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Land Management

Experimental Stewardship Program

Review Draft

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The Bureau of Land Management and the Forest Service request your comments on this report on the Experimental Stewardship Program (ESP). Comments received by July 26, 1985, will be considered in the development of the legislatively mandated report to be submitted to Congress no later than December 31, 1985.

The ESP was authorized by Section 12 of the Public Rangelands Improvement Act (PRIA) of 1978, which directed the Secretary of the Interior and the Secretary of Agriculture to:

"* * * develop and implement, on an experimental basis * * * a program which provides incentives to, or rewards for, the holders of grazing permits and leases whose stewardship results in an improvement of the range condition * * *."

Section 12 of PRIA also requires that the Secretaries report to Congress on the results of this program and the grazing fee evaluation called for in Section 6. The grazing fee report, which will be submitted to Congress at approximately the same time as the Experimental Stewardship Report, is a separate document, and comments on it will be solicited and considered independently of this report.

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EXPERIMENTAL STEWARDSHIP PROGRAM

I. INTRODUCTION

A. Legislation

Section 12(a) of the Public Rangelands Improvement Act of 1978 (PRIA) directs the Secretary of the Interior and the Secretary of Agriculture:

"* * * to develop and implement, on an experimental basis on selected areas of the public rangelands which are representative of the broad spectrum of range conditions, trends, and forage values, a program which provides incentives to, or rewards for, the holders of grazing permits and leases whose stewardship results in an improvement of the range condition of lands under permit or lease. Such program shall explore innovative grazing management policies and systems which might provide incentives to improve range conditions." ^{1/}

According to the statute, these policies and systems "may include but need not be limited to -- [emphasis added]

- (1) cooperative range management projects designed to foster a greater degree of cooperation and coordination between the Federal and State agencies charged with the management of the rangelands and with local private range users,
- (2) the payment of up to 50 percent of the amount due the Federal Government from grazing permittees in the form of range improvement work,
- (3) such other incentives as he may deem appropriate."

As the emphasized language plainly states, the policies and systems enumerated are merely illustrative. The Senate Committee on Energy and Natural Resources stated that under this authority "[t]here may be many * * * incentive programs that the Secretaries may develop to improve range conditions." (S. Rep. No. 95-1237, 95th Cong., 2d Sess. (1978), reprinted in 1978 U.S. Code Cong. & Ad. News 4069, 4077.)

^{1/} The Act defines "range condition" to mean: "* * * The quality of the land reflected in its ability in specific vegetative areas to support various levels of productivity in accordance with range management objectives and the land use planning process, and relates to soil quality, forage values (whether seasonal or year round), wildlife habitat, watershed and plant communities, the present state of vegetation of a range site in relation to the potential plant community for that site, and the relative degree to which the kinds, proportions, and amounts of vegetation in a plant community resemble that of the desired community for that site."

The purpose of the Experimental Stewardship Program (ESP) as expressed by the Senate Committee on Energy and Natural Resources (Legislative Report No. 95-1237) was to foster cooperation, innovation and better range stewardship, thereby improving the conditions of the multiple resources and the quality and quantity of products and services from the public and private rangelands. ^{2/}

B. Purpose of This Report

The Act requires that no later than December 31, 1985, the Secretaries of Agriculture and the Interior "shall report to the Congress the results of such experimental program"

This report, prepared by the Forest Service and the Bureau of Land Management (BLM), addresses the two Agencies' efforts at implementing an ESP. This report describes the ESP areas, explains how the ESP's function, and presents the results under the ESP. The report also presents tentative conclusions drawn from the results and identifies some alternatives for future consideration. Public comments on this report will be considered in preparing the report of the Secretaries to Congress.

II. PROGRAM

A. Goals

Goals of the ESP as set forth in Agency guidelines in 1979, prior to the selection of the ESP areas, were:

- To develop and implement grazing management policies and systems that provide incentives to, or rewards for, grazing permittees and/or lessees for range stewardship resulting in improved range condition.
- To foster State, Federal and individual involvement, coordination and cooperation through the broadest possible consultation with landowners, managers, rangeland users, and other individuals or groups affected by or having an interest in the management of the area's land and resources.

^{2/} As used in this report, the terms "public lands" and "public rangelands" refer to both National Forest System lands and lands administered by the Bureau of Land Management.

B. Areas Selected for Experimental Stewardship

In 1979 and 1980, the Secretaries, through the BLM and Forest Service, established three joint ESP's: the Challis in east central Idaho; the Modoc-Washoe in northeastern California and northwestern Nevada; and the East Pioneer in southwestern Montana. In 1980 and 1981, BLM additionally authorized 13 ESP's of varying size and complexity located in Arizona, Nevada, New Mexico, Oregon, and Utah (Map 1).

The 16 ESP areas involve a total of more than 12 million acres of Federal, State, and private rangelands. Consistent with PRIA, the areas have a wide range of vegetation conditions and physical characteristics (Table 1).

The ESP areas exhibit varied uses and users of the resource base. Table 2 shows recreation, livestock, timber, mineral, wildlife, and other uses of the areas.

Three of the BLM-authorized ESP areas, Dufers Point, Twin Buttes, and County Line/Gila, have been dropped from the program at the request of the livestock operator.

THE EXPERIMENTAL STEWARDSHIP AREAS

Map No. 1

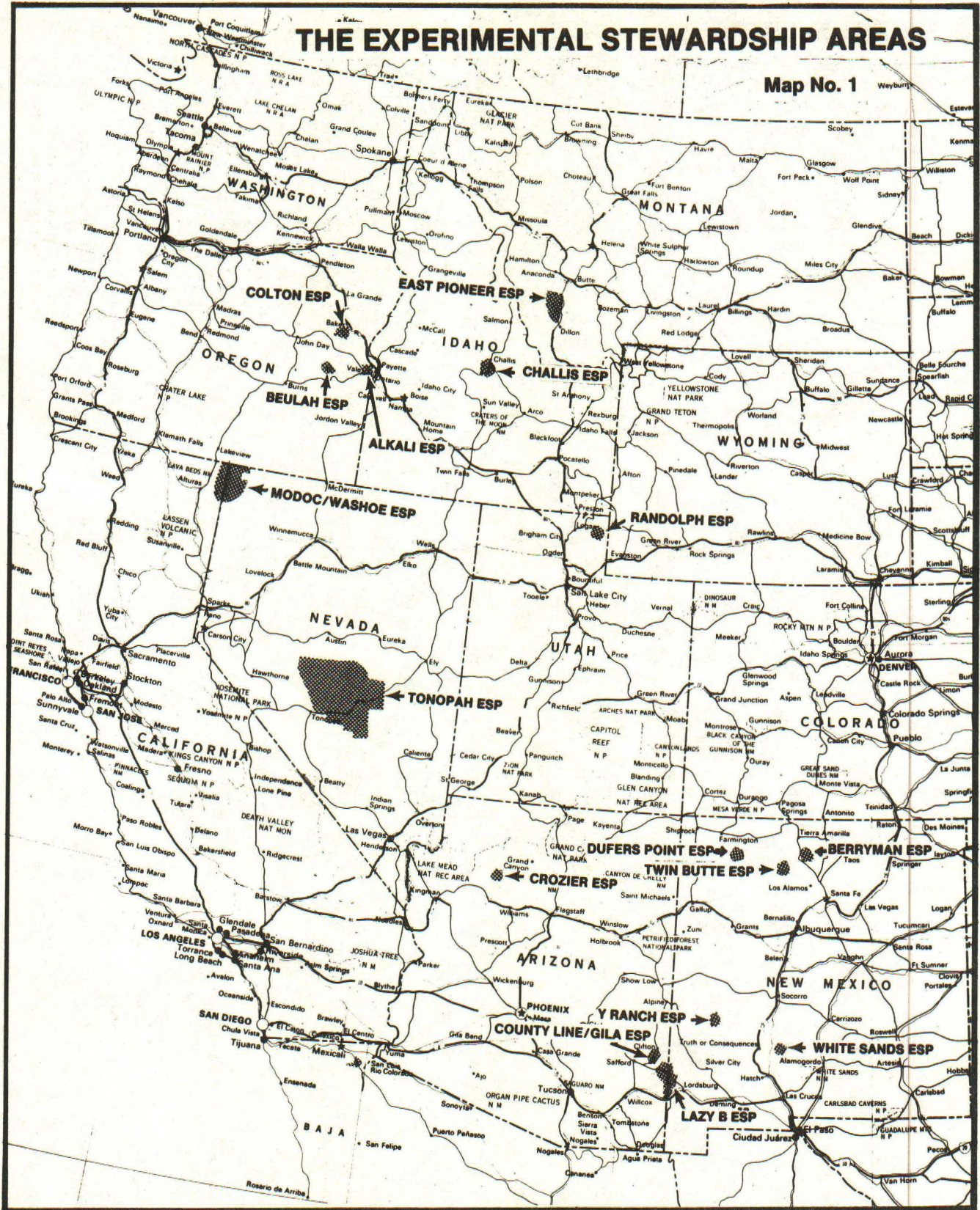


TABLE 1
PHYSICAL CHARACTERISTICS

	ESP AREA	ACREAGE	BLM	% LAND STATUS			RANGE IN ELEVATION (ft)	PRECIPITATION RANGE (inches)	VEGETATION
				FS	STATE	PRIVATE			
<u>Joint</u>									
	Challis	3,756,000	44	49	3	4	5,000 - 11,000	7-17	sagebrush-bunchgrass, riparian, mountain meadow
	East Pioneer	750,000	20	60	10	10	5,500 - 9,000	10-40	riparian, sagebrush-grass, mountain meadow, grassland, conifer
	Modoc-Washoe	2,300,000	62	14	1	23	4,000 - 9,000	6-20	high desert brush, mountain meadow, shrub, conifer
<u>Arizona</u>									
	County Line Gila	38,336	78	--	21	1	3,200 - 6,200	12	desert grassland, desert shrub
	Cozier	114,644	71	--	21	8	4,000 - 6,600	11	desert grassland, pinyon-juniper woodland
	Lazy B	185,560	70	--	25	5	3,700 - 6,200	10	high desert grassland, desert shrub
<u>Nevada</u>									
	Tonopah	4,100,000	99	--	--	1	4,700 - 10,000	4-15	desert shrub, pinyon-juniper woodland, sagebrush
<u>New Mexico</u>									
	Berryman	12,059	28	--	16	56	7,150 - 7,650	18	pinyon-juniper woodland, sagebrush
	Dufers Point	30,805	79	--	8	13	5,900 - 7,236	10-12	sagebrush-grass, pinyon-juniper woodland
	Twin Butte	4,920	78	--	13	9	6,140 - 6,662	6	pinyon-juniper woodland, short grass, shrubland
	White Sands	42,945	84	--	13	3	5,200 - 6,900	9-12	desert shrub, desert grassland
	Y Ranch	91,296	23	58	13	6	6,900 - 8,400	12	conifer, pinyon-juniper woodland, short grass
<u>Oregon</u>									
	Alkali	64,997	89	--	--	11	2,500 - 3,600	7-12	annual grassland, sagebrush grass
	Beulah	49,377	76	--	--	24	3,300 - 5,900	12-21	juniper, sage, bunch grass
	Colton	3,466	62	--	--	38	3,500 - 4,100	12	sagebrush grass
<u>Utah</u>									
	Randolph	569,102	26	8	8	58	6,200 - 8,000	10-14	sagebrush, bunch-grass, black sage, low sage, aspen, juniper, mountain shrub, riparian, dry meadow, conifer

Reserved for Table 1

Table 2. RANGELAND USE OF THE ESP AREAS
(Average Per Year - 1980-1984)

ESP AREA	LIVESTOCK OPERATOR	USE	HUNTER DAYS	FISHING DAYS	WILDERNESS DAYS	CAMPING DAYS	OTHER RECREATION DAYS	WOOD PRODUCT MBF	WILD HORSES NUMBER	MINERAL ACTIVITIES	MUNICIPAL WATERSHED NUMBER
1. Challis	28	28,400	10,800	10,000	---	10,200	12,000	800	185	\$310,000	1
2. East Pioneer	30	20,300	25,200	34,000+	---	7,700	52,600	4,900	---	significant	1
3. Modoc-Washoe	82	123,770	102,500	169,000	42,000	108,900	176,823	15,100	500	\$216,000	---
4. County Line/Gila	1	5,022	150	---	---	---	1,000	---	---	---	---
5. Cozier	1	15,092	1,800	---	---	40	2,500	12	---	---	---
6. Lazy B	1	21,120	60	---	---	300	350	---	---	---	---
7. Tonopah	20	150,205	1,500	2,000	---	2,000	1,000	1.5	2,500	some	---
8. Berryman	1	1,836	76	---	---	36	40	.1	---	---	---
9. Dufers Point	2	3,726	15	---	---	10	5	.002	---	oil & gas	---
10. Twin Butte	2	1,920	---	---	---	---	---	---	---	---	---
11. White Sands	1	3,828	125	---	---	---	100	---	---	---	---
12. Y Ranch	1	11,217	1,000	49	---	1,490	154	---	---	---	---
13. Alkali	8	12,340	75	24	---	10	18	---	---	---	---
14. Beulah	1	5,750	520	200	---	100	65	---	---	---	---
15. Colton	1	428	11	---	---	---	---	---	---	gravel	---
16. Randolph	84	150,700	22,558	---	---	8,500	950	.02	---	exploration	3

Reserved Table 2

C. Operations of ESP Areas

1. Participants and Procedures

Three areas were selected from field office nominations for joint BLM and Forest Service programs, and BLM independently approved ESP programs for 13 additional areas. Following selection of the areas, local field managers and other local participants developed procedures and approaches for the programs that were consistent with Agency goals, objectives, and guidelines. Local managers and participants were given significant flexibility to develop the program structure, and this resulted in a variety of approaches. However, three basic formats can be distinguished.

a. Joint Forest Service and BLM-Authorized ESP Areas

The joint ESP areas were multiple-allotment programs involving large areas of Federal, State, and private lands with numerous Federal, State, and local agencies and interests participating. At the Federal level, the Forest Service, BLM, Soil Conservation Service (SCS), and Agricultural Stabilization and Conservation Service (ASCS) participated. Soil Conservation Districts, game and fish agencies, State Departments of Agriculture, State rangeland committees, universities, and Extension Services participated from the State level. There was also a wide variety of private sector involvement, including ranchers, environmental groups, and other interested individuals and groups.

Although the approaches were developed independently in each area, all three evolved into a cooperative management process. The key principles of the process are:

- Engaging in direct dialogue at the local level;
- Involving all ownership and interests;
- Considering all resources and activities;
- Respecting all obligations and rights;
- Acting only on consensus agreement.

The operational approach of these joint ESP groups was to divide roles and responsibilities into steering committees and technical review teams.

(1) Steering Committees

The Steering Committee's role was to provide the leadership, direction, and administrative oversight for ESP. The use of steering committees varied. Membership represented the livestock industry; special interest groups; and a diversity of county, State, and Federal agencies. Members were specifically selected to provide multiple-use input into the decisionmaking process. The steering groups set goals and objectives, established priorities, recommended specific programs, appointed committees, reviewed alternative management systems or solutions, and determined actions to be taken.

In most cases, ESP decisions were made through consensus. Agency representatives ensured that legal requirements, including laws, regulations, and land management plan decisions, were met while providing channels for obtaining approval for innovative approaches to achieving multiple-use objectives. Steering groups operated as a decisionmaking body, but with the clear understanding that the ultimate authority for approval of programs and projects remained with the land manager members of the steering committee.

(2) Technical Review Teams (TRT's)

Technical Review Teams evolved independently to almost identical structure and role in each of the joint areas. In Challis they were known as Allotment Planning Teams, in East Pioneer they were Planning Teams, and in Modoc-Washoe they were called Technical Review Teams. TRT teams were appointed by the steering committees for specific tasks, and included a representative from the appropriate land-managing agency, involved ranchers, a State wildlife agency employee, and other essential specialists or interest group representatives. The team, working in the field and acting through consensus, identified alternatives to meet objectives established by the steering group for specific projects or areas of concern. These alternatives were then presented to the steering group.

The TRT process formulated specific concerns for each area. Each significant concern addressed in the planning process was specifically addressed in the management plan.

b. BLM-Authorized Multiple-Allotment ESP Areas:

The BLM-authorized Tonopah and Randolph ESP areas were multiple-allotment programs involving large areas of Federal, State, and private lands with Federal, State, and local agencies and interests participating. They were keyed to local offices of Federal and State agencies charged with the management of the rangelands and local private range users and interests, principally ranchers. At the Federal level, the BLM and SCS participated. The SCS played a key role in implementing the Randolph program by providing technical assistance and developing conservation plans for allotments where private lands are dominant. The Forest Service did not officially designate National Forest System (NFS) lands as part of the ESP areas; however, local Forest Service officials participated with BLM and livestock operators in implementing livestock management plans within existing policy and regulations when the programs involved NFS lands. Game and fish agencies, land management agencies, and extension services from the State level joined local officials and individuals in participating in ESP activities.

In the Randolph ESP area, a steering committee consisting of local representatives established guidelines for an allotment plan prior to the development of an operational plan by the rancher and BLM. The steering committee consisted of representatives from BLM, SCS, Utah Division of State Lands, Utah Division of Wildlife Services, Utah State University Range Specialist, Rich County Extension Agent, officials from the Rich County Commission, local ranchers appointed by the Rich County Commission, and the Forest Service.

In contrast, the Tonopah approach was to use an ad hoc Coordinated Resource Management Planning (CRMP) Committee as the steering committee. The CRMP committee's membership varied between allotments. Because membership was open to the general public, individuals with an interest in a specific allotment could participate as members of the CRMP committee. The CRMP committee reviewed the draft operational plan that had been developed in advance by the rancher.

c. BLM-Authorized Allotment-Level ESP Areas

The BLM-authorized allotment-level ESP areas were single or dual allotment programs involving smaller areas of Federal, State, and private lands. These allotments are representative of a large amount of public land that has limited conflicts and multiple-use values. Because the areas had less acreage and fewer conflicts and multiple-use values, many of the interest groups, such as State game and fish departments, chose not to have a large role in the ESP programs. The allotment-level ESP programs were keyed to local offices of Federal and State agencies charged with the management of the rangelands and the local ranchers. In most cases the primary participants were the rancher and BLM, with the rancher taking a large role in the development of the ESP plan.

The BLM allotment-level ESP's did not form steering committees. In most cases, the permittee developed a management plan for the allotment within the guidelines of the land management agencies. The plan, after approval of the Agencies, guided the management of the allotment. The involvement of other parties was slight and typically only in a reviewing capacity.

At the Federal level, the BLM, Forest Service, SCS, and ASCS participated. The Forest Service did not formally designate NFS lands as part of the ESP areas; however, local Forest Service officials cooperated with the BLM and livestock operators in the programs and livestock management plans that were developed. Land management Agencies, game and fish agencies, universities, and extension services participated from the State level.

2. Innovative Grazing Management Policies and Systems Explored

PRIA identified two specific programs that should be included and explored:

cooperative range management projects designed to foster a greater degree of cooperation and coordination between the Federal and State agencies charged with the management of the rangelands and with local private range users; and

the payment of up to 50 percent of the amount due the Federal Government from grazing permittees in the form of range improvement work.

In addition, PRIA suggested that other appropriate incentives be explored. Some of the other incentives explored include: return of the Range Betterment Fund portion of fees collected to the allotment where they originated, actual use billing, permit flexibility, and return on cash investment.

3. Program Monitoring

The ESP program was monitored to measure progress in accomplishing goals and objectives. Evaluation occurred continually. Each year the steering committee or the Agencies prepared an annual report summarizing the accomplishments for the different areas.

All ESP activities were checked to assure compliance with pertinent laws, regulations, and land-use plans. When conflicts occurred, the Agency adhered to legal requirements in all cases. In some instances, it was necessary to obtain variances from normal regulatory requirements to provide for experimentation. Where conflicts with the land-use plan were found, the agency modified it or the ESP program was adjusted to provide consistency. For example, the BLM land use plan for Modoc/Washoe ESP directed that some allotments were to have grazing systems developed that would provide 2 growing seasons' rest from livestock grazing to provide for adequate growth of bitterbrush. When the allotments were actually looked at in the field, the TRT committee found that livestock were not using the bitterbrush and the 2 years of growing season rest was not required for good bitterbrush production.

Resource monitoring was conducted on the ground to determine how the rangelands responded to the management applied. The field level monitoring was a cooperative effort with participation by many interests.

4. Sharing Experiences of ESP with Others

The ESP groups independently organized and conducted numerous information activities to publicize the program. In 1981, the joint ESP areas developed a coordinated public relations effort that attempted to: inform the general public of the history of public land and its value to the western livestock industry; inform agency professionals, ranchers, and other range user groups of the ESP concept of decisionmaking; inform the public of experimental results; and enhance the spread of the stewardship concepts and approaches.

Numerous efforts were made to achieve these goals, some of the more notable being:

Tours of ESP areas for interested individuals and groups, with international participation.

Television programs having national coverage.

Newspapers, documents, and magazines with national circulation.

A slide program on the TRT process.

Annual progress reports published by the joint areas.

III. RESULTS AND CONCLUSIONS

A. Innovative Policies and Systems

1. Cooperative Approach

THE CHANGE IN ATTITUDE FROM CONFRONTATION TO COMMUNICATION, COOPERATION, AND COORDINATION IN RANGELAND MANAGEMENT IS THE MOST SIGNIFICANT ACCOMPLISHMENT OF THE PROGRAM.

The cooperative process has created an aura of open, honest involvement and cooperation among individuals, groups, and agencies. It recognizes that each person must be able to operate with influence and power equal to every other member or group of members.

Communication and attitudes have improved to the point that the allotment management planning process is coordinated to meet the needs of livestock, wildlife, wild horses, and other resources. By utilizing coordinated management of lands within the ESP area owned or administered by various individuals and agencies, a greater pool of resources is available to develop and implement successful resource management programs.

The amount of resource use conflict on a given area determined the number of interests that were willing to participate and the participation level that the groups were willing to commit. The plans developed with all interests represented were stronger because of having a larger support base.

Resource management plans and activities developed at the local level are more acceptable because participants have a sense of influence, responsibility, and trust towards management decisions and their applications. ESP resulted in significant changes in the working atmosphere. The commitment to implement management plan direction by all involved parties might never have been accomplished outside a coordinated setting. The commitment brought about through the cooperative process accomplished in months what might otherwise have taken years.

The push toward range improvement is perceived to be a long standing commitment brought about by "local power." A permittee stated in June 1984, "Stewardship structure would provide consistent progress toward allotment management plan implementation and range improvement in spite of changes in personnel and political administrations."

2. Alternate Grazing Fee Collection and Distribution Systems

PRELIMINARY CONCLUSIONS ARE THAT NO SINGLE GRAZING FEE COLLECTION AND DISTRIBUTION SYSTEM IS CONSISTENTLY BEST FOR THE MANAGEMENT AND IMPROVEMENT OF THE PUBLIC LANDS.

Three programs involving grazing fee collection procedures are presently being explored and are not completely tested at this time. They are: (a) grazing fee credit, (b) grazing fee return, and (c) actual use billing.

a. Grazing Fee Credits.

The payment of up to 50 percent of the amount due from grazing fees in the form of range improvements was one of the incentives identified in PRIA. Since 1983, implementation has occurred in varying degrees on four areas: the Modoc-Washoe, Challis, Berryman, and Y Ranch ESP's. The most extensive program occurred on the Modoc-Washoe.

Although the authority to grant credit against grazing fees due the Government has been authorized by one or both Agencies (Forest Service/BLM) on 9 ESP areas, actual implementation was limited by lack of permittee interest in participation. East Pioneer ESP area permittees, for example, believed "that more efficient management through coordinated programs with improved communications represents the real incentive and reward that is common to all interests, and is sufficient to encourage good involvement," and chose not to experiment with fee incentives.

Strict guidelines were not established for testing this incentive beyond the requirement to stay within existing laws governing distribution of the monies collected. There is a wide range in how the incentive is being handled. The Forest Service limited the use of grazing fee credits to new construction, while BLM in some cases provided credit for project maintenance.

Due to the short time that this program has been available, the experiment has not been completed; however, some preliminary findings have been reported:

In terms of costs, some permittees donated all or part of the labor and provided equipment that they had on hand for project implementation. Thus, the permittees constructed the improvement at a reduced cost from that of the typical Government contract. For example, on the Berryman ESP the rancher treated 400 acres of sagebrush land with a rotary brushcutter using equipment he had on hand. Cost to BLM through the credit program will be \$7.63 per acre. Rotary cutting typically costs \$25.00 per acre.

In other cases, a Government contract was more cost effective because larger contracts tend to cost less per unit than smaller ones. Additional administrative work was generated in tracking allotment projects, including inspections, and record keeping.

The range improvement credit reduced the monies collected from livestock grazing by an amount equal to the credit granted. This in turn reduced the monies available to the Agencies to distribute to the various recipients, including the Range Betterment Fund, U.S. Treasury, and State and local governments.

The quality of some projects exceeded the quality typical of the work done by contractors. For example on the Berryman ESP, Mr. Berryman provided "the master's touch" for cleanup and workmanship on land treatment projects that reflected his personal commitment to protect the resources and have the allotment look good.

However, in other ESP areas a few projects as originally constructed failed to meet Agency specifications.

The credit program resulted in range improvements being spread more equally among allotments because participating operators could assure that money would be spent on their allotments if they were willing to construct improvements. Not all planned projects were completed, however, and this resulted in a delay in plan implementation.

The combination of the range improvement credit and the Range Betterment Fund increased the total funds available for range improvement work in the ESP areas where the credit was available. However, it reduced the funding available for some Agency high priority allotments dependent on Range Betterment Funds.

Combining smaller operators together in the credit program gave them greater opportunity to participate in range improvement projects. The grazing fee credit for range improvements provided a means for constructing isolated projects the Agencies might not have been able to cost effectively include in a contract.

Present conclusions are that credit in the form of range improvements can be a vehicle for cost efficient construction of certain range improvements that are designed to improve production of forage; change vegetation composition; control patterns of use; provide water; stabilize soil and water conditions; and provide habitat for livestock and wildlife. However, credits should be closely regulated to avoid abuse and to promote equity among the multiple-use needs. In addition, they should not totally replace the multi-project contracts and cooperative construction programs of the Agencies funded through the Range Betterment Fund.

b. Return of All Range Betterment Funds (RBF) to the Allotment Where They Were Collected.

The Federal Land Policy and Management Act of 1976 (FLPMA) prescribed a procedure for funding range improvements on public rangelands in the Western States. Under FLPMA, as amended by PRIA, 50 percent of the grazing fees collected on National Forest and BLM-administered public lands in the 16 Western States are deposited in a Range Betterment Fund account. One half of the RBF collected must be returned to the administrative unit where collected (National Forest or BLM District) for on-the-ground rehabilitation, protection, and improvement of deteriorated ranges. The other half of the RBF collections must be used for the same purposes, but at locations selected by the appropriate Secretary.

The Secretaries traditionally returned their portion of the funds to the Forest Service region or BLM State Office. The Regional Foresters and State Directors have allocated the funds for range improvements on allotments having the highest priority for range improvement or offering the highest return on the investment.

One incentive being tested on the Lazy B ESP program in Arizona was to return all RBF collections to the allotment where they were generated. The rancher agreed to match this amount through contribution of materials, equipment, or labor for a 5-year period. Under this approach, the projects may be constructed by BLM, the rancher, or jointly. In contrast with the fee credit, the BLM collects the full grazing fee.

Recognizing that the application of this incentive was limited to one allotment, and that it was started in 1985 and will complete the five years in 1990, preliminary findings are:

The return of grazing fees through the RBF approach does not alter the monies available to the Agencies to distribute to the various recipients, including the RBF, U.S. Treasury, and State and local governments. However, it does reduce the flexibility the Agency has to apply the RBF to other high priority allotments dependent on the RBF.

This approach provides flexibility to make a case-by-case determination of the most cost effective method of project construction, i.e., Government contract or operator provided.

It significantly increased the rancher's contribution to range improvement construction through the permittee's matching contribution of materials, equipment, or labor. Although the BLM has not initiated construction of range improvements under the incentive, the rancher has already installed 17 miles of fence, 5 miles of water pipelines, and 3 water storage/drinking facilities.

Present conclusions are that this approach to grazing fee incentives has led to greater investments on public lands by the livestock operator and improved resource management; however, if applied Agencywide, the Agencies would lose the ability to devote the Range Betterment Fund to the range improvement projects with the highest priority. Also, the approach is more suited to large allotments having enough grazing fee receipts to provide for a reasonable scale of range improvements.

c. Actual Use (After Use) Billing

Historically, and by regulation, both the Forest Service and BLM bill the permittee for planned livestock use in advance of the grazing season, based on the number of livestock and the grazing season specified on the grazing permit or lease. The bill must be paid before the livestock enter the public lands. This payment-in-advance procedure requires the permittees to pay for forage their livestock will not use for several months.

When permittees do not run the full permitted number of livestock or remove livestock before the permit removal date, they must apply for a cash refund or fee credit to a future billing.

A fee incentive being evaluated on many of the ESP areas is billing the rancher for livestock grazing at the end of the grazing period as opposed to the start of the grazing period. This arrangement is called an "actual use billing." The actual use billing allows the permittee to pay only for the amount of use actually made and after the use rather than before. It eliminates the need for mid-season or end-of-season adjustments. BLM historically has used actual use billing to encourage permittee participation in implementation of Allotment Management Plans.

The preliminary results of this policy are:

Actual use billing generally benefits the rancher, but delays the time of payment, resulting in a cash flow disadvantage to the Government. However, a system of discounts and surcharges could offset the disadvantage to the Government. For example, the BLM-Forest Service report "Appraisal Report Estimating Fair Market Rental Value of Grazing on Public Lands," dated 7/27/84, provided the following observation:

"The data on private leases showed that leases paid in advance went for 20 percent less than leases paid under all other payment schedules, i.e., after grazing use occurred, quarterly payment, etc. The estimates of values were based on a mix of payment schedules. Because both Agencies use a variety of payment schedules, the appraisers recommend that those Public Rangeland users paying in advance be given a 10% discount of rental values, and those users paying in arrears be assessed a 10% surcharge."

In the majority of cases, the actual use billing procedure provided for more accurate billing for livestock grazing. The increased accuracy reduced the need for expensive processing of refunds or credits to the permittee. However, actual use billing does increase the administrative time and costs on typical bills, because of the time needed to calculate the amount of use.

The procedure was especially efficient where livestock are moved seasonally between the different land administrations. For example, actual use billing was less cumbersome because both Agencies followed similar procedures in correlating use of adjoining BLM and Forest Service allotments when the higher elevation allotments of the Forest Service were not ready for use by the permitted-on date and BLM extended the date the livestock were to be removed.

The increased efficiency of actual use billing was significantly reduced in cases where livestock operators submitted an inaccurate or late actual use report or failed to pay the bills on time. The degree of this problem varied by area and Agency. For example, on the Modoc/Washoe during the first year the incentive was offered, the FS had 39 percent payment delinquency rate while BLM had no delinquent payments.

Actual use billing resulted in additional indirect benefits to the managing Agencies. Actual use data is one of the elements needed in the allotment monitoring and studies procedures. By basing billing on actual use reports, livestock operators are stimulated to keep accurate records on the use the livestock actually make.

The increased flexibility in billing reduces rigidity in management and encourages both the Agencies and the ranchers to look more realistically at needed adjustments in on-and-off dates in atypical years where resource conditions dictate changes should be made.

The above findings indicate that the actual use billing procedure does serve as an incentive for livestock operators to keep accurate records of livestock use and is generally an accurate way to bill for livestock grazing on the public lands. However, initially some operators did not supply the Agencies with timely and accurate information for billing. Further testing is needed to determine if actual use billing is suitable for more operators and if the cost of administration and abuses of the program can be reduced.

3. Return on Cash Investment

THE RETURN ON CASH INVESTMENT HAS BEEN SUCCESSFUL IN INCREASING PARTICIPATION IN PUBLIC LAND IMPROVEMENT.

The return on cash investment incentive establishes that the person or organization investing in public land improvement has the highest priority to receive the benefits. Under the incentive, the investor who develops a water or forage source would have the highest priority to use it. This policy did not apply to fee credits. A number of investments were explored, and the opportunity to invest has not been limited to ranchers. In some areas State wildlife agencies also provided support that contributed to improved range conditions; therefore, wildlife are given a priority to receive the benefits of improved rangeland production.

Examples of range improvements under this incentive are given below:

Seeding projects where State wildlife agencies purchased seed that ranchers planted have resulted in larger volumes of more diverse forage for both big game species and livestock.

Areawide noxious weed control on a systematic basis, eliminating pockets of untreated seed sources, benefited all lands, both privately owned and managed by Agencies.

Irrigation of public lands with private water has provided increased quantity and quality of forage for livestock and wildlife, and has improved distribution (use) of livestock on the entire allotment.

Development of water sources in previously non-watered areas has increased availability of forage for livestock and wildlife species. This has also improved livestock and big game distribution, and has allowed more opportunity for various grazing systems to meet ecological and other resource management objectives.

The return on cash investment has been successful in increasing participation in public land improvement. The benefits received from these investments were somewhat in proportion to expenditures. The ranching industry realized more forage and/or better quality forage and greater opportunity for seasonal variances in established grazing practices as a result of their cash investments. The public lands benefited from the increased management and deferment that leads to improved range condition. State wildlife agencies benefited through the improved wildlife habitat.

The concept of the return on investment policy has been incorporated into BLM regulations and is consistent with Forest Service policy. Additional forage made available through permittee or cooperator investment that is not needed to satisfy existing uses is distributed to permittees or cooperators in proportion to their contribution or efforts that resulted in increased forage production.

4. Flexibility in Permit Operations and Procedures

PRELIMINARY CONCLUSIONS ARE THAT THE FLEXIBLE CONCEPT WILL WORK AS LONG AS GOALS AND OBJECTIVES ARE CLEARLY DEFINED AND AGREED UPON BY ALL INTERESTS.

The increased Agency flexibility in determining how to meet the resource management objectives of land use plans has clearly stimulated a more agreeable plan for resource management. Under ESP, Forest Service (FS) and BLM personnel were encouraged to exercise innovative interpretations of policies and regulations in order to accomplish the goal of improving rangeland conditions. The permittee was allowed a larger role, within guidelines, in determining grazing practices. This approach was designed to allow the permittee to realize a greater return from his/her management efforts. It also serves as an incentive to improve livestock husbandry and range management abilities. Described below are specific aspects of management flexibility allowed to permittees to date in one or more of the experiments.

- a. Determination of how much, what kind, and where to supplemental feed.
- b. Determination and implementation of annual grazing sequence of pastures and entry/exit dates onto and off the public lands.
- c. Determination of the "class" of livestock.
- d. Determination of the number of livestock (within agreed-upon limits).

The present policies of the Agencies incorporate the flexibility concept, in that nationally developed regulations and policy identify management direction and not the details or steps that the field managers should take. Field level officials determine how that broad management direction will be applied in consideration of local concerns and resource conditions or values.

B. Monitoring

1. Range Management Activities and Conditions

MOST PARTICIPANTS AGREE THAT RESOURCE MANAGEMENT HAS IMPROVED AND THAT THE IMPROVED MANAGEMENT WILL LEAD TO LONG-TERM IMPROVEMENT IN RANGE CONDITION AS DEFINED IN PRIA.

a. Resource Management Plans -

The level of preparation and implementation of plans to meet resource management goals has been significantly improved in most ESP areas. This is especially true on the larger joint projects that involve many multiple-use activities. Table 3 provides a comparison of the level of planning on the joint project areas prior to ESP and presently.

The BLM-authorized individual ESP areas increased the level of livestock planning but were not high priority for other activity planning.

Table 3. Resource Management Levels on Challis, East Pioneer, and Modoc-Washoe Experimental Stewardship Areas.

	1980	1984
Allotment management plans implemented	40	88
Allotments without management plans	60	10
Wildlife habitat plans	0	4
Wild horse management plans	0	3
Noxious weed control plans	1	4
Cultural resource management plans	0	1

b. Monitoring Levels -

Monitoring to determine the results of the activity plans has significantly increased under ESP. Table 4 compares the current monitoring level in the joint ESP areas to the level prior to ESP.

Table 4. Monitoring Levels on Challis, East Pioneer, and Modoc-Washoe Experimental Stewardship Areas

	1980	1984
Allotments w/annual use and utilization recorded	37	80
Condition and trend studies		
Allotments	40	65
Transects	186	303
Photo plots		
Allotments	17	44
Photo points	95	150
Cultural studies	1	9
Browse studies		
Allotments	4	24
Transects	30	35
Wildlife studies		
Allotments	18	42
Transects	35	56
Watershed studies		
Allotments	2	11
Studies	2	27
Fisheries studies		
Allotments	0	6
Studies	0	6

c. Monitoring Results -

Resource management has improved on the ESP areas. Challis, Randolph, and Lazy B represent each type of ESP approach. A description of the results of management on the 3 areas follows. The appendix contains a description of the results of management on the other ESP areas.

(1) Joint Forest Service and BLM Authorized ESP Areas.

Challis

In the Challis livestock grazing EIS (1979), BLM identified the grazing capacity for the BLM administered public lands to be 10,436 animal unit months (AUM's). This was 39 percent below the previous 5-year average use. Under ESP, 23 individual allotment management plans were developed that incorporated, as appropriate, BLM, NFS, and private lands. These plans provided for additional water development, land treatment, fences to provide for rotation grazing and protect riparian areas, better distribution of livestock use, and adjustments in grazing schedules. Implementation of the plans resulted in more uniform use among

the BLM, NFS, and private lands. The combination of more uniform use, increased forage from land treatments, improved grazing systems, and a court-ordered reduction in wild horses has negated the need for large reductions on the BLM lands.

Wildlife habitat has also responded to the improved management. Wildlife forage and browse has improved in vigor. The condition of riparian zones critical for fish and wildlife has improved. Water availability has also been increased for wildlife. Direct competition between livestock and big game for forage and space has been reduced. Current estimates are that big game populations have increased or been maintained from 1979 to 1984 as shown below:

Elk - 800 to 1,200
Antelope - 1,000 to 1,300
Bighorn sheep - 200 to 300
Mountain goat - 30 to 35
Mule deer - 6,300 (unchanged)

While these results are not totally attributable to ESP, the program has played a part in the increase.

(2) BLM-Authorized Multiple-Allotment ESP Areas.

Randolph

The Randolph ESP is an example of the multiple-allotment approach of BLM-authorized projects. The final grazing EIS for the Randolph area was completed in 1979. The grazing capacity for the area under the management that existed at that time was estimated to be 4 percent below the authorized level. One allotment needed a 24 percent reduction in livestock use. Utilization levels on key management areas were primarily in the moderate (41-60 percent) to heavy (61-80 percent) utilization range. Water was limited and sacrifice areas around watering sites were numerous. Season-long grazing was practiced on 118,423 acres (84 percent) with only one allotment of 21,875 acres having a grazing system that provided a deferment from grazing during the growing season.

Under ESP, an additional 10 allotment management plans covering 65,143 acres have been developed in cooperation with the permittees. These plans have greatly accelerated the rate of rangeland improvement through deferred grazing systems, sagebrush control, pipelines, fences, water well installations, and utilization limits. Utilization levels have dropped to moderate and light (21-40 percent). Increased water supplies have evened out the use patterns, and land treatment projects have increased forage production.

The program has been as much an educational process as a resource management process in the area. The ESP has brought about an increased awareness by all the livestock operators of the potential of improving resource conditions. Work has also been done on private rangelands, meadowlands, and hay lands, and animal husbandry practices have been improved since the Stewardship Program was established. Overall management is much improved due to a change in attitudes and improved communication. Local users have taken a much more active role in developing land use decisions, grazing systems, and range improvement projects. Most adjustments have been accomplished by cooperative agreement rather than issuing decisions.

Previous problems such as trespass livestock have been eliminated by new agreements with permittees that encouraged the entire group to be collectively responsible for livestock numbers and to take a larger role in trespass abatement.

Ranchers have been able to maintain their livestock through the increased grazing capacities. Livestock use has been:

1980	21,534 AUMs
1981	21,690 AUMs
1982	21,751 AUMs
1983	22,032 AUMs
1984	23,354 AUMs

Wildlife habitat has also been improved. Riparian habitat is improving. Elk populations are increasing because of the improved habitat and the efforts of the local ranchers to feed the elk during the critical winter period. Moose populations in the area are increasing.

Deer and sage grouse populations have not noticeably responded to the improved habitat. Deer numbers are down due to a severe winter kill in 1984. Sage grouse populations are down; but three consecutive cold winters and wet springs have adversely affected the sage grouse breeding requirements. Populations are also down in adjoining (non-ESP) areas.

(3) BLM-Authorized Allotment Level ESP Areas

Lazy B ESP Area

The Lazy B's size (185,560 acres), complex pasture (19 pastures) and livestock programs, variable range site potentials and conditions, and unpredictable rainfall patterns that affect forage production made it ideal for experimentation with various programs for improvement of range conditions. In contrast to the larger multi-allotment ESP areas with resource conflicts and controversy, the Lazy B allotment was chosen for ESP because the BLM had not yet developed an adequate AMP and the permittee wanted to develop a single program that would create a cohesive and focused emphasis towards range improvement.

Under the ESP approach, the permittee was provided more latitude to determine how the livestock would be managed, and this served as an incentive to improve his range management skills. The permittee has become a better range manager with greater awareness of the resource components and their interrelationships. Grazing systems include yearlong, seasonal-deferment, rest-rotation, high intensity-low frequency, and the Savory Grazing Method. The management of each method has enabled greater experimentation and fine tuning of each grazing system in terms of cattle numbers and season and length of use in response to climatic conditions, range conditions, and livestock management practices. Plans are to develop an extensive watering system and pasture network to provide for a holistic management approach based on results from the various grazing systems experimented with. Livestock grazing will be more attuned to site-specific characteristics, enabling range conditions to improve at a faster rate.

Improvements to the basic resources have occurred due to range management practices that react better to the physiological needs of the rangeland resources. This has been documented by range monitoring studies. Basal grass cover has increased 0-125 percent depending on the location. Increased plant vigor has minimized drought effect and duration. Watershed conditions have improved due to increased ground cover. Bottom areas have improved due to periodic deferment, and most gullies appear to be healing.

Utilization pattern and degree studies indicate that forage production and livestock grazing capacity have steadily increased:

1981 - 2,047 cows yearlong (CYL)
1982 - 3,103 CYL
1983 - 3,381 CYL
1984 - 3,487 CYL ^{3/}

Wildlife habitat has improved as a result of increased cover, greater abundance of forage, and developed waters. In fact, the Arizona Game and Fish Department is planning to transplant additional antelope into a decadent remnant herd on the allotment.

^{3/} In 1984 the rancher added another ranch to the ESP area. Additional 232 CYL's are the result of the additional acreage.

2. Cost-Effectiveness

THE PROGRAM APPEARS COST EFFECTIVE.

No additional funds were appropriated by Congress for stewardship implementation and/or participation. However, ESP in many cases did require more front-end funding to get the programs going. This funding was required for the additional coordinated field level planning and for acceleration of the range improvement program.

Projects necessary for livestock management, wildlife habitat improvement, cultural resource management, watershed stabilization, noxious weed control, etc., completed between 1979 and 1984 were installed with funds provided through existing Agency funding, private contributions, and ASCS Cost/Share Programs. The projects necessary to implement the ESP programs in some cases required the Agencies to direct additional funds to the ESP area. Such funds were redirected from programs in other areas. Thus, programs in other areas were delayed in implementation.

Data are not available to determine the difference in funding to an area as a result of the ESP because some of the projects completed under the program would have been completed without it.

Intensive field level coordination and consultation required an increased amount of time by all participants. However, with the superior comprehensive planning developed, long-term costs should be reduced because less follow-up planning is necessary, and appeals have been virtually eliminated. Appeals often result in additional costs and delays in implementing the management plans.

Under Federal regulations, any person who is adversely affected by a field manager's decision may appeal to a higher official. The process varies between the BLM and the Forest Service, but the outcome is often a long delay in implementing the decision. Until the appeal is finally resolved by the higher official, the decision is generally held in suspense. The appeals not only cause a loss in time in implementing the decision, but also cost the Agencies additional expense to process the appeal. Because the various interests participated in the development and implementation of the ESP plans, they are more committed to make the program work and are less inclined to appeal the land manager's decisions.

IV. RECOMMENDATIONS OF THE CHALLIS, EAST PIONEER, AND MODOC-WASHOE STEERING COMMITTEES.

In September 1984, the Joint ESP Steering Committees submitted a progress report to be used in evaluating the ESP program and in preparing the Secretaries' report to Congress. The report contains a number of management and policy recommendations. These recommendations will be considered, along with public comments on this report, in developing the Secretaries' report to Congress and administrative policies.

The committees' recommendations follow:

- A. WE . . . recommend that the concepts and processes of Experimental Stewardship Program be continued, expanded, and encouraged, and that, the concepts and processes become incorporated in the planning process of the Forest Service and Bureau of Land Management. We further RECOMMEND that, at least, the three Experimental Stewardship Programs continue with an experimental emphasis so that new and innovative concepts may be continually tested.
- B. WE RECOMMEND agencies adopt the TRT as one of the standard procedures that could be used for resolving conflicts over resource use and for creative experimentation in resource improvement.
- C. WE RECOMMEND the Modoc-Washoe report on Actual Use Billing and Grazing Fee Credit (Grazing Fee Incentive Program) . . . be adopted by the BLM, Forest Service, and U.S. Fish and Wildlife Service; that the recommendations . . . be implemented; and that the Grazing Fee Incentive Program be made available to eligible permittees/lessees as defined by the Incentive Program Guidelines.
- D. WE RECOMMEND steering committee members and others involved, as possible, receive training in consensus problem solving methods.
- E. WE RECOMMEND agencies evaluate their policies on personnel mobility, considering the need for continuity and trust in ESP areas.
- F. WE RECOMMEND agencies delegate decision making authority to the local field level, and provide sufficient leeway for these decisions to recognize local needs and conditions.

V. ALTERNATIVES FOR THE FUTURE OF THE STEWARDSHIP PROGRAM

The following alternatives are identified to give those interested in public land management the opportunity to comment on the future of the ESP program. Should ESP be abolished, retained at present level, or expanded? Is a program of monetary incentives for range improvements appropriate and desirable? These and other alternatives and variables need to be considered. The alternatives have been grouped into three sections: ESP, grazing fee credit for range improvements, and alternative timing of billing for grazing fees.

A. Experimental Stewardship Program

The alternatives listed below address various levels of ESP.

1. No Action: Continue under Section 12 of PRIA without new ESP areas being designated.

Considerations

- No legislation is required.
 - Allows for a more complete evaluation of existing ESP areas.
 - Continues the benefits derived from improved communication, cooperation, and coordination among Agencies and user and interest groups.
 - Maintains experimental status and uniqueness of current established areas.
 - Confines ESP to existing areas only.
2. Discretionary Expansion of ESP: Continue under Section 12 of PRIA to explore innovative policies and incentives currently being tested in ESP areas until results are obtained and conclusions drawn. Additional innovative policies and incentives would be tested in new ESP areas where they can best be explored.

Considerations

- No legislation is required.
 - Allows for a more complete evaluation of results from existing ESP areas.
 - Allows the Secretaries to expand ESP into new areas as appropriate.
 - Continues the benefits derived from improved communication, cooperation, and coordination among Agencies and user and interest groups.
3. Mandatory Expansion and Implementation of ESP: Continue under Section 12 of PRIA, but the Secretaries would mandate increased implementation at the Forest (Forest Service) and District (BLM) level.

Considerations

- No legislation is required.
- Reduces Agency, user, and special interest group acceptance and support and decreases the chance of success due to mandated approach.
- Increases rigidity of application.

- Broad application of ESP approach that has not been given time to be adequately evaluated.
- Broad expansion would result in a significantly higher cost to the Agencies.

4. Cancel Section 12 of PRIA: Cancel existing ESP programs and establish no new areas.

Considerations

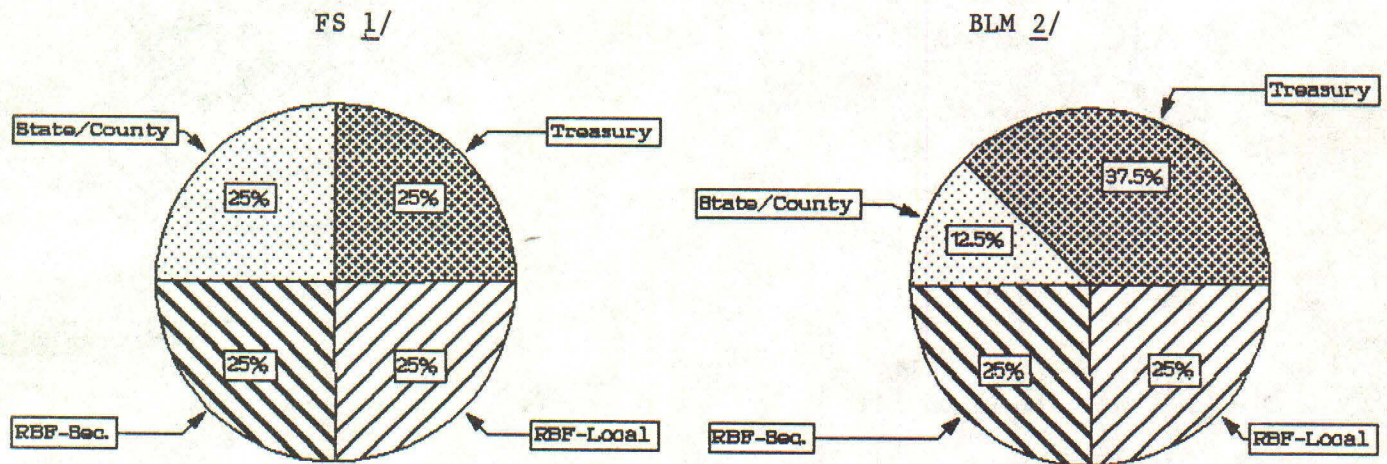
- Requires legislation.
- Does not allow for new experimentation.
- Evaluation of existing ESP experiments will not be completed.
- Loss of user and interest group support and input into range management program.
- Hinders creative cooperative efforts.

B. Grazing Fee Credit for Range Improvements

The alternatives that follow address the various avenues for financing needed range improvements through returns from livestock grazing.

1. No action: Continue current grazing fee collection and distribution system (per FLPMA). Fifty percent (50%) of grazing fees collected from National Forest and BLM administered public lands in the 16 Western States are placed in a Range Betterment Fund (RBF) account; half of this must be returned to the administrative unit where collected for on-the-ground range rehabilitation, protection, and improvement, and the other half used for the same purposes at locations at the discretion of the appropriate Secretary. No change in legislation is necessary.

Distribution of collections:



1/ This distribution applies to fees collected on National Forests only. It does not apply to fees collected on National grasslands.

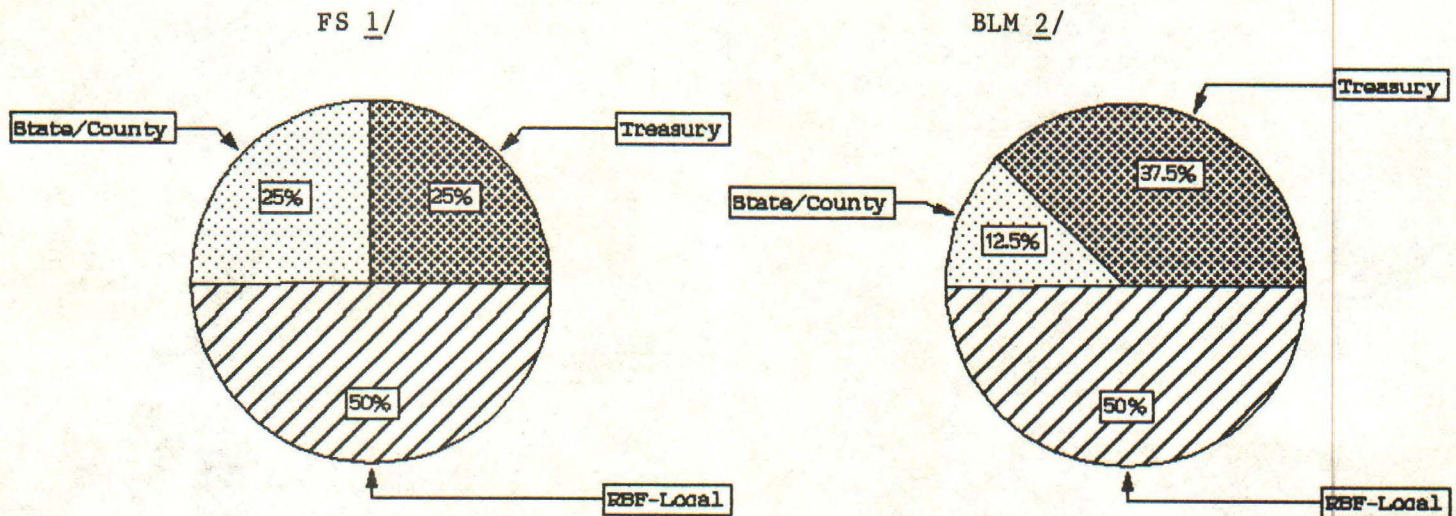
2/ This distribution applies to fees collected from inside grazing districts (approximately 85% of fees collected). A different distribution applies to fees collected from outside grazing districts.

Considerations

- One hundred percent of grazing fees are collected.
- Provides RBF dollars for on-the-ground resource improvement by the Agencies.
- Agencies must use 25% of fee collected for range improvements in the National Forest or BLM District where they were collected. Typically, these funds have been made available for high priority range improvements.
- Agencies have discretionary authority to use 25% of the total collections in any National Forest or BLM District in the 16 Western States having high priority for range improvements. However, the Secretaries traditionally have returned their portion of the funds to the Forest Service region or BLM District where collected.
- Stimulates permittee cost sharing.

2. Existing Authorities - RBF Returned to the Allotment: Same as Alternative No. 1 except, the entire 50% RBF would go directly to the allotment where the grazing occurred. (No change in legislation is necessary).

Distribution of collections:



- 1/ This distribution applies to fees collected on National Forests only. It does not apply to fees collected on National grasslands.

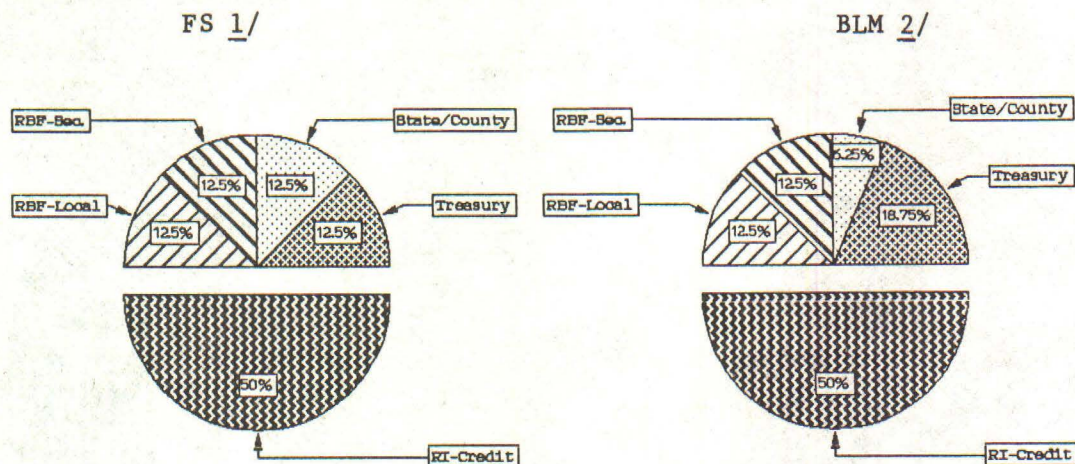
- 2/ This distribution applies to fees collected from inside grazing districts (approximately 85% of fees collected). A different distribution applies to fees collected from outside grazing districts.

Considerations

- One hundred percent of grazing fees are collected.
- Provides RBF dollars for on-the-ground resource improvement by the Agencies.
- Agencies must use the RBF for range improvements only in the grazing allotment where they were collected.
- Eliminates Agency flexibility to shift RBF from one allotment to another to accomplish high priority projects.
- Could stimulate permittee cost sharing.

3. 50% Credit with Existing Distribution System: This alternative would provide for optional use of up to 50% of grazing fees due the Government to be credited for authorized* range improvements. Monies actually collected would be distributed under normal distribution procedures as described in alternative #1. This system is being tested in 4 ESP areas. Legislative authorization would be necessary to expand system to other than ESP areas.

Assuming full participation by all livestock operators, distribution of collections would be:



The Secretaries traditionally have returned their portion of the funds to the Forest Service region or BLM District where collected.

1/ This distribution applies to fees collected on National Forests only. It does not apply to fees collected on National grasslands.

2/ This distribution applies to fees collected from inside grazing districts (approximately 85% of fees collected). A different distribution applies to fees collected from outside grazing districts.

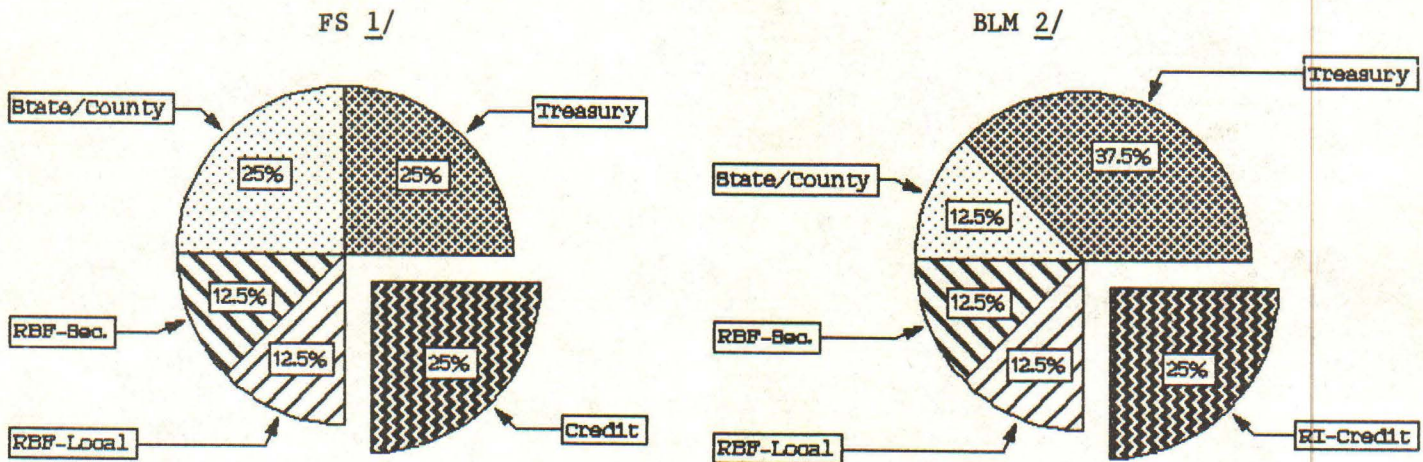
Considerations

- Fifty percent of the fees would be collected as cash and 50 percent would be a non-cash credit.
- Increases amount of range improvements through RBF and credits.
- Potentially reduces the total RBF available for distribution.
- Limits Agency discretion on projects initiated.
- May reduce permittee cost-sharing.
- Permittees are assured that a portion of fee they pay is returned to the allotment.
- Accounting activities are increased, which increases Agency administrative costs.
- Reduces receipts to States, counties and U.S. Treasury.
- May provide an interest free loan to the Government when projects are amortized over a period of years.

* Range improvement projects would be authorized by the Agency upon mutual agreement between the permittee and Agency, following cost-effectiveness analysis and environmental assessments.

4. 50% Credit Potential From RBF Account: This alternative would provide for optional use of up to 50% of grazing fees due the Government to be credited for authorized* range improvements. The credits allowed will be taken from the amount normally distributed to RBF account. Any portion of the 50 percent credit not used would be deposited in the RBF account. Legislative authorization would be necessary to expand system to other than ESP areas and to modify the formula for distribution of receipts to maintain the present State and county portion of the amount due from grazing.

Assuming full participation by 50 percent of the livestock operators, distribution of collections would be:



1/ This distribution applies to fees collected on National Forests only. It does not apply to fees collected on National grasslands.

2/ This distribution applies to fees collected from inside grazing districts (approximately 85% of fees collected). A different distribution applies to fees collected from outside grazing districts.

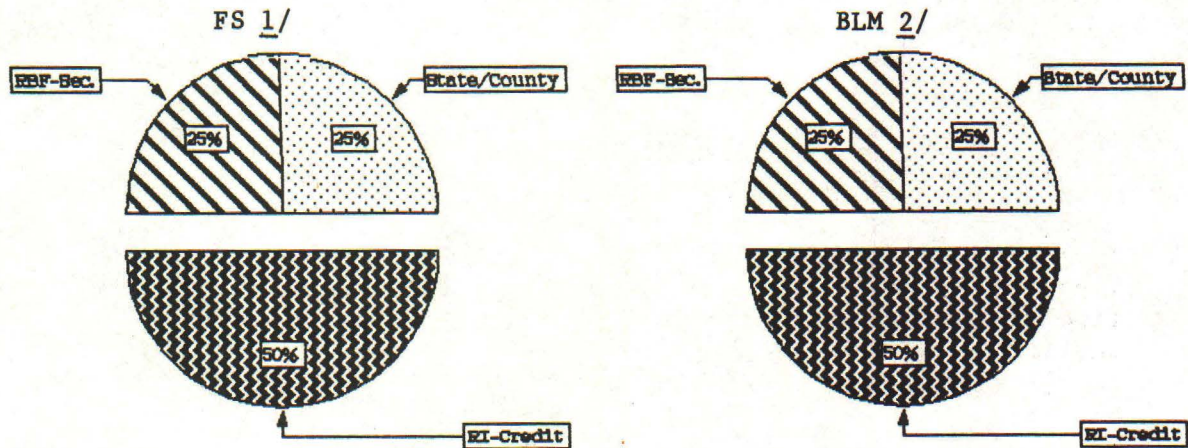
Considerations

- Fifty percent of the fees would be collected as cash and 50 percent would be a non-cash credit.
- Decreases or eliminates RBF collections.
- Decreases Agency flexibility to fund high priority range improvement projects.
- Increases rancher participation in improving range conditions on allotments they use.
- Accounting activities for credits are increased, which increases Agency administrative costs.
- No change in distribution of monies to States, counties, and the U.S. Treasury.
- May provide interest free loan to Government through amortization program.

* Range improvement projects would be authorized by the Agency upon mutual agreement between the permittee and Agency, following cost-effectiveness analysis and environmental assessments.

5. Maximum Range Improvement. This alternative would provide for up to 50 percent of grazing fees due the Government to be credited for authorized* range improvements. The remaining 50% of the grazing fees will be collected with half going to States and counties and half deposited in the RBF to be spent at the discretion of the Secretaries. Any unused portion of the 50% credit limitation will be collected and deposited in the RBF to be returned to the local areas. The Treasury will not receive any money. Legislative authorization would be necessary to modify the formula for distribution of receipts from grazing.

Assuming full participation by all livestock operators, distribution of collections would be:



1/ This distribution applies to fees collected on National Forests only. It does not apply to fees collected on National grasslands.

2/ This distribution applies to fees collected from inside grazing districts (approximately 85% of fees collected). A different distribution applies to fees collected from outside grazing districts.

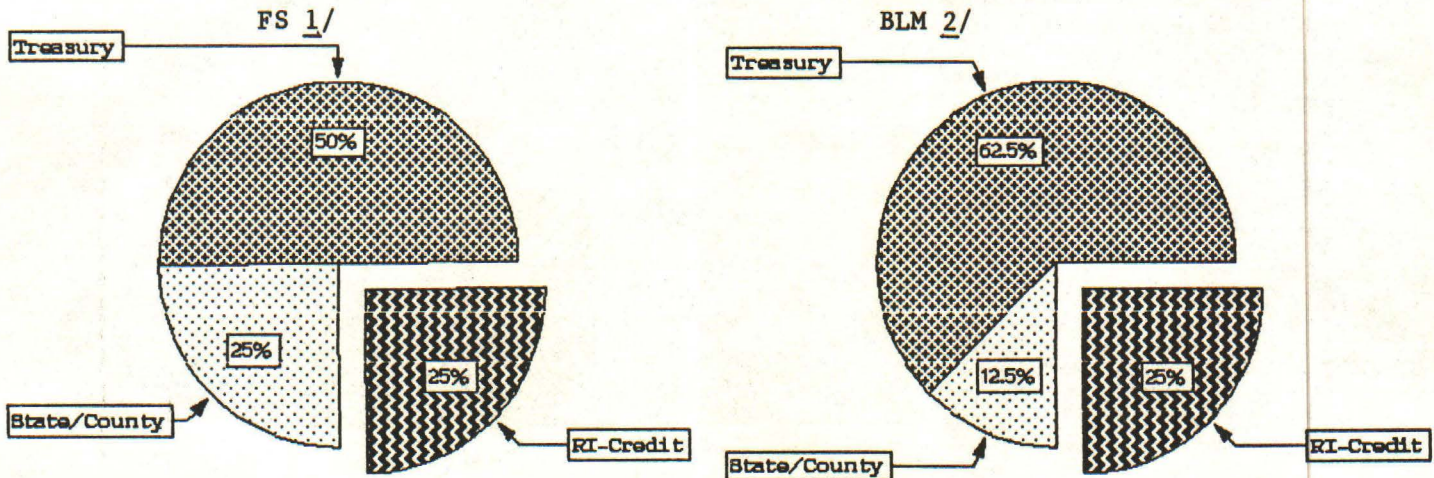
Considerations

- Fifty percent of the fees would be collected as cash and 50 percent would be a non-cash credit.
- More monies available for range improvement through combined RBF and credits.
- Permittees are assured that a portion of fee they pay is returned to the allotment.
- Agency flexibility to fund high priority range improvements is maintained at the Secretarial level. The Secretaries traditionally have returned their portion of the funds to the Forest Service Region or BLM District where collected.
- Accounting activities for credits are increased, which increases Agency administrative costs.
- Uniform BLM/FS collection and distribution system.
- U.S. Treasury receives no revenue; however, the revenue for States and counties is increased from 12.5 to 25% for BLM.
- May provide interest free loan to Government through amortization.

* Range improvement projects would be authorized by the Agency upon mutual agreement between the permittee and Agency, following cost-effectiveness analysis and environmental assessments.

6. Grazing Fee Credit - Balance to Treasury: This alternative would provide for optional use of up to 50 percent of grazing fees due the Government to be credited for authorized* range improvements. Any dollar amounts equal to unused portions of the 50 percent credit limitation would go to the U.S. Treasury. Legislation would be necessary to modify the formula for distribution of receipts from grazing, including the RBF account currently provided for in the FLPMA and described in Alternative B-1.

Assuming full participation by 50 percent of the livestock operators, distribution of collections would be:



- 1/ This distribution applies to fees collected on National Forests only. It does not apply to fees collected on National grasslands.

- 2/ This distribution applies to fees collected from inside grazing districts (approximately 85% of fees collected). A different distribution applies to fees collected from outside grazing districts.

Considerations

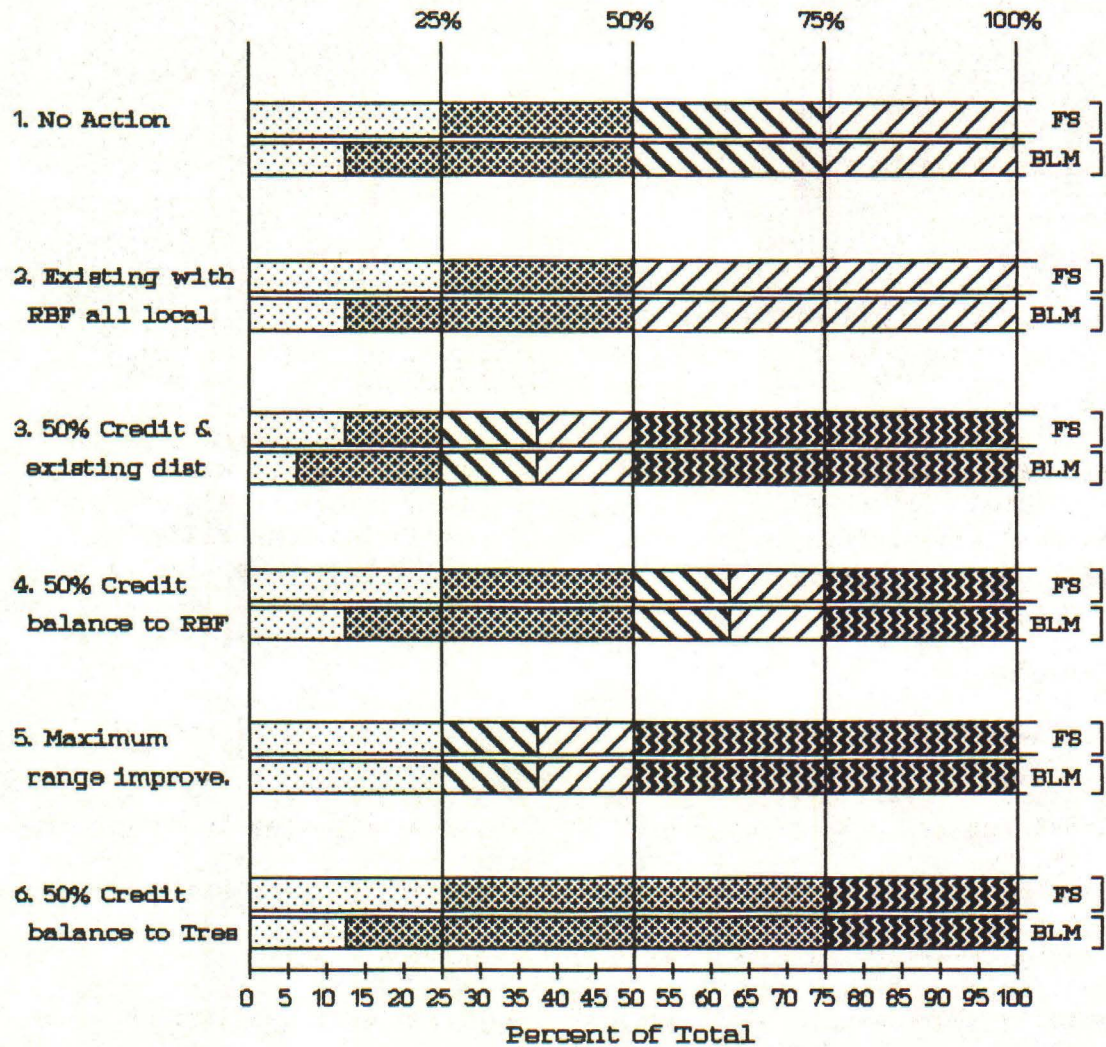
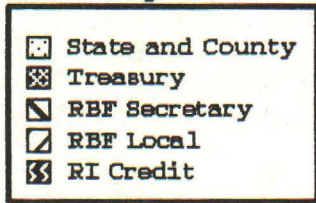
- Fifty percent of the fees would be collected as cash and 50 percent would be a non-cash credit.
- Significant decrease in on-the-ground range improvements.
- Abolishes the RBF and Agency flexibility to fund high priority range improvements.
- Permittees are assured that a portion of fee they pay is returned to the allotment.
- Accounting activities are increased, which increases Agency administrative costs.
- Potentially increases revenues for the U.S. Treasury and maintains revenues to States and counties.
- May provide interest free loan to Government through amortization program.

* Range improvement projects would be authorized by the Agency upon mutual agreement between the permittee and Agency, following cost-effectiveness analysis and environmental assessments.

Table 5

Comparison of Distribution Alternatives

Legend



Alternatives 4 and 6 assume 50 percent of the livestock operators participate in the credit program

C. Alternative Timing of Billing for Grazing Fees. There are four alternative approaches for collection of monies due the Government for grazing use. The standard procedure, with a few exceptions by BLM for permittees with approved grazing plans, is for payment in advance of planned use. BLM, and Forest Service on yearlong permits, may split the grazing season into different billing periods, which reduces the need to pay for forage for extended periods before use.

1. No action: Continue the current systems.

Considerations

- Inconsistent approach to billing between Agencies.
- Some permittees must pay for forage as much as 12 months in advance of use where split billings are not used.
- Interest free loan to Government.
- Encourages timely payment of bill to avoid unauthorized use charges.

2. Bill in advance of grazing use: This system is used by the Forest Service and by BLM on most BLM allotments.

Considerations

- Uniform system between Agencies.
- Cash flow advantage for the Government.
- Some permittees must pay for forage as much as 12 months in advance of use.
- Encourages timely payment of bills to avoid unauthorized use charges.

3. Actual Use Billing for permittees under grazing plans only: Bill those permittees who operate under an approved grazing plan for actual use, after livestock have been removed. This is the system currently used by BLM.

Considerations

- Permittees would be billed after livestock have been removed.
- Standardizes billing procedures between Agencies.
- Cash flow advantage to the permittee.
- Incentive for permittee to enter into allotment management plans (grazing plans).
- Incentive for permittee for late entry or early exit in response to seasonal range conditions.
- Increases potential for late payment of grazing fee.
- Increases recordkeeping and accounting for both Government and permittee.
- Accurate billing system only if accurate records are kept by the rancher.

4. Fifty Percent Advance Billing: Bill the permittee for 50% of anticipated fees, to be paid before entry date, and collect the balance due after the livestock have been removed.

Considerations

- Standardizes procedures.
 - Equalizes cash flow benefits between Government and permittee.
 - Gives permittee flexibility in budget planning.
 - Increases recordkeeping and accounting for both Government and permittee.
5. Permittee Choice of Payment Schedules: The basic billing procedure would provide for a payment of 50% in advance and 50% at end of season. The permittee would be able to select between the basic approach, payment of the entire bill in advance, or payment of the bill after the grazing season, based on actual use. Permittees paying in advance would be given a 10% discount, and permittees paying after the grazing season would pay a 10% surcharge. This would be consistent with the private sector as described in "Appraisal Report Estimating Fair Market Rental Value of Grazing on Public Lands."

Considerations

- Equalizes cash flow benefits between Government and permittee.
- Increases recordkeeping and accounting for both Government and permittee.
- Gives permittee flexibility in budget planning.
- Standardizes billing procedures between Agencies.

APPENDIX

Summaries of the results from each Experimental Stewardship Area not included in the text.

Joint Forest Service and BLM Authorized ESP Area - East Pioneer

The East Pioneer ESP is a joint program involving 750,000 acres including 60 percent National Forest, 20 percent Public Lands (BLM), 10 percent private and 10 percent State.

Thirty livestock operators graze approximately 4,000 cattle on the area and harvest approximately 20,300 animal unit months of forage from the Federal ranges. When the ESP was initiated, most National Forest allotments were covered by allotment management plans, although need for revision had been identified on several. BLM allotments generally lacked allotment management plans and were undergoing heavy annual early spring use.

Under the coordinated plans, livestock have been allowed on some of the National Forest allotments earlier, fences have been installed to allow rest-rotation grazing systems that recognize natural grazing patterns instead of ownership boundaries, coordinated water systems have been installed to improve livestock distribution on all ownerships while recognizing wildlife needs, and prescribed fire is being used to improve forage values for all grazing animals. Increased livestock use has been allowed on National Forest allotments to utilize surplus forage produced on timber harvest areas while reducing livestock pressure on key wildlife range elsewhere. Grazing systems are being specifically designed to reduce livestock pressure in riparian areas.

Coordinated programs are reducing animal moves, reducing amount of fencing and related maintenance, recognizing wildlife needs, developing coordinated water systems, promoting coordinated noxious weed programs, providing additional fall season pasture in BLM allotments, and training ranchers and other interests in short-term and long-term monitoring processes.

Although all changes may not be totally attributable to ESP, the following table indicates some additional results:

<u>Resource Management</u>	<u>1980</u>	<u>1984</u>
AMP's written	11	14
Allotments without AMP's	8	3
Allotments with Riparian Projects	2	5
Noxious weed programs	0	3
Wildlife numbers	2,800	3,500
Deer	130	150
Antelope	1,360	1,700
Bighorn sheep	70	1,150

Joint Forest Service and BLM Authorized ESP Area - Modoc-Washoe

Prior to the ESP, the Cowhead Massacre Livestock Grazing EIS identified a needed reduction of 18,000 AUM's (32 percent) from 57,000 to 39,000 AUM's on BLM-administered lands. The Tulead Livestock Grazing EIS called for a reduction of 14,800 AUM's (32 percent) from 46,225 to 31,425 on BLM-administered lands. Since the inception of the Modoc-Washoe ESP, 28 individual allotment plans incorporating BLM, NFS, and private lands have been prepared, and improved management provided for in the plans nullified the need for these reductions.

In addition, the Modoc-Washoe ESP achieved many objectives in its goal to create incentives for improved range condition through a coordinated, cooperative structure. Notable among these were vastly improved communication, coordination, and changes in attitude. Also included were innovative on-the-ground resource management, incentives for improved stewardship of public lands, integrated management of intermingled private and public lands, and intensification of livestock grazing management throughout the program area, especially in established wilderness areas. Other achievements included the recommendations of wilderness study areas to the BLM through an interagency and interdisciplinary review process, monitoring wild horse management, grazing fee experimentation, area of critical environmental concern designation, and cultural resource management.

Wildlife habitat also responded to the improved management. Wildlife forage and browse improved in vigor, and the condition of riparian zones has improved. Direct competition between livestock and big game has been reduced. In the ESP area, the following game populations increased between 1980 and 1984:

Antelope	2,700 to 3,175
Deer	7,100 to 8,000
Bighorn	14 to 31 plus the addition of a reintroduction area
Sage Grouse	Increased number due to improved riparian management
Trout	Increased number due to improved riparian management

While these increases are not totally attributable to ESP, the program played a major part in the increase.

BLM Authorized Multiple-Allotment ESP Area - Tonopah

The BLM prepared the Tonopah Livestock Grazing EIS in 1977. The proposed action was implementation of 15 AMP's in addition to the 2 already implemented. The AMP's required a high level of range improvements with an estimated cost of \$2 million. For example, over 800 miles of fence were included in the plans. The proposed livestock use level in the AMP's was 126,000 AUM's, which was below the 150,000 AUM's of active preference.

Participation in the ESP program is voluntary. After 4 years of ESP, 13 permittees have voluntarily developed 18 stewardship plans in 15 allotments. The 13 permittees have 131,241 AUM's of preference, which is 87 percent of the total. When compared to the original AMP's that BLM developed, the plans call for reduced levels of range improvements. For example, they need only 109 miles of fence. They are less intensive in rotating the cattle, controlling them with water, riding, and supplements.

BLM has established over 1,000 studies in over 600 study areas to monitor the results of the plans. Utilization between 1980 and 1983 decreased throughout the project area on upland sites. In 1984, utilization increased in the early part of the season due to poor moisture and decreased forage growth. With a few exceptions, grazing levels are at or below that level needed to maintain the key forage species on upland sites and thus maintain satisfactory or improving range condition. Areas where utilization has exceeded satisfactory levels comprise only a small percentage of the total acreage grazed. In these areas ranchers have proposed to fence or develop additional water to reduce or eliminate livestock grazing. Riparian studies were established but have not been reread.

One factor that has helped to reduce the utilization levels has been the reduction in wild horses in the Tonopah Resource Area. Wild horse use has been reduced 10,000 AUM's per year. The reduction was not a result of ESP but has contributed to the improved rangeland management.

Livestock use has remained at a constant level. Elk use has increased approximately 169 AUM's due to the expansion of the herds that were introduced 10 years ago on the adjoining National Forest. Deer use has also increased an estimated 2,800 AUM's in response to the upward trend in populations that started after the 1960 low population levels. The stewardship plans developed to date have not contributed to the increase in deer populations because they have not covered the allotments with the larger deer populations.

BLM Authorized Allotment-Level ESP Area - County Line-Gila

The County Line-Gila ESP area was chosen because: (1) the permittee had historically been a progressive manager in developing rangeland resources in the allotment; (2) the permittee was willing to work with BLM on solving problems in the allotment; and (3) the allotments had potential for improvement.

A plan was developed in 1981 for the two allotments where the permittee operated. Key objectives of the plan were: (1) to improve riparian vegetation condition for wildlife and recreation use by reducing livestock grazing on the Gila River; (2) to implement a flexible rest-rotation grazing program that would provide rest for each pasture at least 1 year in 5; (3) to improve livestock distribution to reduce heavy grazing near water; and (4) to reduce the average utilization of forage species to 40 percent.

The plan was never completely implemented due to the sale of the ranches. The ESP program has been dropped and AMP's developed for the allotments. Some of the objectives were and are being met under the present AMP's. For example, livestock have been fenced away from the Gila River. In 1984, utilization of forage was below 40 percent in 3 out of the original 5 pastures. The other two pastures were slightly above at 43 to 45 percent. In 1981, two pastures were substantially above 40 percent at 55 and 63 percent.

BLM Authorized Allotment-Level ESP Area - Crozier

The BLM developed an AMP for the Crozier Canyon Allotment in 1973. The plan established a three-unit deferred rotation grazing system. In a 1980 evaluation the BLM found that the allotment had shown no significant improvement in 7 years. The permittee maintained that the system was not proper for the conditions on the allotment. The BLM and the permittee determined that a more flexible system should be tried.

An ESP plan developed by the permittee was approved in 1980. The primary goal for the ESP plan was to get the allotment in an upward trend in range condition. This would include providing for the physiological requirements of the key forage plants, improving wildlife habitat quality, and increasing total ground cover for watershed protection. Forage utilization was not to exceed 49 percent, and stocking was not to exceed the established grazing capacity for the allotment. A best-pasture rotation system was implemented.

The studies conducted from 1981 to 1984 to evaluate the ESP plan indicate the trend to be basically static to slightly upward. Average utilization of key forage plants has been below the limit of 49 percent for most of this period. The only area of concern is a slight reduction in the percent frequency of some cool season grass species in two pastures, which may indicate the need for some spring grazing deferments.

Compared to 1980, the present management has reversed the downward trend in range conditions, and there may be a slight upward trend in some pastures. Utilization has been lowered to acceptable levels.

BLM Authorized Allotment-Level ESP Area - Berryman

The Berryman Allotment was selected for Experimental Stewardship because the permittee is widely respected for his knowledge of rangeland management and animal husbandry. He has received the Society for Range Management Grazing Excellence Award and is an exemplary permittee.

The Bureau of Land Management did not propose changing the operation through ESP but instead wanted to document the operation and maintain it. Studies conducted in 1980 indicated the range was in good to excellent condition.

The ESP program proposed to increase livestock grazing by 384 AUM's. In addition, a number of seedings were being invaded by big sagebrush and needed to be retreated. Some stands of pinon-juniper trees needed thinning for firewood production. Reseeding after firewood harvest would provide for improved wildlife habitat.

Under ESP the permittee maintained 400 acres of the seedings. A commercial fuelwood contract was also issued to the permittee by the Bureau. The permittee was responsible to insure that all stipulations and reclamation were met.

Two stock tanks were built to improve livestock distribution.

One of the goals was to increase the stocking rate without adversely affecting the forage plants. Crested wheatgrass has increased from 52 percent of the composition in 1980 to 63 percent in 1984. Western wheatgrass in 1980 was 17 percent; by 1984, it had increased to 28 percent. The percent cover declined slightly from about 60 percent in 1980 to 56 percent in 1984. Utilization on the allotment has not increased significantly. Therefore, the conclusion is that the increase in stocking has had minimal impact on the vegetation.

The thinning of the pinon-juniper woodland has improved the quality of the wildlife habitat. The seeding mixture used to reclaim the area has also allowed for an increase in the numbers of wildlife on the allotment. No data are available on the wildlife populations at this time.

BLM Authorized Allotment-Level ESP Area - Dufers Point

The Dufers Point Allotment in 1980 had considerable unauthorized use, which was occurring from Indian Trust Land that was not fenced from the allotment. In addition, sagebrush dominated 42 percent of the allotment and provided a good opportunity to improve the forage production through sagebrush control. An ESP plan was implemented on the Dufers Point Allotment in late 1980.

The plan focused on developing additional water and sagebrush control, plus reseeded. Additional fencing would be constructed and some existing fences would be modified to reduce impacts on wildlife movement. Other range improvements would also be installed to improve the range conditions.

Some of the water developments were completed by the operator; however, the plan was never fully implemented. Finally, in 1984 the ranch was sold to the Navajo Tribe. The ranch has been in nonuse since the Tribe purchased it.

BLM Authorized Allotment-Level ESP Area - Twin Butte

An ESP plan was signed in 1982 for the Twin Butte Allotment. The plan's objectives were to improve range conditions, minimize conflict between livestock and wildlife during the critical winter and spring period, and increase the percent calf crop and weaning weights.

The livestock would be under a best-pasture deferred system managed by the permittee and adjusted around the temporary waters that are available from time-to-time on the allotment.

To facilitate the plan, additional range improvements were to be constructed by the permittee.

The program has resulted in improved management, but the plan has not been fully implemented because the permittees have not fully implemented the range improvements. Some pastures show increases in forage plant vigor and reduced soil erosion in response to the increased rest periods. The permittees were able to provide additional growing season rest after they acquired another permit on the National Forest.

In 1984 the permittees requested that they be dropped from the ESP program because they did not have the capital to invest heavily in range improvement installation.

BLM Authorized Allotment-Level ESP Area - White Sands

The White Sands ESP area is composed of two allotments managed by the same manager. They were selected for ESP because of the ranch size and the good potential for range condition improvement. Additionally, the manager was interested in improving the two ranches.

Rangeland conditions varied, but could generally be categorized as poor on the sandy sites, fair on the loamy, gravelly, and draw sites, and good on the limestone hills sites. Because of the lack of permanent water, livestock were concentrating on the lower elevation flatter areas and only lightly grazing the higher elevation rougher sites.

The ESP plan was developed in 1982 to combine the two ranches into one management unit to provide for deferring as many pastures as possible during the growing season. Additional waters would be developed to level out the distribution of livestock use.

The program has resulted in a definite improvement in plant production and vigor in the lower elevation flatter pastures.

The following are utilization and use levels for the two allotments under the program:

	<u>Allotment 659</u>		<u>Allotment 619</u>	
	<u>Use</u>	<u>Utilization</u>	<u>Use</u>	<u>Utilization</u>
1981	1800 AUMs	66%	2040 AUMs	63%
1982	1357 AUMs	45%	1968 AUMs	55%
1983	1416 AUMs	60%	1846 AUMs	48%
1984	1455 AUMs	46%	2343 AUMs	38%

BLM Authorized Allotment-Level ESP Area - Y-Ranch

The Y-Ranch was selected as an ESP area because the operator was interested in range management and was very cooperative with the Federal Agencies and because the allotment had a mixture of land ownership.

The ESP plan was approved in 1982. Rangeland resource objectives are to maintain areas in good range condition and improve areas that are in poor or fair condition, improve or maintain deer habitat, maintain forage for antelope, and obtain the optimum production of red meat without damaging the rangeland resources. Under the plan the permittee monitors forage conditions and bases his pasture stocking level, use levels, and move in-out dates upon feed availability, water availability, presence of poisonous weeds, desired use levels, shipping, and other needed husbandry practices.

As a result of the plan, plant vigor and seed production have improved. Use levels have been within acceptable limits, and adequate physiological rest periods have been provided for the vegetative resource. Over time, the management will improve the range conditions.

Wildlife populations have not been monitored; however, browse studies indicated that livestock use was below the level needed to shape up the browse plants on the National Forest. The Forest Service requested that winter use by livestock be increased to assist in wildlife habitat management.

BLM Authorized Allotment-Level ESP Area - Alkali

In 1978, the Alkali Grazing Association entered into an agreement with BLM that established a grazing and rangeland monitoring program. The Bureau of Land Management completed the Ironside Livestock Grazing EIS in 1980. The estimated grazing capacity for the Alkali Spring Allotment was 1,366 AUM's below the grazing preference level.

Upon completion of the Rangeland Program Summary Record of Decision in 1981, the Association worked closely with the BLM to: (1) evaluate the range studies; (2) further refine the four grazing programs on the association allotments; and (3) develop the stewardship program. Under the ESP program, the permittees would pool their resources to develop the range.

The main objective for ESP was effective resource management. This objective has been met in the Stripe Mountain and North Alkali units. Pastures in these units have been properly rested and managed. One exception is Farewell Bend Seeding that was used heavily in spring of 1983. The rest of the pastures in these two units look good, and the objectives are being met.

The South Alkali unit has had problems in effective resource management. The cattle have not grazed in the proper pastures. The 4 additional waters that were to be fenced have not been fenced. This has prevented control of the livestock through water control.

Monitoring studies indicate that all three crested wheatgrass seedings have had significant losses in grass cover. The Bierman Seeding's forage productivity may have been improved by the heavy use that has occurred. However, the other two may have dropped in productivity. In contrast to the loss in grass cover, the Love Seeding has had a significant increase in normad alfalfa, a desirable forb.

The plan called for at least 350 pounds per acre of residual vegetation to be left after the grazing season on the South Alkali Pasture's annual range. Clipping studies showed a high of 1,100 pounds per acre and a low of 418. The objective has been met, and the plan is working well on the annual range.

BLM Authorized Allotment-Level ESP Area - Beulah

The Beulah Reservoir Allotment was selected for ESP because the livestock operator was recognized by BLM as a progressive manager who was interested in trying out new management techniques.

The ESP Plan has been in effect since 1982. The goals and objectives established for the rangeland in the allotment are mainly to improve ecosite condition, winter browse, and riparian zones.

Monitoring studies were established to be read every 5 years. Trend data is not available yet, but utilization studies show the allotment use being slight to low moderate. Winter browse studies show upward trend. At least one deer winter range pasture is rested each year, along with early spring use in turnout pastures.

Riparian zones are improving. The permittee has built two fences to assist with riparian management and to control cattle between spring and summer ranges. In addition, he has cut junipers and made checks in streams to slow water runoff. These checks have significantly healed portions of the stream. Riparian areas are rested during the summer months to allow adequate growth and reduce cattle concentrations. Willows along the riparian zones are in good condition and improving.

BLM Authorized Allotment-Level ESP Area - Colton

The Magpie Peak Allotment was selected for the ESP because BLM recognizes the permittee (Colton) as a progressive manager who has been very cooperative in the past. The purpose of the plan was to provide incentives for the permittee to improve range conditions by exploring innovative management techniques.

Under ESP the guidelines for livestock grazing were agreed upon between the BLM and the livestock operator. For example, grazing was restricted to April 1 to January 30 each year. The exact system of how much and where to graze on the allotment was to be determined by the livestock operator and would depend on resource conditions. In addition, the operator could determine how much non-use to activate each year based on the forage available up to the 736 AUM's.

The plan is working well. The permittee has completed whitetop noxious weed control work in 1982 and 1983. The operator also cooperated with the BLM to conduct a 500 acre sagebrush control burn in 1983. The new cross fence that the permittee built has improved distribution and is allowing more use to be made on the previously underused south end of the east portion. Utilization has ranged from light to upper moderate. Line intercept trend studies were established in 1981. These have not been re-read but visual observation indicates the general trend is static to slightly upward.