

governmental organizations, if consistent with relevant authorities.

9. The agencies may use all available authorities to involve a wide range of contractors or recipients, allow for offsets to be utilized for other restoration treatments. The agencies will maintain Federal agency control and oversight of operations to assure the protection of public assets and compliance with environmental requirements.

10. Contractors who are awarded stewardship contracts will provide such bonds as may be required under law or regulation. The agencies may require performance and payment bonds in order to protect the government's investment in receipts from forest products to be removed under a contract or agreement under Pub. L. 108-7.

11. The agencies will develop a two-phased training approach to implement this authority. Internal agency training will focus on allowing for contracting authority to occur as close to the field as practicable and will cover topics such as project management, performance based end-result contracting and trading goods for services. Agencies also will provide external training subject to available funding to assist contractors in developing skills to do the work required by the contract, and knowledge in competing for and performing on stewardship contracts.

12. The agencies will utilize multiparty monitoring, open to interested groups or individuals, to monitor and evaluate an appropriate sampling of the projects or programs at the appropriate levels. If supported by the local collaborative process, monitoring will be conducted at the project level, subject to available funding, and will be well coordinated among administrative units to ensure that the sampling of projects monitored is geographically diverse and represents the range of projects undertaken. Multiparty monitoring will focus on:

- a. The status of development, execution, and administration of agreements or contracts,
- b. The specific accomplishments that have resulted,
- c. The role of local communities in development of agreement or contract plans.

13. When reporting to Congress, the agencies will utilize performance and workload measures consistent with the Government Performance and Results Act. To the extent practicable, these measures will be consistent across the Department of the Interior and the Department of Agriculture.

14. Stewardship contracting provides for multiple year contracts up to 10

years duration. The agencies are encouraged to use multiple-year funding to provide incentives to potential sources to make investments in long-term landscape improvement projects.

15. In accordance with law, the agencies will maintain authority over all phases of development and implementation of contracts and agreements under this authority and will administer them in a manner consistent with their intended goals.

16. Project managers will separately track the values of the goods being sold and the services being received for each project.

17. Use of receipts is limited to direct on-the-ground project implementation. Receipts will not be used for overhead, administrative, or indirect costs or the completion of environmental studies or other planning and analysis.

18. The use of full and open competition will remain standard operating practice and anything less than full and open competition will need to be documented and approved by the appropriate Regional Forester for the FS and the appropriate State Director for BLM.

Conclusion

The FS and BLM are seeking public comment on interim agency guidelines to implement stewardship projects, as authorized by section 323 of Pub. L. 108-7, to achieve agency land management objectives and meet community needs for improving, maintaining, and restoring forest or rangeland health; restoring and maintaining water quality, improving fish and wildlife habitat; and reducing hazardous fuels that pose risks to communities and ecosystem values. The agencies will continue to examine this interim policy for additional changes that may need to be made to their respective directive systems or agency regulations. Public input received will be considered in the development of final policy for each agency.

Regulatory Certification

Environmental Impact

These interim guidelines would provide guidance to BLM and FS employees for implementing stewardship contracting authority. Section 31.1b of Forest Service Handbook 1909.15 (57 FR 43180; September 18, 1992) excludes from documentation in an environmental assessment statement "rules, regulations, or policies to establish Service-wide administrative procedures, program processes, or instructions." The agency's preliminary assessment is that

these guidelines fall within this category of actions and that no extraordinary circumstances exist which would require preparation of an environmental assessment or environmental impact statement. A final determination will be made upon adoption of the final agency policy.

In addition, the Department of the Interior Manual 516 DM, chapter 2, Appendix 1 categorically excludes from documentation in an environmental assessment or environmental impact statement "policies, directives, regulations, and guidelines of an administrative, financial, technical, or procedural nature." The agencies' preliminary assessment is that these guidelines fall within these categories of actions and that no extraordinary circumstances exist that would require preparation of an environmental assessment or environmental impact statement. A final determination will be made upon adoption of the final agency policy.

Regulatory Impact

These interim guidelines have been reviewed under USDA and DOI procedures and Executive Order 12866 on Regulatory Planning and Review. The Office of Management and Budget has determined that these interim guidelines are not significant. Moreover, these guidelines have been considered in light of Executive Order 13272 regarding proper consideration of small entities, and the Small Business Regulatory Enforcement Fairness Act (SBREFA), which amended the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), and it has been determined that these guidelines would not have a significant economic impact on a substantial number of small entities as defined by SBREFA because they would not impose record keeping requirements on them; they would not affect their competitive position in relation to large entities; and they would not affect their cash flow, liquidity, or ability to remain in the market.

Federalism

The agencies have considered these interim guidelines under the requirements of Executive Order 13132 on Federalism and have made an assessment that the guidelines conform with the federalism principles set out in this Executive order; would not impose any compliance costs on the States; and would not have substantial direct effects on the States or the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. Therefore,