

**Forest Service Handbook  
National Headquarters - Washington Office  
Washington, DC**

**Forest Service Handbook 2409.19 – Renewable Resources Handbook**

**Chapter 80 - Good Neighbor Authority**

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This chapter provides direction for implementing good neighbor agreements. The guidance and procedures in this document address appropriate use of the good neighbor authority for timber sale project development, implementation, and monitoring, as well as other vegetation restoration.

### 80.1 - Authority

1. Public Law 113-79, section 8206 (Pub. L. 113-79, sec. 8206) of the Agricultural Act (Farm Bill) of 2014, as amended. Title 16, United States Code 2113a (16 U.S.C. 2113a) (Good Neighbor Authority) Catalog of Federal Domestic Assistance (CFDA) No. 10.691, Good Neighbor Authority. This section grants the Forest Service permanent authority to enter into contracts and cooperative agreements with States, counties, Indian Tribes, and the Commonwealth of Puerto Rico to perform authorized restoration services.
2. Section 206(a) of the Agricultural Act of 2014 (16 U.S.C. 2113a (a)) as amended by Pub. L. 115-141, sec. 212 (Consolidated Appropriations Act, 2018). This section expands authority to address road reconstruction, repair, or restoration of a National Forest System road.
3. Wyden Amendment (Pub. L. 105-277, sec. 323 as amended by Pub. L. 109-54, sec. 434 and permanently authorized by Pub. L. 111-11, sec. 3001).
4. Pub. L. 115-334 Agriculture Improvement Act (Farm Bill) of 2018 (12/20/2018). This bill, commonly known as the farm bill, reauthorizes through FY2023 and modifies Department of Agriculture programs.
5. 2018 Omnibus Bill. The Consolidated Appropriations Act, 2018 (Pub. L. 115-141) is a United States omnibus spending bill for the United States Federal Government for fiscal year 2018 (FY2018). The FY 2018 policy provisions related to the fire funding fix and other management reforms are in Division O of the bill.

### 80.2 - Objectives

The objective of the good neighbor authority is to partner with State agencies, counties, and Tribes (cooperators) to increase the pace, scale, capacity, and efficiency of restoration activities on National Forest System lands and improve coordination across ownership boundaries to achieve mutual objectives.

Under the good neighbor authority, the non-Federal entity (State, county, or Tribe) participating in good neighbor agreements should undertake restoration activities on non-Federal land, in addition to similar and complementary restoration activities on Federal land.

### 80.3 - Policy

1. Good neighbor agreements allow States, counties, and Tribes to accomplish authorized restoration activities on National Forest System lands.

2. Authorized restoration services may include the sale of National Forest System timber. Timber sale and disposal shall be approved by a Line Officer with delegated authority to dispose of the planned volume of timber. Refer to FSM 2404.2.
3. Delegate authority to qualified individuals, consistent with the authority and responsibility of the Regional Forester and other Line Officers for the sale and disposal of timber (FSM 2404.28 and FSH 1509.11, sec. 14.4) through good neighbor agreements.
4. The Forest Service shall ensure all work performed by cooperators on National Forest System land meets applicable Federal laws, regulations, and orders, as well as the requirements of associated documents, such as decisions under the National Environmental Policy Act (NEPA) of 1970, as amended (16 U.S.C. 4321); land management plans; silviculture prescriptions; and marking guides.
5. As required by the National Forest Management Act (NFMA) of 1976 (16 U.S.C. 472a) and Title 36, Code of Federal Regulations, section 223.60 (36 CFR 223.60), National Forest System timber shall be sold for its appraised value. All projects involving the sale of timber requires an appraisal to determine the minimum stumpage bid rate as described in section 82.4.
6. For prescribed fire projects, cooperators must be consistent with the guidelines and qualifications set by the National Wildfire Coordinating Group (NWCG) (see [NWCG.gov](http://NWCG.gov) for information) and other Federal laws and regulations, such as the Clean Air Act. Prescribed fire activities for purposes such as wildlife habitat improvement or site preparation may be covered under a good neighbor agreement. If the primary purpose of the prescribed fire project is to reduce hazardous fuel accumulations, the project may be included within a good neighbor agreement or covered by a project plan or supplemental project agreement under a statewide cooperative fire agreement citing the Reciprocal Fire Protection Act (42 U.S.C. 1856a).
7. Cooperators are authorized to repair, reconstruct, and restore existing National Forest System roads and construct temporary roads necessary to carry out authorized restoration services under a good neighbor agreement. Cooperators are also authorized to decommission existing National Forest System roads determined to be unneeded in accordance with 36 CFR 212.5(b)(2).
8. Counties and Tribes are not authorized to collect or retain revenue generated from the sale of timber under a good neighbor agreement. The Forest Service will collect and retain any revenue generated from the sale of timber when the Forest Service has a good neighbor agreement with counties and Tribes (refer to section 81.31).
9. When National Forest System timber will be sold by the State under a good neighbor agreement, the State may follow its regular sale preparation, contracting, administration, and other procedures when they meet Forest Service objectives and applicable regulations, are acceptable to the responsible Line Officer, and are agreed to in the good

neighbor agreement. The Forest Service will track and report timber sales according to section 83.

10. Revenue received by a State's sale of Federal timber may be retained and used by the State to carry out authorized restoration services on Federal land under the good neighbor agreement. Funds can be used to accomplish authorized restoration services on other good neighbor agreements within the State, when mutually agreed to by all parties involved. This authority terminates October 1, 2023, unless future legislation extends this deadline.
11. Revenue retained by a State, as described in paragraph 10, shall first be used to accomplish authorized restoration services as listed in the Cooperator responsibilities in the good neighbor agreement, including required reforestation, brush disposal, and all other required associated activities. Revenue remaining after these responsibilities are fulfilled can be used for other activities listed in the agreement.

#### **80.4 - Responsibilities**

##### **80.41 - Washington Office**

###### **80.41a - Chief**

Responsibilities of the Chief include:

1. Provide direction to the Deputy Chiefs of the National Forest System, Business Operations, State and Private Forestry, and the Chief Financial Officer regarding their responsibilities for implementing and monitoring the good neighbor authority.
2. Delegate the authority to Regional Foresters to approve the use of good neighbor authority as a tool for implementing projects to accomplish land management goals.

###### **80.41b - Associate Deputy Chief for the National Forest System**

Refer to FSM 2404.13.

###### **80.41c - Washington Office, Director, Forest Management**

It is the responsibility of the Washington Office, Director, Forest Management to:

1. Advise the Chief on policy regarding the good neighbor authority.
2. Jointly coordinate and manage policies and direction pertaining to the good neighbor authority with other Washington Office Directors, including:
  - a. Office of Grants and Agreements;
  - b. Procurement and Property Services;

- c. Ecosystem Management Coordination;
  - d. Engineering, Technology, and Geo-spatial Services;
  - e. Office of Tribal Relations;
  - f. Cooperative Forestry;
  - g. Law Enforcement and Investigations; and
  - h. Other Directors as needed.
- 3. Ensure coordination among the Regions for forest management activities involving good neighbor authority through National meetings, committees, correspondence, and staff advice.
  - 4. Conduct monitoring, field reviews, and functional assistance trips of forest management activities involving good neighbor authority projects. Ensure good neighbor authority projects and the resulting effects of the activities on other resources meet National policy requirements.

#### **80.42 - Field Units**

##### **80.42a - Regional Foresters**

In addition to responsibilities addressed in FSM 2404.15, it is the responsibility of the Regional Forester to:

- 1. Delegate management oversight of good neighbor authority to a Regional Staff Director.
- 2. Establish supplemental direction for Forest Supervisors' annual reviews of good neighbor authority agreements, where appropriate. Annual reviews will (1) determine if reported financial information is reasonable and consistent with actual workloads and costs and (2) follow up on any identified discrepancies.
- 3. Ensure Forest Supervisors review all good neighbor authority contracts that did not receive bids to address any problems in a timely manner.
- 4. Ensure Forests provide adequate and timely input into the monitoring and evaluation process for good neighbor authority agreements, including updating accomplishments for each good neighbor authority project.
- 5. Ensure Regional and, when applicable, Forest Timber Theft Prevention Plans are updated to address situations unique to the sale and disposal of timber using the good neighbor authority.
- 6. Approve use of revenue collected by a State on another authorized good neighbor authority project.

### **80.42b - Forest Supervisors**

In addition to responsibilities stated in FSM 2404.16, it is the responsibility of the Forest Supervisor to:

1. Ensure all good neighbor authority projects are consistent with land management plan objectives and are developed with the appropriate level of collaboration for the authorities used.
2. Coordinate with Law Enforcement and Investigations staff on good neighbor authority projects involving removal of timber. If applicable, ensure the Forest Timber Theft Prevention Plans are updated to address situations unique to the sale and disposal of timber using the good neighbor authority.
3. Consider whether a sale should be included in the small business set-aside program when deciding whether to offer a sale using the good neighbor authority. Sales offered by a State are not subject to the Small Business Act (15 U.S.C. 631, *et seq.*).
4. Consider including sales offered by a State in timber program announcements to the extent reliable information can be obtained (FSM 2431.7).
5. Approve Timber Information Manager (TIM) certifications for Gates 1-4 on good neighbor authority projects.

### **80.42c - District Rangers**

In addition to responsibilities stated in FSM 2404.17, it is the responsibility of the District Ranger to:

1. Ensure collaboration at the level appropriate for the scale and complexity of good neighbor authority projects.
2. Ensure early and continued involvement of appropriate technical specialists in proposing, planning, executing, and monitoring good neighbor authority projects.
3. Consider the analyses (resource and economic), tradeoffs, advice of the project planning interdisciplinary team, and information generated during collaboration when recommending using good neighbor authority.
4. Propose modifications to good neighbor authority agreements as necessary.
5. Combine work items, when appropriate, into a good neighbor authority project to maximize use of equipment, supplies, people, and benefits to a variety of resources.
6. Ensure required deposits are planned and accounted for where necessary and appropriate within good neighbor authority agreements that include timber removal.



7. Ensure Brush Disposal Plans (FSH 2409.18, ch. 50) are completed as necessary for good neighbor authority projects.
8. Coordinate with the Forest Supervisor regarding use of revenue collected by a State for use in another authorized agreement.
9. Sign TIM-generated certifications for Gates 1-4 for good neighbor agreements. The approval of the certification forms cannot be re-delegated.
10. Update the accomplishments each fiscal year for each good neighbor authority project in the appropriate databases of record.
11. Review with the State and Forest Supervisor all good neighbor authority contracts that did not receive bids to address any problems in a timely manner.
12. Receive and acknowledge Tribal requests made under the Tribal Forest Protection Act (TFPA) of 2004 (Pub. L. 108-278) and make recommendations to the Forest Supervisor. The recommendation of what borders on or is adjacent to Indian forest land, rangelands, or a Tribal community must be made by the District Ranger or Forest Supervisor after consultation with the Indian Tribe and consideration of the threat potential and geographic location.
13. Ensure records of planned, accomplished, and completed good neighbor authority activities are properly managed and assigned to National performance measures according to the business rules of the relevant applications.

## 80.5 - Definitions

Authorized Restoration Services. Similar and complementary forest, rangeland, and watershed restoration services carried out (a) on Federal land, non-Federal land, and land owned by an Indian tribe; and (b) by either the Secretary, a Governor, or county, as applicable, pursuant to a good neighbor agreement. In general, the term “forest, rangeland, and watershed restoration services” means (a) activities to treat insect- and disease-infected trees, (b) activities to reduce hazardous fuels, and (c) any other activities to restore or improve forest, rangeland, and watershed health, including fish and wildlife habitat. See section 81.4 for examples of authorized restoration services, as well as activities specifically excluded.

Collaboration. A structured process in which a collection of people with diverse interests share knowledge, ideas, and resources while working together in an inclusive and cooperative manner toward a common purpose (36 CFR 219.19). Collaboration often includes diverse entities working together to solve shared problems, develop projects, and/or achieve outcomes using open, transparent, and inclusive approaches to decision-making.

Cooperative Work. Work the Cooperator requests the Forest Service to perform using deposits Cooperator pays to the Forest Service, such as road construction or reconstruction.

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Cooperator. A State, county, or Indian Tribe acting on behalf of the Forest Service to perform authorized restoration services under good neighbor authority.

County. The appropriate executive official of an affected county; or, in any case in which multiple counties are affected, the appropriate executive official of a compact of the affected counties. (16 U.S.C. 2113a (a)(2))

Deferred Road Maintenance. Road maintenance made necessary by Cooperator's use, such as surface rock replacement, performed by Forest Service at a later date with funds deposited by the Cooperator commensurate with use.

Federal Land. National Forest System land or public land as defined in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702).

Good Neighbor Agreement. A cooperative agreement or contract (including a sole source contract) entered into between the Secretary of Agriculture and a Governor of a State or Tribe (see definition of Governor) or an executive of a county, as applicable, to carry out authorized restoration services under good neighbor authority. Refer to section 80.6.

Governor. The term "Governor" means the Governor or any other appropriate executive official of an affected State or Indian Tribe or the Commonwealth of Puerto Rico.

Indian Tribe. The term "Indian Tribe" has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304).

Master Agreement. An agreement, typically a Challenge Cost Share or Participating Agreement, executed between the Forest Service and a cooperator that establishes a framework for completion of separate but related projects. Master agreements may be national, regional, or local in scope. Refer to section 80.6.

National Forest System Road. A forest road other than a road which has been authorized by a legally documented right-of-way held by a State, county, or other local public road authority (36 CFR 212.1).

Recurrent Road Maintenance. Road maintenance that is performed commensurate with use by the Cooperator.

Road. As defined in 36 CFR 212.1 (as in effect on February 7, 2014).

Road Maintenance. The upkeep of the entire forest development transportation facility, including surface and shoulders, parking and side areas, structures, and such traffic-control devices as are necessary for its safe and efficient utilization (36 CFR 212.2(i)).

Secretary. The Secretary of Agriculture.

Stakeholder. A person, group, or organization with an interest in a project.

State. Any State of the United States, the Commonwealth of Puerto Rico, and any agency or instrumentality thereof, exclusive of local governments.

Supplemental Project Agreement (SPA). An instrument executed under the umbrella of a Master Agreement. Refer to section 80.6.

Targeted Grazing. Utilization of livestock grazing as a tool focused on vegetation and landscape management rather than livestock production.

Timber Information Manager (TIM). A computer program maintained by Natural Resource Manager (NRM), that provides a process-oriented, integrated application supporting the Timber Sale and Forest Products Permits business at the field level while capturing information that is needed for service-wide reporting needs.

## **80.6 - Types of Good Neighbor Agreements**

Good neighbor agreements are managed under the direction of the Washington Office, Deputy Chief for Business Operations, Office of Grants and Agreements. There are three types of good neighbor agreements:

1. Form FS-1500-36 - Good Neighbor Agreement: This agreement is used for stand-alone projects.
2. Form FS-1500-36a - Good Neighbor Master Agreement: This agreement is used as an umbrella agreement to describe work activities and requirements agreed between the Forest Service and the Cooperator for future projects.
3. Form FS-1500-36b - Good Neighbor Supplemental Project Agreement (SPA): This agreement is used to tier a specific project to the work activities and requirements identified in the Good Neighbor Master Agreement. A SPA shall only be used in conjunction with a master agreement. A SPA contains some additional mandatory provisions and may contain additional provisions specific to the project described in the SPA.

The Washington Office, Office of Grants and Agreements staff is responsible for the development of the good neighbor agreement, good neighbor master agreement, and good

neighbor supplemental project agreement templates that are used for all good neighbor projects with States, counties, and Tribes. Refer to FSM 1580 or the Washington Office, Office of Grants and Agreements website for detailed information on the various types of agreements. Templates include appendices D and E when projects include the sale of timber. The Washington Office, Forest Management staff will coordinate with Office of Grants and Agreements staff in developing language for appendices D and E.

Agreements are generally dynamic and flexible, with all parties collaborating throughout the process. When planning under a good neighbor project, embrace these flexibilities to facilitate land management across the landscape.

### **80.7 - Inherently Governmental Functions Within Federal Timber Sales**

Timber sale activities on National Forest System lands that are the responsibility of a Cooperator are specifically identified in a good neighbor agreement. The Forest Service sells the timber and collects any timber revenue when the Forest Service has a good neighbor agreement with counties and Tribes (refer to section 80.3), as well as State good neighbor agreements that do not include State timber sale instruments. This Forest Service timber sale contract is not within the parameters of the good neighbor authority. When the Forest Service is the offeror, inherent governmental functions which are not to be incorporated within the good neighbor agreement include:

1. Signing the NEPA decision,
2. Approving all silvicultural prescriptions and marking guides,
3. Appraising the timber,
4. Preparing the timber sale contract,
5. Advertisement,
6. Conducting the bid opening,
7. Award, and
8. Administering the contract.

When the State is the offeror, all activities that are normally inherently governmental can be conducted by the State, except for signing the NEPA decision and approving silvicultural prescriptions and marking guides.

## **81 - Planning Good Neighbor Timber Sale Projects**

Good neighbor projects are just one way to accomplish landscape restoration in a multi-jurisdictional setting. Exhibit 01 provides a “Tool Selection Matrix” comparing a good neighbor agreement to three other tools:

1. Stewardship agreement
2. Stewardship contract
3. Timber sale contract

The Tool Selection Matrix is provided to help determine the appropriate instrument to use in a particular instance, depending on project needs and requirements. To confirm if a good neighbor agreement is the appropriate tool, refer to the Forest Restoration Best Tool Decision Tree in FSM 2432.32.

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**Tool Selection Matrix**

Criteria	Good Neighbor Agreement	Stewardship Agreement	Stewardship Contract	Timber Sale Contract
Ability to bundle projects	Yes <sup>1/</sup>	Yes	Yes	No
Ability to trade goods for services	No <sup>1/</sup>	Yes	Yes	No
Term limits (years)	10	20 <sup>2/</sup>	20 <sup>2/</sup>	10
Collaboration required for project development	Yes	Yes	Yes	No
Best value award	No <sup>3/</sup>	Yes	Yes	No
Sole source award <sup>4/</sup>	Yes	Yes	Yes	No <sup>5/</sup>
Full and open competition	No <sup>6/</sup>	No <sup>6/</sup>	Yes	Yes <sup>5/</sup>
Total value award	No	No	No	Yes
Permanent and trust fund collections allowed	No <sup>7/</sup>	No	No	Yes
SBA set aside	No <sup>8/</sup>	No <sup>8/</sup>	No <sup>8/</sup>	Yes
Includes NFS road construction	No <sup>9/</sup>	Yes	Yes	Yes
Includes NFS road reconstruction	Yes	Yes	Yes	Yes
Includes temporary road construction	Yes	Yes	Yes	Yes
Requires matching contributions from awardee	No	Yes	No	No
Subject to Federal financial assistance regulations	Yes	No	No	No
Subject to Construction Wage Rates or Service Contract Act Wage Rates <sup>10/</sup>	No	Yes	IRSC <sup>11/</sup> only	No
Payment to States and Counties	No	No	No	Yes

- <sup>1/</sup> See section 81.41 for bundling and goods for services projects under good neighbor authority.
- <sup>2/</sup> Only if the majority of the project area is in Fire Regime Groups I-III.
- <sup>3/</sup> Depends on State procurement process.
- <sup>4/</sup> With written approval from the Regional Forester.
- <sup>5/</sup> Except direct sales under Administrative Use and Settlement Authority (FSM 2463 and 2464).
- <sup>6/</sup> Unlike timber sale contracts, good neighbor authority/stewardship agreements are not full and open competition.
- <sup>7/</sup> See section 81.31 - Revenues from Good Neighbor for further detail. Use – yes; collect – no.
- <sup>8/</sup> The Small Business Act of 1953, (15 U.S.C. 631, *et seq.*) only applies to timber sold (not exchanged for services) by the Forest Service (not Cooperators).
- <sup>9/</sup> See section 82.3 for more on National Forest System (NFS) road construction and reconstruction.
- <sup>10/</sup> Wage rates paid by Forest Service under agreements. Construction wage rates apply to timber removal activities and service contract act wage rates apply to service work activities. Consideration should be given to prevailing and/or minimum wage rates as applicable.
- <sup>11/</sup> Integrated Resource Service Contracts.

### **81.1 - Environmental Analysis**

All good neighbor projects on National Forest System land shall comply with NEPA following the procedures set out in FSH 1909.15 and FSH 1509.11, chapter 80. Cooperators may provide services in support of NEPA documentation or other compliance requirements. However, all NEPA decisions must be signed by the Forest Service responsible official.

#### **81.11 – Compliance with Existing Plans and Regulations**

Good neighbor projects must be consistent with plans relevant to the project, including:

1. Land management plans;
2. Range allotment plans;
3. Fire management plans; and
4. Facilities master plans.

All projects shall comply with applicable laws, regulations, and Forest Service direction pertaining to the project areas.

#### **81.12 - Selection of Project Areas**

The size of good neighbor project areas identified in stand-alone or supplemental project agreements varies, but should be sized appropriately for the scope, timeframe, funding, and capacity anticipated for the life of the agreement. The project location and size should be determined through the collaborative process, taking many factors into consideration:

1. For maximum benefit, projects should be part of a coordinated effort to accomplish cross-boundary goals important to both the Forest Service and the Cooperator.
2. Complex projects should be included in an agreement only after careful consideration, establishing roles and responsibilities for each project component to ensure timely and efficient completion.
3. If Forest Service funding is needed for the Cooperator to recover project development and administration costs, the project should be supported by a feasibility analysis.
4. Projects funded with revenues generated from a good neighbor agreement shall occur on Federal land. However, projects can be combined or coordinated with other projects from non-National Forest System lands when revenues and appropriated funds are combined. The appropriated funds are authorized under the Wyden authority. Project costs charged to good neighbor authority must be in proportion with the project size both on and off Forest land.

## **81.2 - Collaboration**

Successful project development and implementation requires many steps, considerable expertise, and excellent communication. Cooperators involved in the collaboration of the desired project should be selected in a manner that is consistent with the policies set in the Grants, Cooperative Agreements and Other Agreements Handbook (FSH 1509.11). The Forest Service and the Cooperator should work closely from project conception to completion. Projects are typically more successful when a variety of local interests and key stakeholders are engaged throughout the life of the project, from project design through implementation and monitoring. The level of collaboration is consistent with the scale and complexity of the project. Likewise, both Forest Management and Office of Grants and Agreements staffs shall jointly participate throughout the life of the agreement. Documentation and communication of roles, responsibilities, and expectations for all phases of the project agreement will help avoid missteps, delays, and other avoidable challenges to success.

## **81.3 - Fund Use and Revenue Collection Ability**

The only activities associated with good neighbor agreements that have the ability to collect funds are required reforestation activities, brush disposal, and road maintenance (recurrent and/or deferred). The ability to collect and use these funds varies greatly when compared to collections in typical timber sales or stewardship contracts. Exhibit 01 - Fund Expenditure and Collection summarizes which funds can be used in the creation of good neighbor authority and other projects, along with what funds can be collected.



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**Fund Expenditure and Collection**

**Ability to Expend Funds to Develop, Prepare, and Administer Projects**

Fund Expended	Conventional Forest Service Timber Sale	Stewardship Contract/ Agreement	Good Neighbor Agreement
Appropriated (as appropriate)	Yes	Yes	Yes
Forest K-V	No	No	No
Regional K2	Yes	Yes	Yes
Salvage Sale Funds <sup>1/</sup>	Yes	Yes	Yes
Pipeline Restoration Fund	Yes <sup>2/</sup>	No	No
Stewardship Retained Receipts	No	Yes <sup>3/</sup>	No

<sup>1/</sup> Salvage Sale Funds can be used if sale has a salvage component.

<sup>2/</sup> Pipeline Restoration Funds can be used only on planned pipeline projects.

<sup>3/</sup> Stewardship Retained Receipts shall be used only on approved stewardship projects.

**Ability to Collect Revenues from Sale Receipts**

Into Fund	Conventional Forest Service Timber Sale	Stewardship Contract/ Agreement	Good Neighbor Agreement
Appropriated	No	No	No
Forest K-V	Yes	No	No <sup>1/</sup>
Regional K2	No	No	No
Salvage Sale Funds	Yes <sup>2/</sup>	No	No
Pipeline Restoration Fund	Yes <sup>3/</sup>	No	No
Stewardship Retained Receipts	No	Yes	No
Brush Disposal Fund	Yes	Yes	Yes <sup>1/</sup>
Cooperative Work (Roads)	Yes	No	Yes <sup>1/</sup>
Revenue Returned Through Collection Agreement	No	No	Yes

<sup>1/</sup> Funds for these activities may be collected and deposited through collection agreements into the Cooperative Work Forest Service (CWFS) fund. See section 81.32.

<sup>2/</sup> Salvage Sale Funds can only be collected if sale has a salvage component.

<sup>3/</sup> Funds for the Pipeline Restoration Fund can only be collected to cover costs associated with preparing a pipeline sale.

### **81.31 - Revenues from Good Neighbor**

Counties and Tribes are not authorized to generate or collect revenue from the sale of Federal timber. The Forest Service sells the timber and collects any timber revenue when the Forest Service has a good neighbor agreement with counties and Tribes (refer to section 80.3), as well as State good neighbor agreements that do not include State timber sale instruments. Since these Forest Service timber sale contracts are not within the parameters of the good neighbor authority (sec. 80.7), revenue accounting is managed the same as a typical Forest Service timber sale.

The State may collect revenue generated from the sale of Federal timber on State good neighbor authority contracts between the effective date of award and completion of the agreement. This revenue provides funding for restoration activities over and above other Forest Service or State contributions (appropriated or Cooperator). Collections for salvage sale and K-V funds cannot be made, as they are not within the parameters of good neighbor authority (sec. 81.3).

Prior to receiving any funds from their Purchaser, States will cover all costs as they are incurred, or the Forest Service may choose to use appropriated funds to support the State's work. The Forest Service will not receive any direct reimbursement of these appropriated funds from the sale of timber if appropriated funds are used.

As identified in section 80.3, the intent of good neighbor authority is for the State to accomplish authorized restoration activities on National Forest System lands; not to collect revenues to be returned to the Forest Service. The State and the Forest Service may agree to use all revenues, including bid premiums, to cover the State's direct or indirect costs. The good neighbor agreement must fully address how the State handles revenue received.

If it is mutually agreed that the State will not accomplish required reforestation, brush disposal, or road maintenance (recurrent and/or deferred) associated with the timber sale, the State may provide funding to the Forest Service through a separate collection agreement (refer to FSH 1509.11, ch. 40). Funds collected will be assigned to the Cooperative Work Forest Service (CWFS) fund by the Albuquerque Service Center. The Forest Service may choose to fund required reforestation, brush disposal, and road maintenance with appropriated funds or through other means.

The State may transfer remaining revenue to another active good neighbor agreement within the State by October 1, 2023 (unless future legislation extends this deadline) or within 180 days prior to expiration of the good neighbor agreement with the State, whichever occurs first. Refer to section 80.3. Executed agreements with planned projects may continue to collect and expend revenues past October 1, 2023. After this date (unless future legislation extends this deadline), any revenues collected that will not be expended on authorized projects shall be returned to the U.S. Treasury upon completion or expiration of the agreement.

Revenue collected and returned to the Forest Service are not considered to be monies received from National Forest System lands for the purpose of calculating payments to States (FSH

6509.11g, sec 61.1). Therefore, good neighbor agreements do not require a minimum deposit to the National Forest Fund (NFF).

### **81.32 - Use and Collection of Permanent and Trust Funds**

Salvage Sale Funds (SSF) (NFMA) and Regional Knutson-Vandenberg (K-V) Act of 1930 (16 U.S.C. 576, 576a-576b), as amended (K2) funds can be contributed to good neighbor agreements to accomplish authorized restoration activities when appropriate. Since the Forest Service collects the revenue for timber when the Forest Service has a good neighbor agreement with counties and Tribes, as well as State good neighbor agreements that do not include State timber sale instruments, and the Forest Service timber sale contract is not within the parameters of the good neighbor authority (sec. 80.7), the Forest Service may collect salvage sale and K-V funds from revenue on these contracts. However, collections to the salvage sale and K-V funds cannot be made in State timber sale contracts within a good neighbor agreement.

Funds may be collected from the State through collection agreements (FSH 1509.11, ch. 40 - Collection Agreements), as described in section 81.31, for the activities identified in section 81.4. These funds are collected and deposited in the CWFS fund, which are managed at the Forest level. If the State and Forest agree to use funds on other projects, the Forest will be responsible for providing funding for these activities through other funding sources.

### **81.33 - Use and Collection of Brush Disposal Funds**

Brush disposal funds can be contributed to good neighbor agreements to accomplish authorized restoration activities when appropriate. When the Forest Service has a good neighbor agreement with counties and Tribes, as well as State good neighbor agreements that do not include State timber sale instruments, the timber sale contract offered by the Forest Service is not within the parameters of the good neighbor authority (sec. 80.7) so the Forest Service may collect brush disposal deposits.

Brush disposal may be performed by the State or its Subcontractors in State timber sale contracts. Collections to brush disposal funds cannot be made in State timber sale contracts within a good neighbor agreement. Cooperative work deposits for brush disposal that will not be performed by the State may be collected from the State by the Forest Service and deposited into the CWFS fund according to FSH 1509.11, chapter 40 - Collection Agreements.

### **81.34 - Collection of Road Maintenance Funds**

The Forest Service may collect road maintenance funds for deferred or recurrent road maintenance on timber sales when the Forest Service has a good neighbor agreement with counties and Tribes, as well as State good neighbor agreements that do not include State timber sale instruments. The Forest Service timber sale contract is not within the parameters of the good neighbor authority (sec. 80.7) so the Forest Service may collect deposits.

Road maintenance (deferred or recurrent) may be performed by the State or its Subcontractors in State timber sale contracts. Cooperative work deposits for road maintenance and surface rock

replacement that will not be performed by the State may be collected from the State by the Forest Service into the CWFS fund according to FSH 1509.11, chapter 40 - Collection Agreements.

### **81.35 - Use of Wyden Authority**

Projects can be developed and funded to include lands both on and off the National Forest by utilizing both the authority under the Wyden Amendment and good neighbor authority. The Wyden authority authorizes the Forest Service to enter into a variety of cooperative agreements to benefit resources on National Forest System lands (work can be conducted on Forest Service and non-Forest Service lands). Agreements may be with willing Federal, Tribal, State, and local governments; private and nonprofit entities; and landowners to conduct activities on public or private lands for the benefit of National Forest System lands for the following purposes: protection, restoration, and enhancement of fish and wildlife habitat and other resources; reduction of risk from natural disaster where public safety is threatened; or a combination of both. If working with the Bureau of Land Management (BLM) on projects, ensure BLM processes are included in the project design.

When integrating Wyden authority funds associated within good neighbor projects, funds must be in proportion with project size both on and off Forest land.

### **81.36 - Use of Granger-Thye Act**

The Granger-Thye Act authorizes the United States Forest Service Nursery System to sell nursery seed and stock directly to States and political subdivisions, and to public agencies of other countries, at rates not less than the actual or estimated cost to the Federal Government. Reimbursements to the Government are accomplished through the Working Capital Fund (WCF). These are direct agreements executed between the nursery facility and the external partner and should not utilize FSM 1580 agreements (FSH 1509.11, ch. 40 - Collection Agreements).

### **81.4 - Examples of Restoration Services**

The Forest Service may enter into good neighbor agreements in order for Cooperators to perform or contribute to any part of project planning, preparation, execution, and monitoring to achieve a broad range of forest, rangeland, and watershed restoration objectives in accordance with the good neighbor authority. As negotiated and following regulation in 2 CFR 200.412 - 200.414, a Cooperator may be compensated for both direct and indirect costs incurred in performing authorized services.

Examples of forest, rangeland, and watershed restoration services (sec. 80.5) include:

1. Forest restoration, such as:
  - a. Stand improvement;
  - b. Prescribed burning; and

- c. Reforestation.
- 2. Hazardous fuels reduction, such as:
  - a. Forest thinning;
  - b. Targeted grazing;
  - c. Piling, removing, or burning slash; and
  - d. Prescribed burning, although this activity may be better authorized under another authority, such as a cooperative fire agreement.
- 3. Fish and wildlife habitat improvement, such as:
  - a. Fish passages, including designing and constructing;
  - b. Instream fish structures;
  - c. Developing wildlife water sources;
  - d. Constructing brush piles for wildlife; and
  - e. Installing duck boxes.
- 4. Watershed restoration, such as:
  - a. Seeding for soil stabilization; and
  - b. Decommissioning existing roads.

Forest, rangeland, and watershed restoration services do not include:

- 1. Activities on lands within the National Wilderness Preservation System;
- 2. Activities on National Forest System Lands where removal of vegetation is prohibited or restricted by an Act of Congress or Presidential proclamation (including the applicable implementation plan);
- 3. Activities within wilderness study areas;
- 4. Construction, reconstruction, repair, or restoration of paved or permanent roads or parking areas, other than the reconstruction, repair, or restoration of a National Forest System road that is:
  - a. Necessary to carry out authorized restoration services pursuant to a good neighbor agreement; and

- b. In the case of a National Forest System road that is determined to be unneeded in accordance with 36 CFR 212.5(b)(2), decommissioned in accordance with restoring or improving forest, rangeland, and watershed health (including fish and wildlife habitat) in a manner consistent with the travel management plan no later than three years after completion of the applicable authorized restoration project; and

- 5. Construction, alteration, repair, or replacement of public buildings or works.

#### **81.41 - Bundling and Goods for Services Agreements**

Good neighbor agreements may contain a variety of work items that can be bundled into one agreement or allow for the completion of projects using the revenues collected from a good neighbor agreement timber sale. A project that was not identified in a good neighbor agreement with a Cooperator must be reviewed by the Forest Service to determine that it meets good neighbor authority criteria prior to bundling into that agreement. The review may disclose findings ranging from the need for environmental analysis (sec. 81.1), to fully meeting good neighbor authority criteria. As a result, the duration of the review and approval for inclusion varies between projects. Only projects fully meeting good neighbor authority criteria may be incorporated through modification into the good neighbor agreement with the Contractor.

A State has the authority to bundle service work projects together or create goods for services agreements with their Contractors when there is a revenue-generating project involved and the work project or services are identified within the good neighbor agreement with a State. A project that is incorporated through modification may also be subsequently bundled into a goods for services agreement with the State Contractors. States shall use their instruments to create these agreements.

#### **81.5 - Timber Sale Selection of Offeror**

When timber removal is included within a good neighbor project, the Forest Service and the Cooperator shall specify in appendix A in forms FS-1500-36 and FS-1500-36b whether the timber will be sold directly by the Forest Service or by the Cooperator under a good neighbor agreement.

##### **81.51 - Forest Service as Offeror**

The Cooperator may perform activities in support of timber sales to be offered by the Forest Service. When this occurs, all timber sale preparation and administration support activities shall adhere to current policy for Forest Service timber sales.

##### **81.52 - Cooperator as Offeror**

The State may offer National Forest System timber on behalf of the Forest Service under a good neighbor agreement. When this occurs, the Forest Service and State shall agree to practices and procedures for timber sale preparation, offer, finance, and administration identified in the

following sections, when developing the timber removal plan in the good neighbor agreement. Practices and procedures include:

1. All work performed by the State on National Forest System land shall meet applicable Federal laws, regulations, and orders, including requirements of associated documents, such as NEPA decisions, land management plans, and silviculture prescriptions.
2. The State may follow its regular sale preparation, contracting, administration, and other procedures if they meet Forest Service objectives, are acceptable to the responsible Line Officer, and are addressed in the good neighbor agreement.
3. The Forest Service must not have a direct contract relationship with a State's timber Purchaser.

### **81.6 - Reforestation Activities**

Good neighbor agreements with regeneration treatments shall evaluate required reforestation needs.

Any reforestation activities must be captured and documented within the silviculture prescription and good neighbor agreement. Clearly define the activities, roles, responsibilities (including responsibility in the event of failure to meet stocking levels), costs, and timeframes for accomplishing those activities (as required by NFMA and discussed in FSM 2472).

If the Cooperator will conduct reforestation activities, the Cooperator and Forest Service will mutually agree upon the methods and materials to be used.

Examples of reforestation activities include, but are not limited to:

1. Site preparation (chemical, fire, manual, and so forth) for planting, seeding, or natural regeneration;
2. Planting (which encompasses seed collection, seedling sow and grow, artificial shading, and so forth);
3. Seeding;
4. Animal damage, insect and disease, or vegetation control on natural or artificial regeneration; and
5. Planted, seeded, and natural regeneration monitoring.

The Forest Service retains the authority to provide or approve all silvicultural prescriptions and marking guides to be applied on National Forest System lands. If a Cooperator is conducting reforestation activities, a Forest Service certified silviculturist shall approve all reforestation diagnoses and prescriptions, verify that the seed/seedling stock is from a confirmed source and appropriate for the planting site, and document the seed source (FSM 2472, 2473, and 2474).

### **81.61 - Nurseries and Seed Sources**

The Forest Service Nursery System is the preferred source for seed and stock. If Forest Service seed is not available, the Forest Service retains authority to approve seed purchases to ensure seed is from the correct geographic area, has the desired genetic diversity, and has the desired disease resistance level. The seed source must be documented.

If the Forest Service Nursery System does not have the capacity to grow appropriate seedlings, those individuals preparing good neighbor agreements, good neighbor master agreements, good neighbor supplemental project agreements, or their modifications must coordinate growing facilities with respective Forest Service Nursery System staff. In specific instances, other nurseries may be considered and used where appropriate (FSM 2473).

As discussed in section 81.36, the Granger-Thye Act authorizes the United States Forest Service Nursery System to sell nursery seed and stock directly to States and political subdivisions, and to public agencies of other countries, at rates not less than the actual or estimated cost to the Federal Government.

### **82 - Preparing Timber Sales Under Good Neighbor Authority**

Timber sales under the good neighbor authority are prepared according to the roles and responsibilities outlined in the approved Timber Removal Plan, appendix D of the agreement. Timber sales must be planned for completion and closure prior to the termination date of the supporting agreement. None of the parties should perform work outside the scope of work or in excess of the funding and/or revenue agreed upon in the existing instrument prior to execution of a modification to the agreement.

#### **82.1 - Field Preparation**

The Forest Service must work with the Cooperator to prepare an accountable timber sale project, including the determination of volume and appraisal to determine fair market product value. The Forest Service shall prepare and/or approve all silvicultural prescriptions and marking/designation guides for the Cooperator to implement. The Forest Service must review the contract submitted by a State for the sale of any National Forest timber.

Competent, experienced Forest Service specialists conduct a review of sale preparation work. The review ensures that sale preparation followed the sale implementation plan and other resource protection requirements or guidance for sale preparation. The review shall include an on-site review of quality and compliance with environmental analysis for a sample of the timber sales, as determined by the appropriate Line Officer and included in the good neighbor agreement. Forest Service approval is required prior to advertising a sale.

Where it is anticipated that the Cooperator and the Forest Service will have a regular and recurring partnership implementing good neighbor agreements, the participating Forest Service Unit may develop local operating procedures to outline development and implementation of future projects for consistency, expediency, and benefit of experience.



### **82.11 - Exemptions to National Forest Management Act of 1976, Section 14**

Timber sales sold under the good neighbor authority are exempt from subsections (d) and (g) of section 14 of NFMA, which state:

**(d) The Secretary of Agriculture shall advertise all sales unless he determines that extraordinary conditions exist, as defined by regulation, or that the appraised value of the sale is less than \$10,000. If, upon proper offering, no satisfactory bid is received for a sale, or the bidder fails to complete the purchase, the sale may be offered and sold without further advertisement.**

**(g) Designation, marking when necessary, and supervision of harvesting of trees, portions of trees, or forest products shall be conducted by persons employed by the Secretary of Agriculture. Such persons shall have no personal interest in the purchase or harvest of such products and shall not be directly or indirectly in the employment of the Purchaser thereof.**

Timber sales sold by States under a good neighbor agreement shall be governed by the State contracting procedures but must ensure accountability of the National Forest System timber harvested. Policy is to rely on State contracting procedures that are acceptable to the Forest Service for advertising, marking/designation, and supervision to ensure accountability. Consult with the Washington Office, Director, Forest Management, regarding any concerns about Forest Service regulations, policies, or procedures that may be exempt from NFMA as a result of the good neighbor authority.

### **82.12 - Use of Forest Service Tracer Paint**

Forest Service tracer paint is required only when a timber sale is prepared and/or offered by the Forest Service. If the State prepares and offers the timber sale, Forest Service tracer paint is not required. However, the State must ensure timber is cut in accordance with the agreement.

### **82.2 - Requirements of State Instrument for Sale of Timber**

State-offered timber sales should not use Forest Service timber sale forms, because some contract wording is unsuitable for use by the State. However, the State timber sale instrument (agreement, contract, permit, and so forth) shall be reviewed by a Timber Sale Contracting Officer (consistent with appendix E of form FS-1500-36 or FS-1500-36b—refer to section 80.6) and approved by a responsible Line Officer prior to timber sale advertisement to ensure protection of the interests of the United States.

Appendix E of the FS-1500-36 and FS-1500-36b templates is the timber sale contract checklist, based on the FS-2400-6/6T contract, which shall be considered and addressed, as appropriate for a specific timber sale. Requirements for all relevant items shall be included within the agreement with the State and within the State's timber sale instrument. When the timber sale contract is not complex, reference the FS-2400-4 contract conditions for draft language.

The instrument shall address appropriate Federal legal requirements, as well as any requirements agreed upon between the State and Forest Service as described in appendix E of good neighbor agreements.

Examples of legal requirements include (but are not limited to):

1. NEPA design features and mitigation measures;
2. Forest Resources Conservation and Shortage Relief Act of 1990;
3. Endangered Species Act requirements, such as timing restrictions; and
4. Resource protection.

Examples of agreed upon requirements include (but are not limited to):

1. Brush disposal, road maintenance, and so forth;
2. Payment arrangements;
3. Timber designation;
4. Fire liability;
5. Title transfer and liability for loss; and
6. Timber sale suspension, modification, or cancellation to comply with NEPA or other legal sanction.

### **82.21 - NEPA Compliance for Sale of Timber**

The Forest Service retains authority to approve all NEPA documents, including for special requirements, design features, and mitigation measures. It also retains authority to provide necessary information to the State and ensure the State's instrument includes suitable provisions to address these requirements.

### **82.22 - Compliance with Federal Regulations**

For all timber sales, a State timber sale instrument shall include appropriate measures that address other Federal compliance laws, such as the National Historic Preservation Act and Endangered Species Act.

### **82.23 - Advance Payment**

36 CFR 223.34 requires that all timber sale contracts provide for payment or satisfactory payment guarantee in advance of cutting. However, advance payment to the Forest Service is not required for State timber sale contracts under good neighbor authority. Because good

neighbor agreements are not timber sale contracts, the Forest Service will accept documentation in the good neighbor agreement that the State stands behind the agreement with the full faith and credit of the State. With that guarantee, the State may follow its own timber sale payment requirements.

#### **82.24 - Fire Liability**

The good neighbor authority does not require a State to utilize Forest Service fire liability contract provisions in the State's timber sale instruments. However, to protect Forest Service interests, state instruments must include adequate fire prevention and response measures. If the State instruments lack such prevention and response mechanisms the State can modify their instruments to include such language, including fire liability limits. At a minimum, the instrument must incorporate language regarding fire precaution measures that is consistent with the Forest Service timber sale contract and would be applicable to this type of project on National Forest System lands. The Forest Service cannot relinquish the right to the level of fire protection equal to the level specified in Forest Service contracts.

State timber sale instruments shall not relieve the Purchaser of liability in the event of negligence. Therefore, any fire liability limits must not apply to fires resulting from negligence. The Forest Service retains authority to conduct an investigation to determine if negligence has occurred. Refer to FSM 1580 for additional information regarding fire liability.

#### **82.25 - Forest Resources Conservation and Shortage Relief Act**

The Forest Service has the responsibility to monitor export facilities for logs originating from Forest Service lands. To maintain monitoring integrity, the Forest Service has established consistent minimum requirements for tracking logs removed from Forest Service lands that are subject to the Forest Resources Conservation and Shortage Relief Act of 1990, as amended (16 U.S.C. 620, et seq.). Instruments prepared by the State under the good neighbor authority within Regions 1-6 and 10 also need to include requirements that will enable seamless Forest Service monitoring of logs originating from Forest Service lands. Forms FS-1500-36 and FS-1500-36b appendix E ("Other Considerations") of the good neighbor agreement requires State instruments to include appropriate measures to properly identify and account for National Forest timber that is subject to the Act. At a minimum, painting and branding contract language in State instruments must be consistent with Forest Service timber sale contract FS-2400-6/6T provisions B6.842/BT6.81 (C6.842/CT6.81 for Region 10) and C/CT8.66 options 1 or 2, as applicable to the appropriate Region.

Contract language consistent with B6.842 (C6.842 for Region 10) and BT6.81 (CT6.81 for Region 10) authorizes the Contracting Officer to waive or adjust requirements for specific sales when those requirements are unnecessary for accountability or export control. To ensure consistent monitoring integrity between all timber removed from Forest lands, waivers or adjustments of painting and branding requirements need to be coordinated between the State's instrument and the appropriate National Forest Contracting Officer. The agreement with the State needs to incorporate this waiver or adjustment coordination. Waivers and adjustments from the

terms of these provisions should be carefully considered, particularly when scaled and tree measurement sales are using the same haul routes or going to the same mill. Other considerations are discussed in FSM 2455.21c. Market conditions, delivery points, and export trends must be monitored through the course of the contract and, if changes occur, the alternate timber identification requirements must be assessed to determine if accountability and/or export control measures continue to be effective (FSH 2409.15, sec. 25.31). At a minimum, waivers or adjustments must meet Regional standards for log painting and branding.

Inclusion of the contract language with the latitude for waivers and adjustments provides flexibility in meeting the specific need for export control, while providing a mechanism to rescind the waiver or adjustment if the need arises. Refer to FSH 2409.15, sections 25.31 and 66.842 for additional guidance.

### **82.26 - Title Passage**

Timber title transfer is as specified in Forest Service timber sale contract FS-2400-6/6T provision B/BT8.11 (appendix E of forms FS-1500-36 and FS-1500-36b). To minimize conflict in the event of a contract default, the Forest Service shall maintain all right, title, and interest in included timber until it has been cut, measured, and removed from the timber sale area, at which time the title passes to the Purchaser regardless of payment arrangements between the State and Purchaser. Any timber not removed on or prior to the contract termination date remains the property of the Forest Service.

### **82.27 - Performance**

Performance bonds between the Forest Service and the State are not required. However, as stated in appendix E of the FS-1500-36 and FS-1500-36b templates, the State instrument shall contain:

1. A procedure for protecting the interests of the United States in the event a Contractor defaults, such as a performance bond, and
2. Language regarding dispute settlement between the State and Purchaser.

### **82.28 - Debarment and Suspension**

The State shall inform the Forest Service if the State is or becomes suspended, debarred, or excluded from entering into covered transactions with the Federal Government according to the terms of 2 CFR, Parts 180 and 417. Refer to the good neighbor agreement templates (sec. 80.6).

In accordance with appendix E of the FS-1500-36 and FS-1500-36b templates, all Contractors and Subcontractors doing business with a State under good neighbor authority shall complete a certification using forms AD-1047 and AD-1048. The State will retain the certifications and provide copies to the Forest Service upon request. In the event a Purchaser defaults a State's timber instrument, default proceedings will follow State procedures. The Purchaser must be referred to the Forest Service for consideration of Federal suspension and/or debarment.

## **82.29 - Timber Removal Plan**

Appendix D of the good neighbor agreement should include a comprehensive timber removal plan that identifies required reforestation, brush disposal, and road maintenance (recurrent and/or deferred) needs.

## **82.3 - Timber Sale Roads**

The 2018 Omnibus Bill improved the partnership with Cooperators on road projects necessary to carry out a good neighbor project. The bill authorizes reconstruction, repair, or restoration of existing permanent roads necessary to carry out a good neighbor project and decommissioning National Forest System roads that are determined to be unneeded. However, it continues to prohibit construction of new permanent roads.

Timber sale roads must be maintained, commensurate with use, to meet the minimum standards for removing timber. Maintenance of existing system roads is permitted under good neighbor authority to the extent necessary to implement projects. Road maintenance (recurrent and/or deferred) may be performed by the Cooperator or its subcontractors. Refer to sections 81.31, 81.34 and 83.4 regarding collection agreements for cooperative road maintenance work that the Forest Service agrees to perform for the Cooperator.

Construction and decommissioning of temporary roads are permitted under the good neighbor authority to the extent necessary to implement projects.

Reconstruction, repair, or restoration of a National Forest System road that is necessary to carry out authorized restoration services is permitted. Any such roads reconstructed, repaired, or restored that were previously identified as not needed according to 36 CFR 212.5(b)(2) shall be decommissioned in accordance with restoring or improving forest, rangeland, and watershed health (including fish and wildlife habitat). This must be done in a manner consistent with the travel management plan no later than three years after completion of the applicable authorized restoration project. Ensure the good neighbor agreement schedules decommissioning responsibility prior to expiration of the agreement or sooner, as appropriate.

## **82.4 - Determination of Appraised Value**

Though States may retain revenue from a timber sale, there is still a need for an appraisal to determine fair market value. National Forest System timber shall be sold by States in accordance with subsection (a) of NFMA (36 CFR 223.60 and 223.61). The Forest Service and State need to mutually agree and specify in the good neighbor agreement which entity will prepare the timber appraisal.

Determination of appraised value must follow normal Forest Service appraisal methods or methods established by the State and mutually agreed to by the State and the Forest Service Line Officer. The Forest Service and State mutually establish an appraised rate that is the lowest rate that the State may use to advertise the National Forest System timber for sale. That rate is either the established Regional minimum stumpage rate (as defined in FSM 2431.31 and 36 CFR

223.61) or the fair market value as required under 36 CFR 223.60, whichever is higher. The appraisal indicates if there is sufficient appraised value to cover required reforestation, brush disposal, or deferred road maintenance costs.

## 82.5 - Timber Sale Gates 1-6

Timber sale gate certifications are required for good neighbor timber sales to ensure project development in a sequential, timely, accurate, and complete manner. The responsible official for the project approves work completed in each gate by signing the TIM-generated certification report for Gates 1-4. This authority cannot be delegated.

Gate 1 - Proposal Development and Gate 2 - Project Analysis and Decision: Line Officers are responsible for certifying any potential good neighbor project at Gate 1 and Gate 2 for the TIM-generated certification reports. Refer to FSH 2409.18, chapter 20 for additional guidance.

Gate 3 - Preparation of a Timber Sale: Good neighbor authority authorizes the Cooperator to prepare the timber sale on the ground in accordance with the silviculture prescription. The Forest Service shall prepare or approve silvicultural prescriptions and marking/designation guides for the Cooperator to implement. The Forest Service shall work with the Cooperator to prepare an accountable timber sale project, including the determination of volume. The responsible official shall certify on the TIM-generated certification report for Gate 3 that the timber sale complies with management requirements. Refer to FSH 2409.18, chapter 30 for additional guidance.

Gate 4 - Advertise a Timber Sale: For timber sale contracts prepared for offer by the State, the Forest Service shall work with the State to prepare an appraisal to determine fair market product value (sec. 82.4). Good neighbor authority allows the State to implement restoration activities, including timber removal, using State contract procedures. The Forest Service shall appoint a liaison to the State to review plans and contracts to monitor adherence to the NEPA decision and required accountability regulations as they are implemented under State contract procedures. The responsible official shall certify the TIM-generated certification report for Gate 4, including the following statement typed or written in the remarks section:

“This project is being implemented under a good neighbor authority cooperative agreement with the State of \_\_\_\_\_. The State contract procedures are being used to meet the requirements of 36 CFR 223.”

Refer to FSH 2409.18, chapters 40 and 50 for additional guidance.

Gate 5 - Bid Opening: No signature is required at Gate 5 due to the exemption from NFMA sec. 14(d).

Gate 6 - Award a Timber Sale Contract: For timber sale contracts prepared for offer by the State, Gate 6 should not be locked until the State has awarded the contract. When Gate 6 is locked, a final copy of the contract is printed and filed with the certification reports for Gates 1-5

as documentation in the official agreement file. A copy of the State's timber sale contract(s), along with its Timber Information Manager (TIM) and Forest Products Financial System (FPFS) outputs, should also be included in the Forest Service Office of Grants and Agreements official agreement file. Refer to FSH 2409.18, chapter 60 for additional guidance.

### **83 - Awarding, Tracking, and Reporting Good Neighbor Timber Sale Projects**

#### **83.1 - Timber Information Manager (TIM)**

Contract information related to good neighbor agreements using form FS-1500-36 or FS-1500-36b is entered into the Timber Information Manager (TIM) through Gate 6. Refer to section 82.5. TIM is used to facilitate upward reporting of project accomplishment and provide an interface with the Forest Products Financial System (FPFS), but TIM is not programmed to produce the agreement instrument.

For all good neighbor timber sales, the timber volume sold, Gate 6 - Award a Timber Sale Contract should be locked in TIM at the time of award, or as soon as the State provides notice of award. While States may not have a system similar to the Forest Service for tracking timber sales, Gate 6 in TIM should be locked when a State contract is fully executed.

If it is determined there were no bidders for a timber sale or all are rejected by an authorized official, the timber sale status must be entered in TIM at Gate 5 to a "no bid" or "rejected bids" reason change. This information is for upward reporting.

If an authorized official decides to re-advertise or continue with a timber sale after a no bid or a rejected bid, select "re-advertise" or "continue with sale" in TIM at Gate 5. This action will unlock Gate 4 (for individuals with the TIM-unlock role) and change the timber sale status to "ongoing."

Until good neighbor agreement documentation is fully implemented in the existing TIM system, it is necessary to enter good neighbor agreements using timber contract forms. The FS-2400-4 contract form is preferred. For good neighbor authority timber sales with road reconstruction, the FS-2400-6/6T contract form is used in TIM. The TIM-generated contract is for documentation purposes only and is not executed by either party. Another contract form may be necessary under unusual circumstances; contact Washington Office, Forest Management for assistance. Do not use a stewardship contract form for good neighbor timber sales under any circumstance, as they include goods exchanged for services. Reference the TIM User Guide and/or the TIM Quick Guides for additional instructions for entering good neighbor authority product removal activities into TIM.

State timber sales within good neighbor authority do not return revenue to the Forest Service. Indicated Advertised Rate, Advertised Rate, and Base Rate on the ADVR109 form are all entered as \$0.00 in TIM.

To allow tracking and upward reporting, all good neighbor authority timber sale names will include "GNA" as the first 3 letters of the 20-character sale name in TIM. Further instructions

on TIM implementation will be provided as system changes are implemented to better accommodate good neighbor projects.

Units should consider documenting good neighbor authority volume on the Timber Program Announcement cover letter (refer to FSM 2431.7).

### **83.2 - Forest Products Financial Administration**

All good neighbor agreements with product removal will be put into TIM according to section 83.1. TIM directly interfaces with FPFS, transferring the timber sale data necessary to report cut volume. Both parties are responsible for identifying procedures to transfer timber sale data.

The release, cut, and accept dates on tree measurement timber sales, and removed and scaled dates on scaled timber sales, will be required to be reported in FPFS based on authorized source documents. Both parties are responsible for identifying procedures to gather volume changes and harvest data.

Report specified road components (prism/culverts, surface, and bridges) using FPFS, based on the monthly road work that has been accomplished. This information must be provided to the Forest Products Resource Specialist. Road component information reported in FPFS is upwardly reported to assist in assigning a monetary value to Forest Service roads.

Timber removal plan, paragraph 6 of appendix D in forms FS-1500-36 and FS-1500-36b, establishes the final acceptance and close out process. Sale closure must be reported in FPFS upon receipt of close out documentation by the Forest Service. Promptly provide this documentation to the unit Forest Products Resource Specialist to close the sale in FPFS.

Further instructions on FPFS management are provided in the FPFS Desk Guide.

### **83.3 - Harvest and Payment Reporting to the Forest Service**

Product harvest reporting will be based on the timeframes established in appendices of the project agreement templates. Harvest and payment reporting must be performed by the State no less than annually and prior to September 30. However, it is recommended that reports are submitted at least quarterly when State contract operations are in progress. The State handles all transactions between the State and its subcontractors and timber purchasers.

### **83.4 - Collection Agreements**

The Cooperator may provide funding to the Forest Service for required reforestation, brush disposal, and road maintenance (recurrent and/or deferred) through a collection agreement. The collection agreement is a separate agreement from the good neighbor agreement. The collection agreement (or modification) needs to be signed and in place before collecting and depositing revenues into the CWFS fund. Deposits for the cooperative work to be performed by the Forest Service must be collected before any work begins. Refer to FSH 1509.11, ch. 40 for direction on



preparing and executing a collection agreement. Also refer to section 81.3 regarding cooperative work.

### **83.5 - Accomplishment Data Entry**

Acres harvested, and other restoration work activities that are not related to timber product volume, must be tracked in the appropriate database of record. Good neighbor authority accomplishments reported in Forest Service Activity Tracking System (FACTS) and Watershed Improvement Tracking (WIT) are identified by “GNA” implementation project types. Refer to Forest Service handbooks regarding entry requirements for accomplishments.

## **84 - Quality Control and Administration**

### **84.1 - Project Oversight**

Projects agreed upon and offered by a State under good neighbor agreements require coordination between the Forest Service and the State. The Forest Service does not have any contract authority on a State’s contract. However, the Forest Service does retain oversight responsibility for good neighbor projects as the Federal Agency responsible for management of National Forest System lands. All projects implemented under good neighbor authority must be monitored and tracked in the appropriate Forest Service system of record. The good neighbor agreement should include a quality assurance plan involving both the Forest Service and the State for project implementation. Any issues or concerns identified by the Forest Service shall be addressed to the State for resolution.

### **84.2 - Law Enforcement**

The lead role regarding timber theft prevention and other law enforcement issues on good neighbor projects will be established and agreed upon within the good neighbor agreement. The Forest Service must be notified when undesignated timber is cut and retains authority to conduct an investigation to determine if undesignated timber was negligently or willfully cut. In the case of fire, the Forest Service also retains authority to conduct an investigation to determine if negligence has occurred. The responsible staff varies between States for law enforcement and investigation obligations relative to legal actions which may occur as a result of timber operations. (The responsible staff may be the State’s contract administration staff.) Both Forest Service Law Enforcement and Investigations personnel and responsible State staff should be invited to pre-operations meetings for good neighbor projects to facilitate project orientation and interagency coordination. As standard procedure, Forest Service Law Enforcement and Investigations and responsible State staff must share information and should coordinate regarding any investigations, citations, or other law enforcement concerns involving good neighbor projects.

Regional and Forest Products Theft Prevention Plans must address timber theft prevention and other law enforcement issues relative to contracts and agreements under the good neighbor

authority. A discussion on coordination between the Forest Service and States must be included. Refer to FSH 2409.12b and FSH 2409.15, sec. 13 for additional guidance.

### **84.3 - Monitoring**

As with all projects on National Forest System lands, implementation and effectiveness monitoring for timber sale and other activities should be included in the good neighbor agreement with the roles of the Forest Service and the Cooperator identified and agreed upon. None of the parties should perform work outside the scope of work or in excess of the funding and/or revenue agreed upon in the existing instrument prior to the execution of a modification to the agreement. Refer to 1509.11, section 15.5 and FSH 1909.15 for further guidance on Program Manager project monitoring.