learned that the only technology that could really do something to correct this forest in a timely manner was biomass," Walls says. In 2005, the biomass initiative was sponsored by Governor Kulongoski's office as an Oregon Solutions project, bringing additional attention and resources to the effort.

With proposals for a biomass plant moving forward and knowing that there would be a market for the brush, slash and small-diameter

"The State has given us credit for saving 80 jobs because the sawmill would've closed without this effort. The biomass plant will employ 15 people and an estimated 70 people in the woods."

—Jim Walls

Lake County Resources Initiative

trees that needed to be removed, the Forest Service was able to develop a long-term plan for fuels reduction. In 2007, they signed a 20-year-supply Memorandum of Understanding with Lake County Resources Initiative, Lake County, the towns of Lakeview and Paisley, Marubeni Sustainable Energy, The Collins Companies, Oregon Department of Forestry and the Lakeview District of the Bureau of Land Management (BLM). "This memorandum represents an expansion of a local stewardship group effort into a very effective public-private partnership," declares Shimamoto.

The memorandum is a framework for planning and implementing forest and rangeland restoration and fuels reduction projects that support the Lakeview biomass project and local Collins mill. By signing, the Forest Service agreed to develop 10-year stewardship contracts to treat 3,000 acres per year within the Unit along with 3,000 acres per year outside the Unit, within 100 miles of Lakeview. The BLM also agreed to treat 2,000 acres per year within 100 miles of Lakeview. "Collins said it couldn't work unless a minimum of 21 million board feet was coming off the Unit," says Walls. "We already have 20 million board feet under contract right now, when it used to be zero. The whole system looks like it's going to work."

Industry Commits

The memorandum signing was just one of the events that made 2007 a big year for Lakeview. Marubeni Sustainable Energy is developing a new biomass cogeneration plant. When it opens in 2008, the 13-megawatt plant will provide steam power to the sawmill and enough electricity for 10,000 homes. Forty percent of the biomass supply for the plant will come from the mill itself. According to Marubeni's Pat King, the high-profile collaborative effort attracted the Japanese company to the project. "We liked the idea that the Forest Service, the BLM, the local community and private interests in the area were all promoting this project," said King. "You don't get too many opportunities where everybody lays down their differences and says: 'This is good for everybody.'"

Also in 2007, The Collins Companies cut the ribbon on a new \$6.6 million small-log facility at its Lakeview Fremont Sawmill. Meanwhile, the National Forest prepared the region's first 10-year stewardship contract, which was ready to go out

"If we can find opportunities to take somebody else's problem and burn it as fuel for power generation, it's a wonderful thing."

—Pat King

Marubeni Sustainable Energy

for bid at the end of the year. Securing the supply through a long-term stewardship contract, while enticing an investment in utilization of those small-diameter materials, addressed both sides of the economic equation. “The combination of the stewardship authority, the addition of the small-log mill, the biomass and the way the goods for services authority comes together—it’s still not a big money maker for anybody, but it allows you to pool resources in a more creative way and get more value out of material you weren’t able to use before,” says Rick Brown, a senior resource specialist with Defenders of Wildlife and member of the Lakeview Stewardship Group.

How can other communities learn from Lakeview’s success? That’s a question that the Forest Service’s Shimamoto answers knowingly. “We can get out there and share the mechanics of stewardship contracting,” she says. “But the real value of stewardship is all about building and keeping a community’s trust.” 🌲



Community members tour the small-log facility opened by The Collins Companies in November 2007.

Fremont-Winema National Forests

Sustained Yield Restoration Stewardship Contract

- Contract start date: Expected spring 2008
- Contract end date: Spring 2018
- Location: Lakeview Federal Stewardship Unit
- Planned activities:
 - Vegetation treatments and management to: improve forest health and ecological function of late-successional forest; improve composition, structure, condition and health of stands; improve wildlife habitat; or reduce fire hazards
 - Biomass removal and prescribed burns to reduce fuel hazard, treat existing hazardous fuels, enhance forest and rangeland ecosystems and enhance wildlife habitat
 - Watershed maintenance and restoration of function, connectivity and ecological diversity, including native plants, fish and wildlife habitat
 - Promotion of soil productivity, water quality and sustainability of other resources
 - Invasive species control and re-establishment of native species through natural re-colonization or active management (seeding, planting and release)
 - Road and trail system management for improved water quality, hydrologic function and forest health while meeting the social, cultural and economic values of the community
 - Multi-party monitoring per stewardship authority
- Treatment objectives:
 - Implement watershed, forest and rangeland restoration and fuels reduction projects
- Contract developed in FY 2007
- Awarded to: Scheduled to be offered in spring 2008
- Planned acres: 492,642 acres
- Accomplishments to date: None
- Authorities used: Goods for services, retention of receipts, best value contracting, multi-party monitoring
- Value of commercial material: \$21,320,000
- Cost of services: \$22,220,000
- Contract type: 10-year integrated resource service contract

Collaborators/Partners: Lakeview Stewardship Group, Lake County Resources Initiative, Sustainable Northwest, Fremont Sawmill, The Collins Companies, The Wilderness Society, Oregon Wild, Defenders of Wildlife, Friends of the Fremont and Winema National Forests, other community stakeholders

Advice from Stewardship Pioneers

“Stewardship is a departure from the past, and the transition is really important. An intermediary can be necessary to make transition happen.”

—Nick Goulette

“Even if you have all the ingredients on paper for a successful collaborative, it won’t happen without the right people. Keep meeting around the table and talking, and good things will happen.”

—Todd Miller

“Bring it down from an academic discussion about forestry and economic issues to an actual project on the ground. Then it becomes real. Get something done and then learn from what got done.”

—Jim Doran

“Reach out to other places where collaboration has been successful—do not try to reinvent the wheel.”

—Rick Brown

“You have to create the social will, build the contractor pool and bring in the right equipment and markets.”

—Lynn Jungwirth

“You have to be really honest with people—people respond to sincerity. And check your guns at the door.”

—Paul Harlan

Thank you to all who shared your experiences with us in the preparation of this publication:

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Other stewardship resources:

The Forest Service stewardship contracting website provides information and guidance for implementation of the federal Stewardship Contracting Authority.

www.fs.fed.us/forestmanagement/projects/stewardship

Headwaters Economics works to improve community development and land management decisions in the West.

www.headwaterseconomics.org

The Redlodge Clearinghouse website offers resources and information on natural resource collaboration.

www.redlodgeclearinghouse.org

Hayfork region

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Sustainable Northwest manages the Rural Voices for Conservation Coalition program, which develops collaborative solutions to natural resource issues, including stewardship contracting.

www.sustainablenorthwest.org

The *Stewardship Contracting and Collaboration Guidebook* is available at the Sustainable Northwest and Forest Service stewardship contracting websites.

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<small>Calculations based on research by Environmental Defense and other members of the Paper Task Force.</small>				
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Ecotrust is a conservation organization committed to strengthening communities and the environment from Alaska to California. We work with Native peoples and in the fisheries, forestry and food sectors to build a regional economy based on social and ecological opportunities.

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The mission of Resource Innovations is to help government, business and communities adopt sustainability-based thinking, policies and programs. To achieve this mission, Resource Innovations assists others to expand thinking, develop linkages between seemingly unrelated organizations and issues, frame language and communication effectively, and promote innovation.



The word stewardship is rich with meaning. For some, it evokes careful land management, a relationship to nature that looks beyond short-term gains from resource extraction. This publication tells the stories of four communities that have taken stewardship to heart. Exercising federal *stewardship contracting* authorities, these groups are creating collaborative approaches to the restoration of public lands and the revitalization of rural communities. They are redefining stewardship—and sowing the seeds of a restorative economy in the Pacific Northwest. 🌲

