

**Western Governors' Association  
Forest Health Advisory Committee**

***Forest Health Landscape-scale Restoration Recommendations***

**The West's Forest Health Problem**

Intact, healthy functioning forests are vitally important to the environmental, social, and economic fabric of the Western states. Yet, large areas of Western fire-adapted forests are in need of restoration. A century of fire suppression has resulted in many forest types seeing dramatic increases in tree densities, understory brush and “ladder fuels” that can carry fire into the tree crowns and spread rapidly. A tripling of insect and disease mortality along with dead trees, scorched watersheds, and stagnant, overgrown forests are but a few of the symptoms of the widespread forest health problem in the Western U.S.

In the eleven Western states, acres burned by wildfires have increased dramatically over the past 20 years (Figure 1). The forest health problem is widespread and increasing, affecting wildlife habitat, water quality and long-term soil productivity, while placing human life and property in harm's way. Climate change is exacerbating the forest health crisis. The absence of clear and cohesive federal policies and leadership on climate adaptation, the use of biomass for energy production, and the sustainability of forests perpetuates the declining condition of Western forests.

Much has been accomplished over 10 years of implementing the National Fire Plan, but the need for forest restoration is larger than can be effectively addressed given current treatment sizes, rates of restoration treatments, and typical planning and implementation processes. We are losing ground.

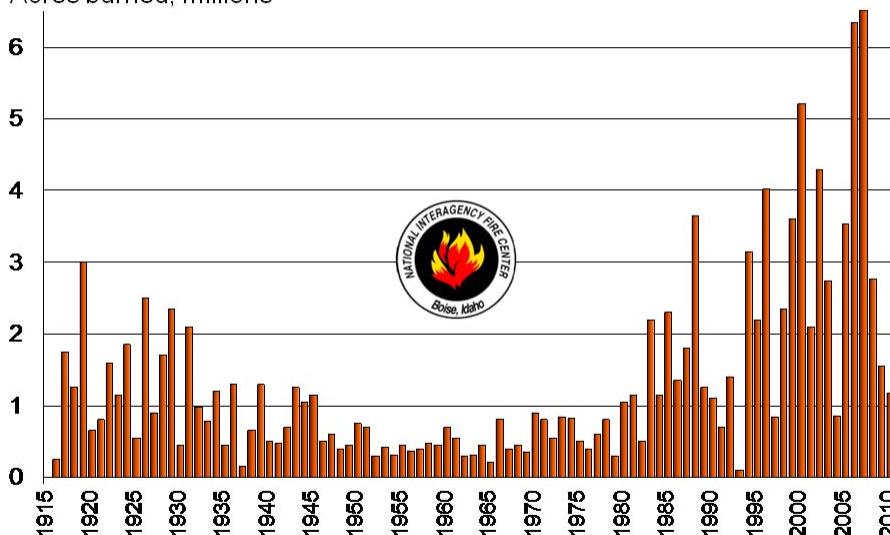
The West needs an ambitious landscape-scale restoration agenda that will help forest ecosystems to adapt in the face of changing climate conditions, restore critical wildlife habitat, ensure healthy functioning watersheds, and safeguard our communities. Pursuing this agenda will generate tremendous environmental and social benefits, create much-needed jobs and revenue for rural economies, and save hundreds of millions of dollars that would otherwise be directed to wildfire suppression efforts.

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## Wildfires in 11 Western States,\* 1916-2010

Acres burned, millions



\*Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming

Figure 1. In the 11 Western states, the acres burned by wildfires have increased dramatically over the past 20 years. Such wildfires are larger and more severe, expensive, damaging and difficult to control.

### **A New Direction to Restore Healthy Forests**

Forest restoration is paramount, given the enormous negative impact unhealthy forests have on communities and economies and the potential positive impact that landscape-scale restoration can have on local, state and tribal interests. Federal, state and local interests must be coordinated and focused on restoration at a scale that matters. Planning and implementing small and sometimes disconnected projects may be necessary to lay the groundwork for larger efforts, but will not suffice by themselves when unhealthy forests span millions of acres and unnaturally severe wildfires burn hundreds of thousands of acres at a time.

Forest restoration planning and implementation should occur at a scale commensurate with the scale at which dominant disturbances (i.e., unnaturally severe fire) are occurring. At these scales, restoration can and should provide predictable supplies of forest products, including small diameter timber and woody biomass. These predictable supplies are necessary to build or maintain the infrastructure and industry needed to implement forest restoration treatments in a cost-effective manner. Restoration at these scales should also facilitate cross-ownership planning and implementation, which would WGA Forest Health Advisory Committee's Landscape-scale Restoration Recommendations

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provide needed balance among local, state and federal cooperators in management decisions.

Landscape-scale forest restoration must be supported by meaningful, ongoing collaboration that serves to accelerate the restoration process in a socially, ecologically and economically viable fashion. “Collaboration” is simply people working together to address a shared problem that no one of them could effectively resolve alone. Each participant brings to the effort knowledge, skills, ideas, and resources. The more inclusive the group and the greater the diversity of interests involved, the more likely it is to be representative of the community as a whole and to find broadly acceptable, mutually agreeable solutions.<sup>1</sup> Such collaboration can help to identify areas of greatest need, focus treatments for maximum benefit, increase participation in management decisions, and provide more opportunities to reach agreement on management practices. “Restoration” of forest health should be defined by collaborators in a specific place. This will help to identify a “zone of agreement” that will avoid the gridlock challenging many public lands management initiatives.

Scaling up to thinking and working at the landscape level – necessary to address the issues outlined above – will require new approaches for collaboratively bringing science into forest assessment, planning and management. Proven scientific approaches can provide multi-scaled analysis to support efficient planning and decision making, as well as to capture new efficiencies in project implementation, monitoring and adaptive management. Creative approaches, grounded in high quality science and forged through a collaborative process, have been demonstrated in the Western states. These approaches are ready to go and can be incorporated into all phases of ambitious new efforts with relative ease and enormous payback, ranging from increasingly accurate predictions regarding landscape-scale treatments, to empowered stakeholders and expanded zones of agreement.

Achieving ambitious landscape-scale restoration objectives is challenging, but eminently doable. The recommendations contained in this document address needs and opportunities for more effective and efficient planning, collaboration, networking, adaptive management and monitoring, as well as coordination with restoration-supporting industries. Addressed together and promptly, these recommendations should greatly enhance capacity for existing efforts, while catalyzing new efforts. They can and should begin to carry forward a program of mutually reinforcing landscape-scale forest

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<sup>1</sup> Community Guide to Preparing and Implementing a Community Wildfire Protection Plan, 2008

restoration efforts across the West. Investment in these efforts requires more visionary and strong leadership. We hope and expect that this leadership will be directed now towards healing the forests, communities and economies across the West that so desperately need it.

Collaborative partnerships among former combatants over federal land management have sprung up across the West to begin defining a new direction for landscape-scale forest restoration. WGA has polled the members of these groups to discern common threads, successes and failures, and remaining barriers to reaching consistent, full-scale restoration actions. The WGA survey effort was followed by an in-person working session among WGA Forest Health Advisory Committee members and the collaborative group participants to develop a restoration agenda for Western forests. This process was designed to combine on-the-ground knowledge and real-world challenges into a formula for broad-scale restoration success, as described in this document.

## **RECOMMENDATIONS**

### **1. Provide guidance regarding enhanced collaboration in NEPA analysis and planning.**

A 2007 report by the Council on Environmental Quality clearly states that collaborative problem solving is a central tenet of the National Environmental Policy Act (NEPA), and that active collaboration can and should occur through virtually all phases of the NEPA process, short of making the final decision. Nevertheless, many landscape-scale forest restoration efforts are hindered by agency and stakeholder assumptions that collaboration must be narrow and limited once project planning enters a formal NEPA process. There is a clear need for the Secretaries of Agriculture and Interior to develop practical guidance and directives for conducting collaborative problem-solving within all phases of NEPA in landscape-scale forest restoration efforts. Clearer direction and approval for collaborative problem solving will bring the considerable skills and experiences of collaborating organizations and citizens to bear in the agencies' efforts to conduct NEPA analysis in a socially, ecologically and economically responsible manner.

Therefore, we recommend:

- A. The Secretaries of Agriculture and the Interior, with participation by the WGA, should form a Collaborative Forest NEPA Working Group composed of top legal, scientific and planning experts and practitioners to translate existing NEPA guidance (e.g., CEQ's Collaboration Handbook) into: 1)

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formal clarification of the latitude available for collaborative problem-solving within the NEPA phases of landscape-scale forest restoration efforts; 2) a directive to the field to implement these approaches in landscape-scale restoration efforts and other appropriate NEPA planning efforts; 3) strategies for avoiding legal (Federal Advisory Committee Act and NEPA) violations during the collaborative process.

- B. The Secretaries and WGA should develop a communication strategy to convey the results of the Collaborative Forest NEPA Working Group to agencies and others.
- C. The Secretaries should concurrently establish an office to provide advice and consultation on collaborative problem-solving within NEPA, so that planning and project-level staff and their partners in large landscape efforts can quickly and efficiently address and resolve any problems related to NEPA analysis that might emerge as collaborative approaches are implemented and refined.

## **2. Incorporate broad, substantive stakeholder involvement in all project phases.**

Collaboration is increasingly the governance model of choice for addressing complex restoration undertakings. Legislation and/or administrative direction frequently mandates its use when restoration activities are being considered for state or private lands (see, for example, the Collaborative Forest Landscape Restoration Program). Landscape-scale restoration efforts, especially those on public lands, will benefit tremendously from collaboration through all phases of planning, implementation and monitoring of activities and outcomes. Such collaboration will bring together adjacent and nearby landowners, as well as a variety of regulatory agencies, tribal and local governments, stakeholder interest groups, and concerned individuals. Working with these groups to establish zones of agreement will allow ambitious restoration to move forward with a shared vision, broad-based support and substantially augmented capacity. Public land managers need not initiate the collaborative efforts, but do need to actively support and participate in them. In many cases, collaborative groups already exist and can expand their work to facilitate newly emerging landscape-scale efforts. A framework is needed for ensuring that all concerned stakeholders, whether they are local or not, have access to the process and an opportunity to participate actively in it.

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- Federal agencies should develop a collaboration plan for large landscape restoration projects that include federal lands to ensure open, inclusive, transparent, accessible and meaningful stakeholder involvement. The plan should address, at a minimum, the following elements: 1) Commitments by agencies to collaborative problem-solving throughout the restoration planning, implementation and adaptive management process; 2) Assessment and identification of concerned interests (including but not limited to local governments, tribes, public and private land managers, environmental and/or conservation groups, scientific and educational organizations, industry, farmers and ranchers, and concerned individuals); 3) Collaborative group formation and facilitation; 4) Organizational, procedural, and administrative matters, including federal and non-federal roles and responsibilities; 5) Assessment of current landscape conditions; 6) Development of a common vision of desired future landscape conditions; 7) Development of a plan for achieving that vision; 8) Monitoring of activities and assessment of measurable outcomes; 9) Multi-party monitoring and adaptive management.

### **3. Enhance landscape-scale, science-based collaboration in practice.**

State and federal land management agencies have made unprecedented investments in collaborative forest restoration efforts over the past decade. Many prominent projects have emerged and developed to the stage where success is possible at scales previously not imagined, and where lessons learned from early efforts are numerous and relevant to many emerging projects. It is essential that early projects mature to implementation, so that lessons learned are effectively conveyed to others, and that science-based learning, traditional knowledge, experience and collaborative problem solving continue to be fostered so that initial investments by all parties will result in desired outcomes.

Therefore, we recommend:

- A. The Secretaries of Agriculture and the Interior should convey a unique and elevated status to ongoing collaborative landscape efforts that supports their continuation and provides clear expectations that they will have maximum flexibility for innovation and enhanced budget stability. This status would also allow access to and opportunities for engaging topical experts and high-

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level decision makers and directors within the agencies and among the collaborating organizations.

- B. The USDA, working with key federal, state and non-governmental organization (NGO) partners, should convene a highly skilled task force to draft a “new playbook for landscape restoration,” as called for by leaders within the Forest Service and Department of Agriculture. This playbook would assist collaborative groups by identifying the needs that often emerge in collaborative landscape-scale assessment and planning efforts and providing clear and practical guidance in two challenging areas:
- 1) Identifying issues, challenges and questions that typically emerge when working at a landscape scale, and that might not be anticipated by participants accustomed to working at the project level.
  - 2) Providing scientific and technical guidance and practical examples that illuminate, inform and answer questions relevant to analysis and interpretation of planning data.

In both areas, the numerous issues and examples surfaced by the task force will be addressed through a focused and pragmatic exposition of challenges, followed by concrete options for moving forward. This will not take the form of a prescriptive handbook, rather it will resemble a playbook, with techniques and tools that might be applied in specific situations by the collaborative group and its leadership structure.

#### **4. Create a learning network to enhance synergies and learning opportunities between landscape-scale restoration initiatives.**

Participants in various landscape-scale restoration initiatives across the West are struggling to overcome many similar challenges related to planning, collaboration, monitoring and adaptive management, wood product utilization and funding. In many cases, they are developing innovative solutions to these challenges. Enhancing the networking and systematic learning capacities of current and future initiatives will ensure that lessons learned can be shared widely, and that common remaining challenges can be identified and addressed at appropriate levels.

Therefore, we recommend:

- Federal agencies establish, in conjunction with WGA and private sector partners, a learning network that would regularly convene collaborators from

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among the active landscape restoration initiatives in the West, as well as land managers, researchers and policy experts, in order to address emerging challenges and find synergies and efficiencies among efforts. This network will serve to facilitate a collaborative learning process, disseminate information, share effective tools and approaches via a network of engaged collaborators, and promote systematic analysis and reform of policy and practice guiding ongoing initiatives.

**5. Incorporate collaboratively developed, landscape-scale restoration plans and Community Wildfire Protection Plans into federal agency Forest and Resource Management Plans.**

Numerous collaborative processes have emerged around the West that translate former resource conflicts into actionable solutions. These solutions range from landscape-scale ecological restoration plans in some areas, to community wildfire protection plans in others. These plans vary widely, and it is not always possible or desirable for federal agencies to fully adopt collaboratively developed plans in their own Forest and Resource Management Plans. Nevertheless, such plans must be meaningfully considered in every federal agency planning process, including federal Fire Management Plans, even if they are not fully incorporated.

Therefore, we recommend:

- Federal agencies should ensure that Forest and Resource and Fire Management Plans meaningfully consider and incorporate the plans of local and regional collaborative groups that address landscape-scale restoration and community wildfire protection. Specifically, the federal agency rules for Forest and Resource Management Planning should require consideration of:
  - 1) Collaboratively developed plans for landscape-scale restoration, as well as Community Wildfire Protection Plans;
  - 2) Interagency and/or public/private coordination needed to accomplish large-scale treatments; and
  - 3) Suitability of lands for wildfire with protection and resource benefit objectives;
  - 4) Uses of collaboratively developed monitoring plans and data for continuous learning about restoration treatments at increasingly larger scales.

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**6. Develop explicit guidelines for implementation of Adaptive Management programs to ensure efficient, effective and continually improving landscape-scale restoration.**

The challenges of landscape-scale restoration cannot be met without embracing the uncertainties associated with operating at larger scales than has been done in the past. Adaptive management is a powerful approach that relies on feedback data to continually evaluate and refine actions based on progress toward explicitly identified goals. This iterative cycle of monitoring progress and adjusting management based on results is necessary for the West to “learn our way” through new challenges by acting on the best available information, acknowledging that current information is incomplete and committing to adapting our efforts as our knowledge increases.

Current practices of adaptive management usually fail to provide actionable information to managers in a timely manner, and often managers have no clear framework for employing new information when it is available. Across the West, considerable time, effort and expense are committed to poorly conceived monitoring programs that are not sufficiently integrated into an adaptive management framework. Without careful attention to the feedback loop and its link to decision making, monitoring can be an empty data-gathering exercise. Furthermore, without the clear commitment and participation of top decision makers, even a well-designed adaptive management program is ineffectual. Key officials must embrace this approach and demonstrate long-term commitment to learning and acting based on the feedback provided by a robust monitoring program. Implementation must be transparent and collaborative in nature.

Therefore, we recommend:

- A. The Western Governors’ Association, USDA and DOI, should jointly commission a six-month review of adaptive management programs that have been implemented within the past 10 years and that are attempting to improve the effectiveness of large-scale forest or ecosystem health restoration efforts. This review should be undertaken by a scientifically credible and independent contractor and should evaluate the design, implementation and effectiveness of the adaptive management programs, including: (1) level of commitment from key parties and constituencies; (2) clarity of goals and objectives; (3) design of the feedback loop and monitoring effort; (4) rigor and objectivity of

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the data collection and analysis efforts; (5) degree to which regular assessment and adaptation are implemented by decision makers; and (6) whether/how adaptive management programs are designed to reduce scientific and economic uncertainties.

- B. The USDA and DOI, in conjunction with the WGA, should use the results of the six month review to develop guidelines for implementing an adaptive management approach for all landscape-scale restoration efforts in the Western states. Recognizing that landscapes and forest health needs vary widely, flexibility to design and implement adaptive management is necessary. However, the guidelines below should clarify the following basic elements of adaptive management:
- 1) *Clear Objectives* – Management objectives should be specified in the form of desired outcomes that can be quantitatively assessed.
  - 2) *Landscape Approach* - Changes in management should be based on the evaluation of conditions across the entire project area, so that overall program objectives remain the reference point for adaptation.
  - 3) *Appropriate Indicator Selection* - The suite of indicators selected for monitoring should be practical and informative; inclusion of too many or poorly considered indicators can result in an effort that is overly broad and uninformative.
  - 4) *Robust Sampling Design* - Monitoring should follow a statistical design that is efficient and rigorous, and delivers sufficient statistical power to guide important management decisions.
  - 5) *Clearly Identified Triggers of Management Action* - The design phase should identify a range of values for each indicator that, if exceeded, will trigger unambiguous management responses.
7. **Consistently interpret, implement and adapt stewardship contracting to better facilitate large-scale treatments.**

Stewardship end-result contracting is a flexible tool that can be particularly valuable in implementing multi-year and large-scale treatments. Two federal agencies, the Forest Service and the Bureau of Land Management, were given broad authority in 2003 to use stewardship contracts and agreements. Since then, a number of field-level projects have demonstrated the potential of stewardship contracting to facilitate the

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effective and efficient accomplishment of a broad range of activities within large-scale treatment projects. However, interpretations and uses of the special authorities available through stewardship contracting have varied between the agencies and among field units, unnecessarily restricting use of the tool in many instances. For example, the authorization from Congress allows for “retained receipts” from stewardship contracting, yet the administrative policy prohibits the use of retained receipts for planning and monitoring, which are essential to stewardship contracting success. The current stewardship contracting authority will sunset in 2013, and the re-authorization process should provide an opportunity for Congress and the agencies to use successful field experiences, which have been continually monitored, as a guide to improve the tool and improve its effectiveness in the future.

Therefore, we recommend:

- The WGA establish, in conjunction with state and federal agencies, tribes and private sector partners, a sharing of lessons learned about stewardship contracting authorities and implementation opportunities across state and regional boundaries and among collaborative groups, partners, contractors and federal and state agencies. The WGA should convene workshops where agency field staff, contractors and contracting officers, partners and other concerned stakeholders can learn together about stewardship contracting tools and their adaptable and effective application. The WGA is well-positioned to share information about the best practices of stewardship contracting and to capture the lessons learned for use in the re-authorization process. This work should be used to support near-term changes in administrative policy (e.g. the use of retained receipts) and be conducted in time to be incorporated into planning for the 2013 Stewardship Contracting Authority reauthorization.

**8. Create a risk-pool authority or other mechanism to reduce the required funding set-aside for “cancellation ceilings” for multi-year stewardship contracts.**

Multi-year contracts are a vitally important tool for large-scale restoration, but they are significantly underutilized because of the Federal Acquisition Regulation (FAR) requirement for a contingent liability or “cancellation ceiling” reserve. Specifically, the agency must calculate the startup, training and other nonrecurring costs that will be incurred by a contractor awarded a multi-year contract. That amount must be set aside from the agency’s current year funds so if a contract has to be canceled, there

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will still be funds available to reimburse the contractor for any such costs that remain unamortized. Thus, the more multi-year stewardship contracts that are issued, the more funding that must be held in reserve at the forest level, which is unavailable for use in carrying out fuels treatments and restoration work.

The Government Accountability Office studied this issue and noted in November 2008 that the Forest Service needs to find new strategies to fund the cancellation ceiling. The basic “Termination for Convenience” language of the FAR Clause 52.249-2 already provides for the coverage of costs incurred in the performance of the work terminated, including initial costs and preparatory expense allocable to the contract work. The suggested risk-pool authority to cover the cancellation ceiling requirement for multiple projects is one of several possible mechanisms to provide a better structure and put more project funding to work on the ground.

Therefore, we recommend:

- Congress and/or the current Administration create a national risk-pool and explore other mechanisms to cover the “cancellation ceilings” associated with stewardship contracts for large-scale treatments. This will allow the agencies to fulfill their contingent liability responsibilities by assessing the national risk of contract termination, calculating the associated liability, and setting aside a national pool of funding to cover the risk.

**9. Retain existing forest infrastructure and capacity by helping contractors to obtain performance and payment bonds through a state authority.**

Collaborative efforts to develop large-scale treatments have been proliferating at the same time as the flagging U.S. economy has left many forest products companies and restoration contractors teetering on the knife edge between failure and survival. When the housing “bubble” burst, the already-stressed forest products industry contracted sharply. Profits evaporated and employment fell. Forest contractors who invested in the equipment and training needed to do fuels treatments and other restoration work and the mills that had retooled to utilize the byproducts of that work all are now hard pressed to survive.

Federal and state land management and restoration contracts require timber purchasers and service contractors to provide performance and/or payment bonds to ensure completion of their work. Few surety companies now offer such bonds, which

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are considered high risk, and their underwriting standards make it impossible for many contractors to qualify. The alternative of providing cash or a letter of credit as security is beyond the financial means of many contractors and small, independent mills. The federal government and some states provide assistance for other key industries such as construction, agriculture and mining by offering needed insurance programs. Affordable, appropriate bonding resources for timber and restoration contractors are vital if a restoration economy is to be developed and sustained.

Therefore we recommend:

- States should adopt legislation to establish a bonding authority that enables contractors to obtain affordable and appropriate bonding for timber and stewardship contracts. Washington and Idaho are well-positioned to take the lead in developing appropriate state legislation in 2011 as an economic development measure with a high likelihood of enactment. Legislation from these states could serve as a model for other states where large-scale treatments are underway and the needed growth of the restoration economy is inhibited by the inability of local contractors to meet the bonding requirements for the timber sale, stewardship and service contracts being offered.

#### **10. Coordinate state and federal economic development programs to retain and increase the mill and operator capacity necessary for large-scale forest health restoration.**

Today's human, infrastructure and resource capacities are insufficient to deal with the scale of the forest health problem in the West. Competitive forest product markets must be retained and enhanced to enable large-scale forest health restoration treatments. Yet sawmills and other manufacturers who utilize wood products across the West are closing at an alarming rate or barely hanging on. The loss of skilled workers in the woods and mills and the dismantling of processing equipment and related infrastructure have compromised the ability of communities and local businesses to retain existing markets and infrastructure and threatens the economic viability of re-tooling and rebuilding this type of capacity. In the long-term, because the scale of the problem is so large, the West must add additional capacity to use products from landscape scale forest health restoration projects.

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- A. In the short term, the urgency of this issue requires a proactive approach. Rather than creating programs and expecting customers to come to them, economic development agencies should directly contact individual mills and operators, discuss their needs and, as much as possible, match existing program assistance to the needs of the individual mills and restoration contractors. The Governors and the Secretaries should direct all granting and economic development agencies (e.g., USDA Rural Development, Department of Energy, state economic development agencies, etc.) to work cooperatively and proactively, share information about their programs, and develop an efficient outreach system.
- B. As the needs of individual mills are inventoried, additional needs beyond those addressed by current programs should be identified and captured. Economic development agencies should strive to understand the nature of the restoration work that needs to be done and increase the local capacity to utilize the byproducts that are likely to result. State and federal agencies should report their findings back to the Governors and Secretaries so the information can be used to modify existing programs and create new programs that will help match the location and scale of mill and operator capacity to meet future forest health restoration needs. States and federal agencies should work together to support critical wood processing infrastructure that is necessary for forest health restoration treatments to be economically viable.

**11. Create a predictable supply of goods and services flowing from landscape-scale restoration initiatives.**

Funding constraints and high treatment costs pose a significant barrier to implementing on-the-ground actions, even when a project has achieved a high level of consensus among partners. A lack of well-developed markets, local forest product industries, and human infrastructure can create higher per-acre treatment costs and reduce on-the-ground accomplishments. Market-based restoration solutions will help enable cost effective on-the-ground treatments. Wood products industries, biomass and ecosystem service markets need predictable and dependable supply streams to develop and maintain local capacity. The West needs a predictable supply of both forest products and forest labor to attract private investment.

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- Land managers implementing landscape-scale restoration initiatives should develop rolling five-year action plans based on landscape scale assessments and priorities, such as those set in the Statewide Forest Assessments and Strategies. Priorities should be developed in coordination with the affiliated collaborative group and the regulatory agencies. Five-year action plans should integrate the work of timber, vegetation management and wildlife programs. Such plans should be used to identify gaps in existing capacity, assist relevant agencies in coordinating among programs, and increase accountability through annual outcome-based reporting and adaptive management.

**12. Create a three-tiered system of restoration funding that supports development of new collaborative projects, sustains funding for established landscape restoration projects, and makes significant investments in large-scale restoration treatments.**

Across the West the most-often cited reason for small-scale treatments that do not effectively address the scale of the forest health problem is the inadequate level of funding available for large-scale treatments. Collaboratively developed restoration plans that provide the social license and blueprints for large-scale treatments are time consuming to develop and need modest “seed” funding to develop. Once established, partners and agencies will have the opportunity to seek sustained funding for treatments through authorizations, such as the Collaborative Forest Landscape Restoration Program (CFLRP) or Congressionally directed funding.

Many large-scale treatment proposals that do not succeed in obtaining direct funding will languish because of the standard way that federal agency funds are channeled to specific activities or functional areas. The Lakeview Federal Stewardship Unit in Oregon provides one example of how difficult it is to fund large-scale treatments. Despite broad collaboration to develop principles for restoration treatments, and a 10-year stewardship contract with a mill owner, the scale of restoration treatments are still modest. In Lakeview and elsewhere, the current suite of Forest Service programs that contribute funding to restoration – the combination of wildlife and fisheries, forest management, vegetation and watershed management, forest health, hazardous fuels reduction, and legacy roads programs – are not coordinated with one another, have individual targets that drive work plans, and are allocated in ways that constrain agency flexibility, efficiency and adaptability. Too often, one aspect of a large-scale project, such as hazardous fuels reduction, gets funded while other critical activities,

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such as invasive species control or road decommissioning, do not receive funding. When activities are “stove-piped” into separate programs with their own funding, targets and accomplishment reporting, the large-scale treatment objectives are not achieved.

Therefore, we recommend:

- A. Federal agencies should establish a Community Capacity and Collaborative Support (CCCS) Grant Program to ensure that rural communities and businesses are engaged in landscape-level forest restoration and contributing to forest health solutions where they live. Most collaboratively developed restoration projects started small, and the majority of projects that are currently ready to treat large landscapes have their origins in smaller-scale efforts. Continuous learning and incubation of new centers of collaboration will lead to more and larger scale treatments across the West.
- B. Federal agencies should sustain funding for established landscape restoration projects through the Collaborative Forest Landscape Restoration Program and other initiatives that support watershed restoration and job creation.
  - 1) The Governors should support full authorization of the Collaborative Forest Landscape Restoration Program for the 10-year life span of the program. Nine of the 10 large landscapes selected for CFLRP funding in 2010 are in the West, and many more Western projects have submitted applications and are eager for funding.
  - 2) Federal agencies should provide sustained funding for treatments at the level necessary to achieve restoration outcomes, sustain existing forest infrastructure and developing restoration economies, and provide jobs in rural communities.
- C. Federal agencies should make significant investments in large-scale restoration treatments by realigning their existing resources to achieve maximum impact on forest health.
  - 1) The Governors should encourage the federal agencies to redesign their budget structure to match their landscape restoration goals and to stem the rapid decline of Western forest health.

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- 2) Restoration funding should be closely tied to the rolling five-year restoration action plans (see recommendation 11) to provide transparency about where funds are being used. Measures should be developed to determine the return on investment in restoration, and to provide both accountability and a system to track improvements in Western forest health, from individual landscapes to the region as a whole.

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