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SUPPLEMENTARY INFORMATION:

Background

Section 323 of P.L. 108-7, the Consolidated Appropriations Resolution, 2003, grants the Bureau of Land Management (BLM) and the Forest Service (FS) authority until September 30, 2013, to enter into stewardship contracting projects (stewardship projects) with private persons or public or private entities, by contract or by agreement, to perform services to achieve land management goals for the national forests or public lands that meet local and rural community needs. In this law, Congress expanded the existing FS authority for stewardship projects to include BLM. FS pilot program authority was previously granted until September 30, 2004, by section 332 of P.L. 107-63, Department of the Interior and Related Agencies Appropriations Act, 2002. FS pilot program authority was granted until September 30, 2002, by section 347 of P.L. 105-277, Department of the Interior and Related Agencies Appropriations Act, 1999. Pursuant to P.L. 108-7, both Federal agencies are authorized to enter into stewardship projects to achieve agency land management objectives that meet local rural community needs. Until final long-term policy is announced, the BLM will implement the FY 2003 program in accordance with Instruction Memorandum 2003-107. The Forest Service is relying on this notice as the interim final policy for stewardship projects, which becomes effective on the date of publication.

The land management goals for stewardship projects may include treatments to improve, maintain, or restore forest or rangeland health; restore or maintain water quality; improve fish and wildlife habitat; and reduce hazardous fuels that pose risks to communities and ecosystem values, reestablish native plant species, or other land management objectives. Stewardship projects are not a replacement for agencies' existing timber sale programs. Stewardship contracting may differ from other contracting authorities in the following manner:

- Contracts will be selected on a best value basis;
- Contract length may exceed 5 years but will not exceed 10 years;
- The agencies may apply the value of timber or other forest products

removed as an offset against any services received;

- Monies received from the sale of forest products or vegetation removed from a stewardship project site may be retained by the agencies and applied at the project site or at another stewardship project site without further appropriation;
- A multiparty monitoring and evaluation process is required.

The BLM is implementing stewardship projects on a limited basis in FY 2003 while guidance for long-term implementation is being developed. Therefore, BLM has issued an Instruction Memorandum 2003-107 requesting a list of proposed stewardship projects for consideration. The State Director will select these projects, with review by the Headquarters Office of both the BLM and the Department of the Interior.

The FS plans to implement the stewardship contracting authority much as it did the Stewardship Pilot Program authorized by P.L. 107-63. The FS will issue an interim directive in Forest Service Handbook 2409.19. Stewardship projects are authorized on all FS units. The FS will apply lessons learned from the Stewardship Pilot Program when developing and implementing stewardship projects under the expanded authority. Forest Supervisors will select the projects for their respective units. Regional Foresters will provide oversight of the program.

Description of Interim Guidelines

The following are interim guidelines for all stewardship projects implemented under section 323 of P.L. 108-7. In developing these interim guidelines, the agencies considered comments received by the Pinchot Institute for Conservation from participants at a National Outreach Forum the Institute held in Washington, DC on April 15, 2003. USDA and DOI contracted with the Pinchot Institute for Conservation to conduct this forum. The Pinchot Institute for Conservation is also under contract with the FS to monitor implementation of the 84 FS stewardship pilot projects.

1. Stewardship projects authorized by Public Law 108-7 will be designed to achieve land management goals by modifying vegetation to make forests and rangelands more resilient to natural disturbance mechanisms such as wind, flood, fire, insects, and disease. The objectives of these projects may include improving forest and rangeland health, restoring or maintaining water quality, improving fish and wildlife habitat, reestablishing native plant species, and/or reducing hazardous fuels that pose

risks to communities and ecosystem values.

2. Deriving revenue from the sale of any by-products or other materials designated for removal from these stewardship projects will be a secondary objective to the restoration goals. Forest products will be appraised at fair market value. Contracts of a duration longer than 3 years will allow for price adjustment for the value of these materials to protect the public interest as new markets develop.

3. The agencies will use an open, collaborative process and, as appropriate, will seek early involvement of local government agencies, including tribal governments, and any interested groups or individuals in various phases of project development and implementation.

4. The agencies will seek to use the stewardship authority in conjunction with other land management authorities to develop and implement stewardship projects across agency administrative boundaries. The agencies will seek to achieve land management goals on a watershed, or larger scale.

5. The Forest Service may collect residual receipts pursuant to the Knutson-Vandenberg Act of June 9, 1930, and the National Forest Management Act of 1976, from excess offset value.

6. All stewardship projects will comply with applicable environmental laws and regulations, including an appropriate level of environmental review under the National Environmental Policy Act, and will be consistent with applicable agency land and resource management plans. Projects will be subject to applicable agencies' appeals and dispute resolution processes.

7. The agencies may use existing contract or assistance instruments, as appropriate, to implement stewardship projects. In addition, the agencies may develop new contracting mechanisms as needed to implement stewardship projects consistent with relevant laws, regulations, and guidelines.

8. In awarding a stewardship contract on a best value basis, the agencies may, in addition to cost or price, consider such criteria as the contractor's past performance, work quality, existing public or private agreements or contracts, on-time delivery, and experience. The agencies may consider the benefits to local and rural community needs when considering award of a stewardship contract on a best value basis. The agencies' may use non-traditional contractors or recipients, such as counties or not-for-profit or non-