

Manual Chapter 3310 will be changed. For substantive changes, a notice may be published in the **Federal Register**. Changes in the national priorities will also be available on the Forest Service Web site provided in the **ADDRESSES** section of this preamble.

Section 230.33—Responsible Official program administration. This section outlines how FLEP is administered at the Forest Service Responsible Official level.

Section 230.34—State program administration. This section outlines how FLEP is administered at the State level.

Section 230.35—FLEP elements. There are three major elements of FLEP: education, technical assistance, and financial assistance. States may use a portion of the funds received through FLEP for administrative costs. There are no limits on what portion of FLEP funds may be used for administration. States are not required to participate in all elements of FLEP.

Section 230.36—State priority plan—purpose and scope. State priority plans are a new requirement for FLEP. States should use all existing data and plans, such as the State Forest Stewardship plan, to help create this plan. There are no transitional issues expected from the development of the State priority plan.

Section 230.37—State priority plan—educational assistance. This section addresses the educational assistance component of FLEP in a State priority plan.

Section 230.38—State priority plan—technical assistance. This section addresses the technical assistance component of FLEP in a State priority plan. If a State determines that all or some of its funds will be used for technical assistance, the State priority plan must describe who will provide the assistance, outreach efforts directed at specific groups or categories of landowners, expected long- and short-term outcomes, and method(s) for documenting accomplishments.

Section 230.39—State priority plan—financial assistance. This section addresses the administration of FLEP cost-share financial assistance in the State priority plan.

Section 230.40—Eligible practices for cost-share assistance. Paragraphs (a)(1) through (11) of this section authorize 11 activities and practices for which cost-share funds may be made available to landowners, including: management plan development; afforestation and reforestation; forest stand improvement; agroforestry implementation; water quality improvement and watershed protection; fish and wildlife habitat improvement; forest health and

protection; invasive species control; wildfire and catastrophic risk reduction; wildfire and catastrophic event rehabilitation; and special practices (establishment, maintenance, and restoration practices addressing other conservation concerns as proposed by the State Forester and the committee and must have concurrence by the Responsible Official). States may develop policy handbooks to provide further direction regarding these practices and to provide specifications for practice implementation. A practice may consist of one or more components.

Section 230.41—Eligibility requirements for cost-share assistance. All owners of nonindustrial private forest land as defined in section 230.31 of this subpart are eligible to apply directly to the State for cost-share assistance. FLEP funds may be used for the treatment of up to 1,000 acres annually per landowner, and up to 5,000 acres with a waiver by the State Forester and concurrence by the Responsible Official. Although the average size of forest holdings differs considerably among the geographic regions for the country, the majority of nonindustrial private forest landowners own less than 100 acres. The maximum acreage limitation of 1,000 acres therefore adequately allows for broad program participation. The State Forester and Responsible Official will base the approval of treatment of between 1,000 and 5,000 acres on the assessment of significant public benefit. States can use their FLEP funds for treatment of more than 1,000 acres, up to 5,000 acres. The agreement for all FLEP activities is between the State and the landowner.

To be eligible for FLEP, landowners must meet the minimum acreage requirement determined by the State and set out in the State priority plan, which may not exceed 25 acres. The 25-acre maximum limitation ensures that landowners of small properties will be eligible for participation in FLEP. Management plan requirements must be explained in the State priority plan, including minimum requirements. These minimum requirements should include elements such as a map of the property, soils information, and analysis of the current situation of the land and its resources and recommendations for future activities. States will have to determine if existing landowner management plans such as Tree Farm management plans, Forest Stewardship plans, or similar plans meet their current minimum criteria for a management plan.

Section 230.42—Cost-share assistance application and payment procedures.

This section describes the cost-share assistance and payment procedures for FLEP. Some of the key points about this process are as follows. Cost-share funds must be available before landowners may make an application for payment. The approval of an application constitutes an agreement between the landowner and the State. The landowner is obligated to complete the practice(s) on a reimbursable basis. When the service representative verifies that the practice has been completed, the landowner shall be reimbursed for the agreed to cost-share amount. Every cost-share practice must have a practice plan approved by the service representative. The requirements of the practice plan may be contained in the management plan and serve as the basis for determining acceptable performance.

Landowners shall be notified in writing upon approval of a FLEP application. The landowner is responsible for obtaining all authorities, rights, easements, or other approvals necessary to the performance and maintenance of the practices in keeping with applicable laws and regulations.

Practices must be completed within 24 months of approval. If a longer period of time is needed, the State Forester may grant an extension, not to exceed 12 months, if this is specified in the State priority plan. The cost-share payment shall be calculated and disbursed to the landowner upon certification of the practice. Landowners must provide access for practice inspection to the service representative.

The maximum aggregate amount of cost-share payment under FLEP shall not exceed \$100,000 through 2007, with the exception of Alaska Indian Tribes. The Alaska State Forester, in consultation with the State Forest Stewardship Coordinating Committee and the Responsible Official, determines their limit.

Cost-share payments may not exceed 75 percent of the total cost incurred by the participating landowner. Landowners may utilize non-federal programs or any donated assistance to supplement FLEP funds but the total of all funds shall not exceed 100 percent of the cost of implementing the practice. If the practice results in the immediate sale of forest products, the Federal share of the total cost shall be reduced by the gross revenue.

States may use the cost-share rates as a means to define priorities practices or priority areas. State priorities for cost share shall reflect the national priorities as listed in the Forest Service Manual Chapter 3310. The State Forester may develop other priorities in consultation