

Stewardship Contracting Overview

Senate Committee on Rural Communities and Economic Development 2/4/2013

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Congress's authorization of stewardship end-result contracting provides the USDA Forest Service (USFS) authority to accomplish restoration by using; *goods for services, stewardship receipts to complete other restoration activities, award task orders and contracts to multiple contractors and use benefit to local community evaluation criteria.*

Stewardship contracting authority, granted in 2003, will expire September 30, 2013. Language to reauthorize stewardship contracting is currently included in both the House and Senate versions of the 2013 Farm Bill.

Differences between timber sales and stewardship contracting

Timber Sale:

For every \$1.00 earned through the sale of saw logs in a timber sale;

- ◆ \$0.25 goes to the treasury
- ◆ \$0.25 goes to the county where harvested
- ◆ \$0.05 National overhead - pays for USFS leases, utilities, computers etc.
- ◆ \$0.45 goes into agency accounts i.e. Brush Disposal, K.V. (tree planting) and the Salvage Sale fund. When the field unit requests the funding from these accounts any where from 20% to 53% is taken off the top again for overhead.

Award to single purchaser only, cannot add additional funds and collected funds are very limited in their use.

There are a variety of stewardship contracts and agreement types. Collaboration must occur on each project prior to using a stewardship contract or agreement. Each dollar earned from the sale of timber can fund restoration activities like; aspen and stream restoration, hazardous fuel reduction (thinning, hand piling, grapple piling, prescribed fire), wildlife and fishery habitat improvement and road closures/decommissioning.

IRTC (Integrated Resource Timber Contract):

This is where the value of timber to be removed meets or exceeds the cost of removal. Funds received from sale of the timber are referred to as receipts. The receipts can be used to accomplish restoration activities within the project area (exchanging "goods for services") where they are earned or transferred to another stewardship project.

IRSC (Integrated Resource Service Contract):

This is where the value of the timber to be removed is less than what it will cost to remove it. In this case the USFS has to provide additional funding to subsidize the removal of the timber and fund other restoration projects.

Stewardship Agreement:

This instrument is a joint endeavor between mutual interests, there is a cost share of 20% or more and the partner can be state or local government, tribe or nonprofit. Typically there is not competition and there is no profit incentive. Either an IRTC or an IRSC can be used in a stewardship agreement.