

**USDA Forest Service
Region 10
Tongass National Forest
Petersburg Ranger District**

**Stewardship Contracting Proposal
Amended 07/12/2012**

Tonka Integrated Resource Timber Contract

Primary Forest Service Contact

Name: Tom Parker

Title: Petersburg Ranger District Planning Staff

Phone: (907) 772-5974

Email: tparker02@fs.fed.us

Stewardship Contracting Projects

A.1 Project Summary Objectives:

The timber management program on the Petersburg Ranger District provides timber volume to interested businesses to meet market demand for wood fiber, maintain employment in the timber processing sector, and provide opportunities for integrated resource timber contracts to enhance or improve natural resources and address resource management concerns. The main objective of the Tonka integrated resource timber contract (IRTC) is to exchange the value of timber to be harvested with this proposal for stewardship service activities focused on improving upland and aquatic habitat conditions as defined by ongoing public workshops. Additional stewardship projects on the Lindenberg Peninsula of Kupreanof Island or Mitkof Island may be implemented later. The collaboration process continues with focus on prioritizing resource activities that could occur should excess receipts be generated and retained from the Tonka project.

There are 38 red pipes within the Tonka Project area; 3 of which are slated for removal (via road storage) in the PRD Access and Travel Management Plan. Many of the 38 existing red pipes have a high priority for treatment, and would be appropriate for replacement under subsequent integrated resource service contracts (IRSC's).

The Lindenberg Peninsula and Mitkof Island have considerable acreage in past timber harvest stands which may be ripe for subsequent additional vegetation treatments to address wildlife habitat enhancements. These actions would be consistent with a clearly expressed public interest in recovery of the Sitka blacktail deer populations in this portion of GMU1. Actions could range from conventional PCT prescriptions with leave strips, to more diverse treatments such as strips and gaps, girdling, pruning and slash-busting.

A.2 Project Locations & Size:

The **Tonka Stewardship IRTC** is located on the Lindenberg Peninsula of Kupreanof Island, Petersburg Ranger District, about 7 to 20 air miles Southwest of Petersburg, Alaska and Mitkof Island. The nearest communities are Petersburg, and Kupreanof, Alaska.

Tonka Cutting Unit legal description: The Tonka Project Area is defined as T59S, R78E/T60S, R78E/T60S, R79E.

Value Comparison Units for Stewardship proposal:

Tonka: 4370,4390

Lindenburg: 4370, 4390

Mitkof Island: 4470, 4480, 4490, 4500, 4510, 4520, 4530, 4540,

Total acreage of Stewardship area:

Tonka Project Acres: 62,150

Lindenberg Peninsula Acres: 66,878

Mitkof Island Acres: 134,548

The types of stewardship activities anticipated in the above landscapes are:

- Red pipe removal/replacement for fish habitat reclamation;
- Upland vegetation treatments for wildlife habitat restoration
- Road storage activities for improved hydrologic / watershed function
- Road maintenance and reconditioning

A.3 Proposed Activities and Service Work:

The **Tonka Stewardship IRTC** will be packaged with the following work items:

- **Commercial Harvest:** Removal of approximately 33 MMBF of sawtimber and utility 5.5 MMBF (38.5 MMBF total). The value of timber to be offered will be determined by using the R10 residual value appraisal method (RV) to calculate fair market value.
- **Mandatory Service Work:** 0.4 miles of road storage; the removal of 3 red pipes and one log-stringer bridge within the Tonka project area. This action was identified and analyzed in the Petersburg Ranger District Access and Travel Management DN/FONSI.
- **Optional Service Work:** Listed by priority; a) Pre-commercial thinning on 90 acres (habitat improvement objective). This action is under analysis with an expected decision by the end of the fiscal year. b) Road maintenance and Reconditioning on the Tonka road system. This action is part of the district programmatic analysis for FY13 road maintenance. A decision for this NEPA is expected in October, 2012.

Refer to the Table in section B.1 for a display of activities being proposed and value/cost estimates.

- **Other Service Work Considerations:** It is important to note that the intent of the Petersburg Ranger District is to complete additional stewardship service work beyond what is being proposed here. It is anticipated that these activities will be implemented using Integrated Resource Service Contract(s). The rationale for delaying subsequent project work is based on the following conditions:
 - Industry demand for timber from the Tonka project area is high, and an offer must be made this fiscal year.
 - Direction from the Region and Forest, to the Petersburg Ranger District, has been to prepare and offer Tonka as an IRTC, as soon as possible within FY12.

- The Alaska Congressional Delegation has requested Tonka is expedited to help prevent a mill closure in Alaska.
- This schedule leaves too little time to package with Tonka, additional service activities that focus on appropriate and valuable restoration work in the Stewardship Area, because very few restoration actions have been adequately scoped and /or designed for required public process (NEPA, etc.).
 - Ongoing collaboration is leading to clarity and support for the types and specific locations of projects that will have the most resource benefit and greatest local economic response.
 - Proposing these actions too early in the collaborative process undermines agency credibility and trust in the Stewardship Contracting Authority.
- Discourse with public stakeholders has made clear that restoration (service contract) actions scoped and implemented in the near future, (potentially with a combination of retained receipts from the Tonka IRTC and other appropriated sources of funding), will be of greater value to the local socioeconomic situation, than lumping them into the larger Tonka IRTC (which few local enterprises can compete for).
 - This suggests the ability to enhance the local economy is increased by awarding the proposed IRTC in FY12, then scoping, analyzing and preparing subsequent IRSC's in FY13 and beyond – as described herein.
 - The District Ranger, working with the Contracting officer has solicited public feedback on Best Value Criteria for the Tonka IRTC and feedback received suggests;
 - No known local businesses in Petersburg have the capacity to perform the larger Tonka IRTC, though some indirect economic benefit will occur from its implementation.
 - Several small businesses in the Petersburg area could be very competitive for smaller IRSC's that target restoration service actions such as additional road storage for hydrologic connectivity; additional red-pipe removal / replacement for fisheries restoration; and potentially, in-stream restoration or additional upland habitat enhancement thinning, where needed on the landscape.
 - Ongoing collaboration has revealed that red pipe abatement and wildlife habitat improvements on Mitkof Island and the Lindenberg Peninsula of Kupreanof Island are the highest priority for participating local stakeholders.
 - The District intends to use this feedback to identify the highest priority red pipe and wildlife habitat projects in the Stewardship Area, to achieve the greatest value to the resource and the local economy, based upon individual projects aggregate potential for improving resource conditions and stimulating the local economy.
 - This approach is consistent with FSH 2409.19.

A.4 Proposed Contract Procedures:

Goods for services	YES
Retention of receipts	YES
Multi-year contracting	YES
Best value contracting	YES
Use of Designation by Prescription	YES (previously approved by letter)

A.5 Current Status:

The Tonka Stewardship Project is being proposed as an Integrated Resource Timber Contract. Subsequent IRSC's will be proposed and submitted for approval to accomplish additional restoration activities within the Tonka Stewardship Area.

Collaborative efforts will continue through the summer of 2012, culminating in proposed actions and subsequent design and analysis for the treatment of priority red-pipe replacements and / or wildlife habitat enhancement efforts in the Stewardship Area. These efforts will rely on the potential for generating and retaining receipts from the Tonka IRTC, and leveraging additional funding support through internal budget processes or willing partners.

B.1 Project Funding: The following are value/cost estimates associated with the Tonka IRTC.

Activity	Description	Goods (+) value	Services (-) cost
<u>Timber Harvest</u> 38.5 mmbf offered	Estimated volume: 12,285 mbf Spruce 18,485 mbf Hemlock 2,145 mbf AYC <u>5,593 mbf Utility</u> 38,508 mbf	\$ 400,000 (pre-appraisal estimate)	
<u>Required Service Work</u> Road Storage: Rd # 6358 (0.4 miles total) 24"cmp - red pipe	Mp 2.41 – Mp 2.81 Mp 2.41		\$8,000 (includes all sub-items)

removed			
48" cmp – red pipe removed	Mp 2.481		
Log string bridge removed	Mp 2.581		
60" cmp – red pipe removed	Mp 0.29		
<u>Optional Service Work</u>			
Pre-commercial Thinning for habitat improvement	90 acres		\$31,500
Road Maintenance and Reconditioning	Tonka road system; work beyond what is needed for timber haul		\$111,337
Totals: estimated value/cost exchange		\$400,000 (value)	\$150,837 (cost)

***Additional stewardship service activities under consideration with the collaborative include: subsequent (additional) red pipe replacement and more habitat improvement through pre-commercial thinning. The district is requesting to retain anticipated excess receipts from this project for the purpose of implementing these activities using stewardship service contracts to be proposed following the current phase of collaboration.**

B.2 Collaboration:

Collaboration for the Tonka ITRC was initiated May 3rd 2012 when a series of public workshops were convened to discuss nearby landscapes and possible management actions within the Stewardship Area defined in this proposal. Subsequent workshops were held on May 11 and May 23, with additional workshops being scheduled for June 28, July 12 and beyond. The outcome of workshops to date has been learning among stakeholders and the agency about the Stewardship Contracting Authority and the types of stewardship activities that may be proposed within the defined Stewardship Project Area. The group has discussed best value criteria, and has been given samples of BVC used by the Tongass and other National Forests in Stewardship Contracts. Participants have been encouraged to provide feedback to the agency during and between the public workshops.

The overwhelming interest of participant comments and workshop discussions regarding desired stewardship activities in the area, has focused on 2 types of actions; red pipe replacement for fisheries benefit and forest habitat enhancement for deer and other wildlife species. Petersburg has a large commercial fishing industry and Mitkof Island has one of the shortest, most restrictive deer hunts in SE Alaska. These conditions correspond with the focused interest of participants in the above stated stewardship interests.

Some participants feel that all red pipes should be replaced, regardless of cost or effectiveness. Other participants are convinced that YG stands do not provide adequate habitat and that conventional pre-commercial thinning of dense second growth will not achieve effective habitat conditions. This latter interest is also convinced that small gap thinning is the only effective means for treating habitat conditions. These individuals are also highly critical of Timber Management actions on the Tongass and have spent considerable time expressing concerns about the Tonka Timber Sale.

The majority of participants, however, appear interested in continued learning about the Tongass situation on these topics and desire more knowledge on red pipes; how the FS prioritizes red pipe replacement; what a red pipe looks like and what impact it truly has on a watershed. Much the same, the majority of participants' also expressed a desire to learn more about forest stand conditions and wildlife habitat to compare with their technical ecological knowledge of their local landscape. Continued learning through collaboration can yield stronger support for proposed actions under this Stewardship project.

Presentations on these topics, followed by field excursions, to look at red pipes and other aquatic habitat conditions; young growth stand conditions, and potential habitat treatments and their effectiveness have already occurred and are ongoing. The goal of these presentations and field trips is informed involvement by stakeholders in subsequent NEPA processes, to enable a more transparent decision making process related to activities identified in this proposal as future IRSC's, which will be further defined and scoped in the near future, and prior to the completion of the proposed Tonka IRTC.

The size, scale and number of red pipe and thinning actions to be scoped, developed and proposed for Stewardship Authority (IRSC) will be dependent on the feedback received through public involvement; project-level analysis; the outcome of the Tonka IRTC; the amount of retained receipts generated and any additional funds leveraged to accomplish these stewardship activities.

Signature and Concurrence

Prepared By:

/s/ Tom Parker (Resource Staff)

Date:

07/11/2012

District Ranger Concurrence:

/s/ Jason C. Anderson

Date:

07/12/2012

Forest Supervisor Concurrence:

/s/ Forrest Cole

Date:

July 13, 2012

Regional Stewardship Coordinator Concurrence:

Rob L. Vermillion

Date:

7/25/2012

Director of Forest Management Concurrence:

David P. Harris

Date:

7/25/2012

Director of Operations Management Concurrence:

Mack A. McClung Per Sam Carlson

Date:

7/25/2012

Regional Forester Approval:

Peter G. Phyllis

Date:

7/26/2012