

**Stewardship Agreement
between the
State of Arizona
and the
USDA Forest Service, Southwestern Region**

This Shared Stewardship Agreement is hereby made and entered into by and between the State of Arizona (State), and the United States Department of Agriculture - Forest Service. Collectively, the State and Forest Service are referred to as “the Parties” in this agreement.

I. Background

Arizona has an incredibly diverse landscape. The forests, woodlands, and rangelands of Arizona are an invaluable asset vital to all the State’s citizens and economy, providing clean air and water, wildlife habitat, wood products, a source of cultural heritage, recreation, renewable energy and resources and employment.

A significant amount of landscape vegetation in Arizona is naturally adapted to recurrent wildland fires historically started by lightning from spring and summer thunderstorms. Frequent, low-severity surface fire historically played a vital role in maintaining many ecosystems' composition, structure, and function. However, most of Arizona’s forests and woodlands today are uncharacteristically dense, deficient in grasses, forbs, and shrubs due to tree competition, and at high risk for insect and disease infestations, noxious and invasive species, and unnaturally severe wildfires due to the accumulated buildup of surface fuel and closed canopy conditions.

With the lack of fire, grassland productivity has declined with the encroachment of competing trees, and the spread of invasive species, which leads to decreased available forage and herbaceous diversity.

The probability and occurrence of large, uncharacteristic, stand-replacing wildfires continues to threaten the communities, watersheds, wildlife habitat, local economies, and recreational opportunities throughout much of Arizona. Natural and human-caused wildfires now burn with greater severity, have higher tree mortality, degrade watersheds and wildlife habitat, severely degrade soils, threaten homes and communities, and are outside the natural range of variability. These wildfires can also have significant secondary impacts to communities, habitat, rangelands, and watersheds through increases in noxious and invasive species, post-fire sedimentation and flooding, and often represent a significant economic burden for communities and government at all levels to fund post-fire flood mitigation, as well as a loss of economic tourism revenue. These challenges are further complicated by drought, rapid State population growth within Wildland Urban Interfaces, and limited federal, State, and local budgets.

Multiple ownerships and management priorities combined with a varying pattern of state trust land in Arizona create substantial complexity for land managers and property owners when addressing forest health, insect and diseases, and wildland fire issues on a scale that can make a difference. Threats to Arizona's forests, woodlands and rangelands do not respect property lines and ownership boundaries, nor do the solutions apply only to singular jurisdictions. Thus, it is critical to base decisions on the best available science and draw upon strong relationships and partnerships with many organizations, agencies, and other interested parties to determine effective management strategies and priorities that can cross jurisdictional boundaries.

With Arizona's landscape heavily divided among multiple landowners, coordinated stewardship is critical to success. The Forest Service Southwestern Region manages over 12 million acres across six national forests in Arizona. The State of Arizona has nearly 22 million acres of unincorporated private and state trust lands within its jurisdiction.

In August 2018, the USDA announced a Shared Stewardship Investment Strategy, committing to establish shared stewardship agreements with state partners throughout the nation. The USDA strategy outlined three core elements:

1. Determining management needs on a statewide level that includes prioritizing stewardship decisions directly with the states and combining mutual capacities where they can be most effective.
2. Do the right work in the right places at the right scale. Identify and prioritize forest treatments and other investments that can do the greatest good to protect the most vulnerable communities, watersheds, fish and wildlife habitat, and economies.
3. Use all available tools for active management. Utilize all available authorities, investments and programs to do more work on the ground, which includes carefully managed fire, appropriate timber harvest, non-commercial mechanical treatments, infrastructure maintenance and improvement, and other habitat and watershed restoration activities. Work with partners and other interested parties to utilize appropriate tools for each project.

Previous accomplishments help lay the groundwork for this partnership to create the right conditions for success, including:

- Shared Stewardship Memorandum of Understanding between the State and the Forest Service – July 2020.
- Forest Service Wildfire Crisis Strategy – January 2022. Under this strategy, the Forest Service will work with partners to engineer a paradigm shift by focusing fuels and forest health treatments more strategically and at the scale of the problem, using the best available science as the guide. This new management paradigm builds on the National Cohesive Wildland Fire Management Strategy, including efforts to create fire-adapted communities, and other collaborative strategies for cross-boundary treatments,

including Cohesive Strategy projects and Shared Stewardship agreements. The Strategy lists Arizona as having some of the highest priority fireheds for treatment based on community risk.

- Wildland Fire Mitigation and Management Commission Report – September 2023. Congress took bipartisan action to establish the Wildland Fire Mitigation and Management Commission through the 2021 Infrastructure Investment and Jobs Act (Pub. L. No. 117-58; § 40803, 135 Stat. 1097 (2021)). The legislation charged the Commission with the ambitious task of creating policy recommendations to address nearly every facet of the wildfire crisis, including mitigation, management, and post fire rehabilitation and recovery. Among the core themes of the Commission’s recommendations is a call for greater coordination and collaboration within the wildfire system. The Commission also found broad agreement that federal agencies alone should not – and in fact, cannot – effectively address a challenge of this magnitude.
- AZ Governor Katie Hobbs’ Arizona For Everyone Priorities, January 3, 2023 – One of the six Priorities released by Governor Katie Hobbs to strengthen and improve quality of life in Arizona is Water and the Environment: Building a Resilient Arizona and Securing Our Water Future which focuses on protecting Arizona’s precious natural resources, like our forests, parks, and bodies of water, from the devastating effects of climate change.
- Good Neighbor Authority (GNA) – 5-year GNA Master Agreement between the USDA FS Southwestern Region, and the State was signed in March 2016, followed by a 10-year Master GNA Agreement in October 2021. This Master GNA Agreement provides the framework for the State to implement authorized forest, rangeland, and watershed restoration services on National Forest System lands, including activities to treat insect and disease infected trees; activities to reduce hazardous fuels; and other activities to restore or improve forest, rangeland, and watershed health. Arizona Department of Forestry and Fire Management, the Forest Service Coconino and Tonto forests, and Salt River Project (SRP) are partnered in two MOUs that, in combination, cover over 75,000 acres in the Salt and Verde watersheds (signed 2022).
- New and unprecedented sources of federal funding – The Infrastructure Investment and Jobs Act, aka Bipartisan Infrastructure Law, and the Inflation Reduction Act were signed into law on November 15, 2021, and August 16, 2022, respectively. These new and unprecedented sources of federal funding have allowed for significant action related to natural resource protection and climate resilience, particularly in under- resourced communities. Activities supported include urban and community forestry, forest health and invasive plant treatments, and forest stewardship.

This Shared Stewardship Agreement will enable the Parties to further increase the pace and scale of science-based forest and rangeland stewardship efforts already identified in comprehensive NEPA decisions, and better protect Arizona’s people, infrastructure, and ecosystems. It is

incumbent upon us to restore Arizona's landscapes through stewardship that returns natural fire regimes to the landscape and restores the natural functions of Arizona's ecosystems.

II. Purpose

The Purpose of this Agreement is to memorialize the importance and the mutual benefits of the State and the Forest Service in recognizing shared priorities and goals for land management occurring on National Forest System lands in Arizona. There is a need and desire for the State and the Forest Service to share in the stewardship of National Forest System lands in Arizona and especially focus on the timely implementation of projects to address the existing wildfire risk that threatens communities, infrastructure, cultural resources, natural resources, and watershed health. To effectively operationalize this stewardship, the Parties need to consistently work closely and collaboratively with each other and Tribes to proactively resolve issues, facilitate the participation by third parties (local governments, utility companies, non-governmental organizations), capitalize on existing and future funding opportunities, toward the shared goal of prioritizing landscape restoration projects.

Collaboration is paramount to both the short and long-term success of land management in Arizona. Landscape scale restoration of land in Arizona will directly protect communities, homes, watersheds, and infrastructure from devastating wildland fire; promote continued supplies of clean air and water for the citizens of Arizona; protect and preserve aquatic and terrestrial ecosystems that provide sustainable habitats for species of interest; support recreational hunting, fishing, scenic viewing, and other sustainable recreation opportunities for Arizona residents and visitors; and positively impact local economies including tourism, recreation, and forest restoration, wood product and grazing industries. The State of Arizona and the Forest Service have a long and successful record of working collaboratively to accomplish shared stewardship objectives throughout Arizona, therefore it is in the mutual interest of the State and the Forest Service to cultivate and expand this partnership.

III. Statement of Mutual Benefit and Commitment

Because it is in the parties' mutual benefit and best interest, the State and the Forest Service will strive to:

1. Accelerate the implementation of forest restoration projects at an increased pace and scale on National Forest System lands within the six recognized national forests in Arizona; especially in the landscapes and high risk fireheds identified as part of the Forest Service's Wildfire Crisis Strategy.

2. Support and incentivize a growing private-sector and non-profit forest industry by maintaining a consistent and reliable annual supply of timber and forest health treatment work to inform investment and other business decisions.
3. Make efforts to achieve consistency, coordination, and manage conflicts between federal, state, tribal, local, and private objectives, plans, policies, programs, and treatments. Endeavor to address and resolve all issues and concerns raised by any party unless precluded by law or regulation in a timely manner.
4. Coordinate and partner with Tribal Nations and the U.S. Bureau of Indian Affairs on shared stewardship initiatives. The Parties agree to conduct government-to-government consultation directly with the respective Tribal Nations when required and in accordance with state statutes and federal laws and regulations.
5. Use science, traditional ecological knowledge, and best practices to inform, prioritize, and implement stewardship decisions. Adapting stewardship tools and techniques around improvements in scientific understanding. Supporting long-term research and studies to deepen our understanding of land management. Using the best technology and tools to acquire accurate and detailed data. Sharing data, maps, and analyses and assess any gaps or duplication.
6. Manage risk across broad landscapes for improved fire suppression prevention capabilities, by helping communities in the wildland urban interface mitigate wildfire impact through the three goals of the National Cohesive Wildland Fire Management Strategy to maintain resilient landscapes, create fire-adapted communities, and improve wildfire response. Authorities and programs that require prioritization of disadvantaged and vulnerable communities will be considered when managing these risks.
7. Seek efficiencies in all shared aspects of project planning, implementation, and monitoring while maintaining environmental safeguards and continued public engagement when implementing environmental review decisions.
8. Utilize all tools available, including but not limited to, state-delivered landowner technical assistance, forest health assistance, wildland fire suppression, prescribed fire, Good Neighbor, and other Farm Bill authorities.
9. In coordination with other USDA agencies, identify and deploy available resources such as staff and funding for targeted investment to help local governments, small landowners, tribal governments, and businesses scale up sustainable ecological forest management efforts that deliver multiple ecological and social co-benefits. Exploring opportunities to leverage public-private partnerships and

investments including mutual investments in wood, biomass, and other innovative technologies. Public investments can act as a force multiplier for private and local funds.

10. Work with other USDA agencies, landowners, including small landowners, tribal governments, utility companies and owners of road rights-of-way, to promote consistent, efficient, economic, and environmental forest stewardship across a contiguous landscape.
11. Collaboratively address transportation planning, maintenance, and construction challenges that hinder the safe and efficient operations by contractors, partners, public users, and State and Forest Service employees.

IV. Shares Leaders Intent

1. Strategic Project Planning: Parties agree to meet annually within the first quarter of the federal fiscal year to strategically identify annual objectives that will inform annual forest level project planning with a focus on: 1- fire prevention and mitigation, 2- critical infrastructure protection, and 3- forest and watershed restoration. An initial strategic project planning meeting will occur within the first three months after approval of this agreement. The most senior-level State and Forest Service Southwestern Region officials will participate in annual strategic planning by using a variety of analysis and information that consider a range of options and tradeoffs to focus and direct concerted investment and efforts on National Forest System lands in Arizona to achieve landscape-scale improvements.
2. Forest Level Coordination: Project level coordination shall occur at the National Forest level and will be supported by the respective forest supervisors. Parties agree to identify representatives and share prospective treatments, projects, and other work in the pursuit of the goals of this agreement, on no less than an annual basis, to share annual programs of work that define project scopes, project managers, timelines, budget, and needed resources. Key issues to consider will be: GNA project planning, priorities for NEPA planning, appropriate uses of categorical exclusions, budgets, staffing, capacity, prioritization, and project implementation.
3. Landscape Implementation: Parties agree to better support private industry in Arizona by collaboratively implementing larger landscape scale projects, when feasible, with potential advertised and awarded project areas up to 5,000 or more acres to enable consistent work and timber supply necessary for effective implementation by selected contractors.

4. Good Neighbor Authority: Parties agree to expand State implemented GNA work funded via available federal funds by entering into Memorandums of Understanding (MOUs), as follows:
 - a. Developing and entering into three-party MOUs between the State, Forest Service, and Salt River Project (SRP) on each National Forest that have lands within SRP priority watersheds that identify long-term (10-year) treatment goals, treatment areas and cost sharing principles.
 - b. Developing and entering two-party MOUs between the State and Forest Service on each National Forest within the State that identify long-term (10-year) treatment goals, treatment areas, and cost sharing principles.

The Parties agree to establish the MOUs within one year after approval of this agreement.

5. Transportation System Management: Parties agree to establish an agreement to allow the State to implement planning, design, operation, maintenance, repair, restoration and/or reconstruction activities on selected National Forest System roads utilizing federal funds, needed to support State implemented projects. The agreement shall provide for protocols that address:
 - a. Forest Service responsibilities for review and approval of State prepared plans and contracts.
 - b. Forest Service responsibilities for review and approval of State prepared technical specifications.
 - c. Forest Service identification and approval of NEPA mitigations and design features.
 - d. Responsibilities and process for coordination between the State and Forest Service during implementation of on the ground activities and final acceptance by the Forest Service.
 - e. Adequate protection and utilization of the land traversed by National Forest System roads and adjoining land under the administration of the Forest Service.
6. Mapping and Data Sharing: Parties agree to utilize a Geographical Information System platform and regularly share spatial and tabular data to display project areas on National Forest System lands in Arizona and State jurisdictional lands. The platform will also track project implementation with the public, contractors, and partners consistent with regulations and policies. The Parties will develop and implement a data sharing agreement(s), if needed, and operating plan(s) within one year of this agreement's approval that details the shared platform, data sharing protocols, including timing, in accordance with applicable state statutes, federal laws, and regulations.
7. Prescribed Fire: Parties will seek to improve cross-jurisdictional implementation of

prescribed fire on National Forest System and State jurisdictional lands in accordance with state statutes, and federal law, regulations, and policies. Parties agree to share their respective annual and five-year plans describing annual goals and project locations based on fire regimes and fire return intervals to achieve restoration and resilience goals.

8. **Smoke Management Issues:** Parties agree to regularly coordinate on smoke management issues with each other, Tribal Nations, and other federal land managers in accordance with the Arizona Department of Environmental Quality and federal regulatory requirements.
9. **Biomass Disposal and Utilization:** Parties agree to collaborate among themselves as well as with mutually identified partners and biomass industry representatives on opportunities to address the disposal and/or utilization of excess small diameter, non-market valued wood fiber, including activity slash from logging operations. The Parties will collaboratively engage to discuss supply needs, interest, needs, innovations, and process. The Parties will seek to create a Biomass Disposal and Utilization Plan within 1.5 years after the approval of this agreement that addresses estimated annual wood fiber supplies, estimated annual industry demands, disposal opportunities that include increased pile burning outside of wildland urban interface areas, available funding sources, regulatory hurdles, innovative utilization of biomass, and other topics as agreed upon by the Parties to inform a useful approach to addressing biomass issues.
10. **Risk and Liability:** The Parties will seek to address and mitigate assumed risk and liabilities incurred by the State when performing work via agreement(s) on National Forest System lands.

V. Terms

Non-Binding

The Parties agree this agreement does not serve as an authorizing tool and that the Parties will rely on all available existing authorities to implement the actions within this agreement. Specific authorities will be identified prior to project development and implementation. Nothing in this agreement is intended to alter, limit, or expand agencies' statutory and regulatory authority. The Parties also acknowledge and respect each land management agencies' respective mission and recognize that implementation of shared stewardship and treatments will need to remain consistent with the mission of the agency with jurisdiction.

This MOU creates no right, benefit, or trust responsibility, substantive or procedural, enforceable by law or equity. The parties shall manage their respective resources and activities in a separate, coordinated and mutually beneficial manner to meet the purpose(s) of this MOU. Nothing in this MOU authorizes any of the parties to obligate or transfer anything of value.

Specific, prospective projects or activities that involve the transfer of funds, services, property, and/or anything of value to a party requires the execution of separate agreements and are contingent upon numerous factors, including, as applicable, but not limited to: agency availability of appropriated funds and other resources; cooperator availability of funds and other resources; agency and cooperator administrative and legal requirements (including agency authorization by statute); etc. This MOU neither provides, nor meets these criteria. If the parties elect to enter into an obligation agreement that involves the transfer of funds, services, property, and/or anything of value to a party, then the applicable criteria must be met. Additionally, under a prospective agreement, each party operates under its own laws, regulations, and/or policies, and any Forest Service obligation is subject to the availability of appropriated funds and other resources. The negotiation, execution, and administration of these prospective agreements must comply with all applicable authorities. Nothing in this MOU is intended to alter, limit, or expand the agencies' statutory and regulatory authority.

Termination of the Agreement

Either of the Parties may terminate this MOU in whole, or in part, at any time. Such termination shall be in writing.

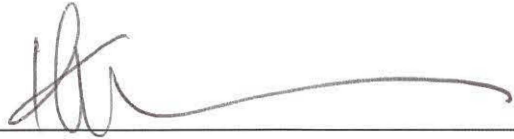
Commencement, Modifications, and Periodic Review of Agreement

This agreement is executed as of the date of the last signature and is effective until expiration or termination. The State and the USDA FS agree to review this agreement no less than every five (5) years to evaluate the mutual commitments identified and make necessary adjustments as appropriate.

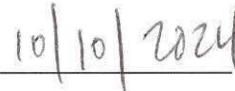
Authorized Representatives

By signing below, each party certifies that the individuals listed in this document as representative of their individual Parties are authorized to act in their prospective areas for matters related to this Agreement.

State of Arizona



Katie Hobbs
Governor
State of Arizona



Date




Thomas Torres
State Forester
State of Arizona




Date

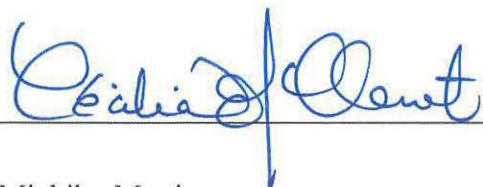
United States Department of Agriculture



Homer L. Wilkes
Under Secretary
Natural Resources and Environment
United States Department of Agriculture



Date



Michiko Martin
Regional Forester
Southwestern Region
United States Forest Service



Date