USDA
United States Department of Agriculture

Forest Products Modernization

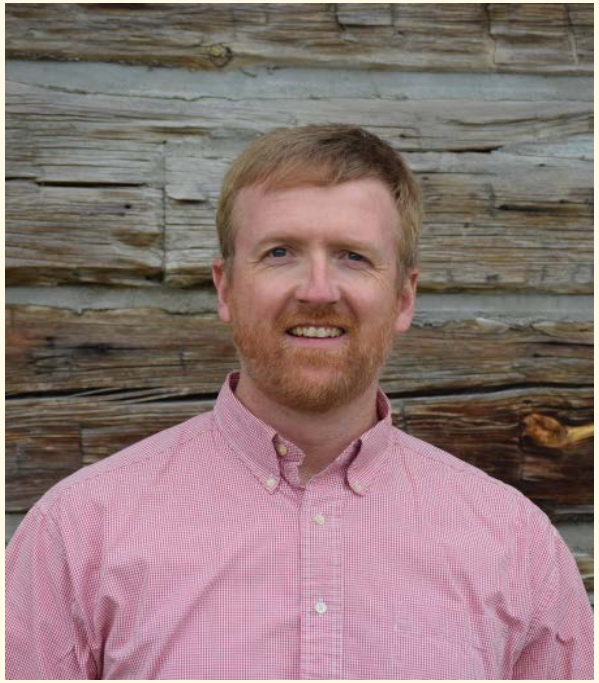
Eastern Partner Feedback Session

Regions 8 and 9

October 12, 2018

Forest Service

Welcome and Overview



Ben Irey

National Forest Foundation

Allen Rowley

Acting Associate Deputy Chief, NFS

Welcome to the NFF Web Conference Room!

- MUTE or TURN DOWN computer speakers
- Ask questions! **Raise your hand and hit *# to join the discussion.**
- Try out the discussion pod and **introduce yourself!**
- This session is being **recorded.**

Session Objectives

- Create awareness
- Collect feedback on preliminary solution ideas and actions underway or planned
- Gather ideas on how to streamline our business practices for delivering forest products
- Strengthen existing, and develop new, relationships with our partners

Today we want to:

- Share why changes are important
- Support honest dialogue
- Discuss perceived barriers and solutions
- Identify opportunities for continued engagement
- Discuss how your feedback will be used

We hope to come away from this session with:

- Better understanding of specific actions to take to increase the pace and scale of forest restoration through an improved system for forest products delivery

- Better understanding of improved communication methods and continued partner engagement

Section 1- Forest Products Modernization Overview

Dave Wilson- Acting Assistant Director, Forest Products

USDA Strategic Goals

Goal 1: Programs delivered efficiently…with a focus on customer service

Goal 4: Facilitate rural prosperity and economic development

Goal 5: Strengthen stewardship on private lands through technology and research

Goal 6: Ensure productive and sustainable use of our National Forest System Lands

- Contribute to economic health of rural communities
- Ensure lands and watersheds are sustainable, healthy, and productive
- Mitigate fire risk

Photo courtesy of The Nature Conservancy

Forest Service Priorities

1. **Uplift and empower employees**
2. **Be good neighbors and excel at customer service**
3. Promote shared stewardship by increasing partnerships and volunteerism
4. **Improve the condition of forests and grasslands**
5. Enhance recreation opportunities, improve access, and sustain infrastructure

Forest Service Change Efforts

- Environmental Analysis and Decision Making (EADM)
- Forest Products Modernization
- Oil and Gas Leasing
- Land Exchange
- Special Uses Modernization
- Efficient Infrastructure Delivery

7 USDA Strategic Goals

1. Work efficiently, effectively, with integrity and customer focus

2. Enable agricultural producers to feed and clothe the world

3. Promote American agricultural products worldwide

4. Increase rural prosperity

5. Apply technology and research to the stewardship of private lands

6. Foster sustainable use of our National Forest System lands

7. Provide Americans with a safe, nutritious, secure food supply

5 USFS Agency Priorities

1. Uplift and Empower Employees

2. Deliver Remarkable Customer Service

3. Strengthen Shared Stewardship

4. Improve Forests and Grasslands

5. Enhance Outdoor Recreation, and Improve Access and Infrastructure

6 NFS Change Efforts

1. Land Exchange Process Improvement

2. Special Uses Modernization

3. Forest Products Modernization (FPM)

4. Infrastructure Improvement

5. Environmental Analysis and Decision Making (EADM)

6. Oil and Gas Leasing in Forest Plans

What is EADM?

EADM Goal: To increase the efficiency of environmental analysis and decision-making procedures to accomplish more work on the ground

Six components of EADM goal:

- **training our employees**
- **examining and reforming Forest Service policies**
- **improving efficiency through technology**
- developing new performance standards
- improving consultation with other agencies
- **changing the way we do business**

What is FPM?

FPM Goal: A strategic effort designed to better align our culture, policies, and procedures with current and future forest restoration needs in order to increase the pace and scale of restoration, improve forest conditions, and improve efficiency of forest product delivery.

FPM Goals

Align Forest Service practices, policies, and guidance to be more agile, flexible, and adaptable to better meet current and future forest improvement goals.

Improve forest conditions, meet forest restoration needs, create sustainable landscapes, and increase the amount of forest products coming from National Forest System lands.

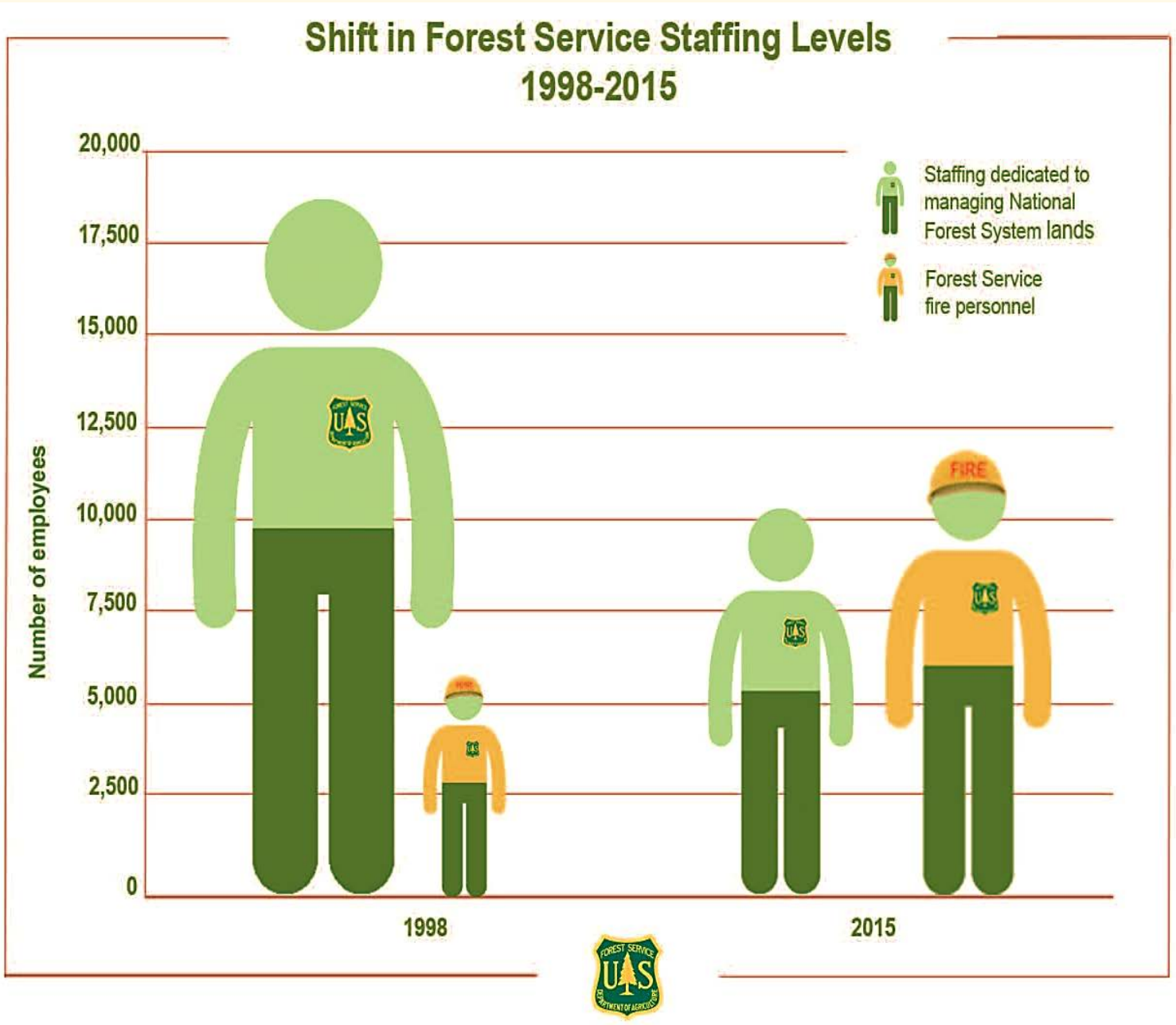
Why change now?

- Changing forest conditions
- About 80 million acres of forest and grassland are in need of restoration
- Current rate of restoration just over 5 million acres per year.
- Our current processes may be slowing us down

Why Change Now?

Our non-fire workforce is at its lowest capacity in years.

Our forest products delivery workforce was nearly 40 percent larger in 1980 than 2016.



Achieving Our Goal

- This effort is relying on ideas and support from our employees in the field and also our partners
- We want to learn what is working well in forest product delivery and to share what is learned nationally
- We want to strengthen existing, and develop new, relationships
- We are identifying short-, mid-, and long-term actions

What We Are Doing

- Updating training for our employees
- Examining and reforming our policy
- Improving efficiency through better use of technology
- Changing project management and delivery system processes
- Changing the way we do business to get more work done on the ground
- Exploring opportunities for change in all aspects of the forest products delivery system

Forest Products Modernization
Team Structure, 8/30/18

Executive Team

Chris French, Acting Deputy Chief, NFS – Project Sponsor
Greg Smith, Associate Deputy Chief – Executive Leader
Allen Rowley, Acting Associate Deputy Chief – Executive Leader
John Crockett, Acting Director, FMRMVE – Executive Leader

Dave Wilson
Project Leader

Debbie McGlothlin
Project Manager

Wendy Zirngibl
Communications Leader

Core Team

Greg Smith, Allen Rowley
John Crockett, Dave Wilson
Debbie McGlothlin, Dave Cawrse
Ken Cormier, Gary Church
Wendy Zirngibl, Ashley Warriner

Cross-Deputy Team

Emilee Blount
World Nieh
Steve Marshall
Melissa Jenkins
Tina Terrell
Laura Nance
George Sears
Shawna Legarza
Brian Brashaw
Nicholas DiProfio
Lori Jones
Kevin Heikkela

Guiding Team

Leanne Martin, Carol McKenzie &
Jeanne Higgins – R1
Brian Ferebee & Steve Lohr – R2
Cliff Dils & Neil Bosworth – R3
Keith Lannom & Rick Schuler – R4
Barnie Gyant & John Exline – R5
Diane Guidry & Aly Warren– R6
Frank Beum & Nick Larson – R8
Steve Kuennen & Paul Strong – R9
Earl Stewart – R10

Implementation Team
Dave Cawrse
Team Leader

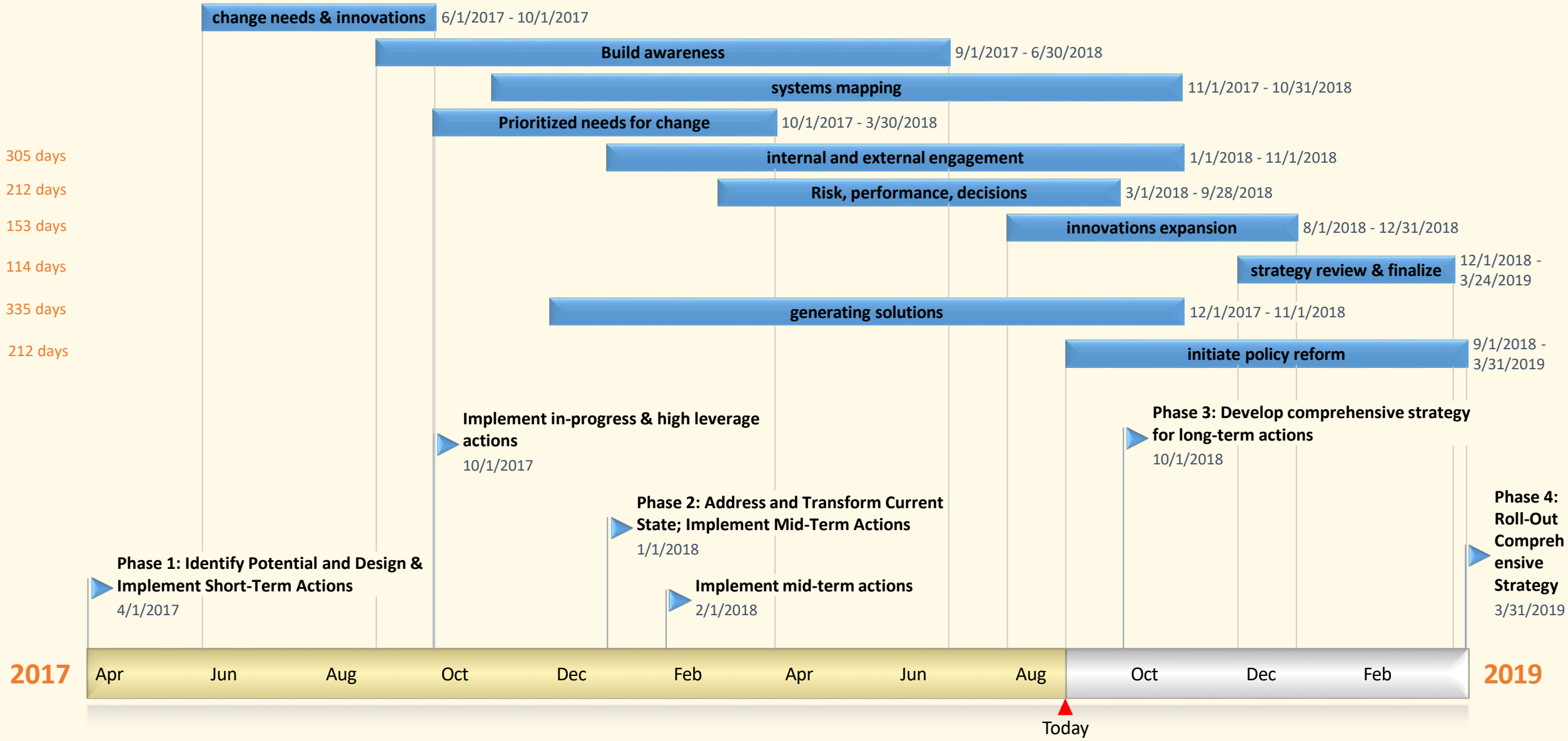
Chris Miller
Gary Church
Gerald Bednarzcyk
Additional short- and long-term
detailers as assigned

Solution Teams

Personnel, Recruitment, Staffing and Training
Sale Layout
Timber Sale Accounting, Scaling and Accountability
Certification
Appraisals
Contracting and Permitting

Extended Team

Systems Mapping Team


change needs & innovations
6/1/2017 - 10/1/2017
Build awareness
9/1/2017 - 6/30/2018
systems mapping
11/1/2017 - 10/31/2018
Prioritized needs for change
10/1/2017 - 3/30/2018
305 days
internal and external engagement
1/1/2018 - 11/1/2018
212 days
Risk, performance, decisions
3/1/2018 - 9/28/2018
153 days
innovations expansion
8/1/2018 - 12/31/2018
114 days
strategy review & finalize
12/1/2018 - 3/24/2019
335 days
generating solutions
12/1/2017 - 11/1/2018
212 days
initiate policy reform
9/1/2018 - 3/31/2019
Implement in-progress & high leverage actions
10/1/2017
Phase 3: Develop comprehensive strategy for long-term actions
10/1/2018
Phase 2: Address and Transform Current State; Implement Mid-Term Actions
1/1/2018
Phase 4: Roll-Out Comprehensive Strategy
3/31/2019
Phase 1: Identify Potential and Design & Implement Short-Term Actions
4/1/2017
Implement mid-term actions
2/1/2018
2017
Apr
Jun
Aug
Oct
Dec
Feb
Apr
Jun
Aug
Oct
Dec
Feb
2019
Today

Progress to date

1. Delivering new, updated, and expanded training courses and launching sale administrator academy
2. Purchasing and distributing new equipment and developing new applications for use in forest products measurements
3. Implementing interim direction via Chief's February 2018 letter; working now on second letter
4. Using bar code readers for tracking log loads
5. Initiating virtual boundaries pilot
6. Initiating pilot for market-based appraisal and testing simplified appraisal tool prototypes
7. Initiating handbook and manual updates

Innovations Underway

1. One-page summaries of innovative ideas in use across the country
2. Several available on our public website, 15 drafted, more planned
3. These include some demo projects and learning journeys
4. Working on better ways to share and spread these ideas to other units

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Forest Products Modernization Innovation Underway

Deck Scaling on the Chequamegon-Nicolet National Forest

Overview

In 2017, the Chequamegon-Nicolet National Forest set out to explore the use of deck scaling on an 80-acre, red pine, non-sawtimber sale, cut according to a spacing prescription. This project tests the viability of measuring all logs at the landing, prior to hauling by train, and eliminates the need for truck ticketing and haul route restrictions. The forest has found that deck scaling is a way to diversify its measurement toolbox and increase the efficiency of post-harvest measurement on sales like this one.

Ingredients for Success

Legal authorization, specific sale characteristics, collaboration, and mill buy-in have been critical to the success of deck scaling during this project. Specifically, the Chequamegon-Nicolet National Forest has:

- Exercised prescription sales on national forests as authorized in the 2014 Farm Bill.
- Applied deck scaling to single-species, non-sawtimber designation on prescription sales.
- Worked with State, Federal, and university researchers to develop the deck scaling process for the Forest Service.
- Conducted outreach to local timber purchasers prior to initiating the project to garner positive feedback regarding deck scaling. Many mills prefer hauling to truck hauling and weight scaling is unavailable to some mills. Deck scaling is commonly used by States, counties, and mills in the Lake States area.

Lessons Learned

Deck scaling entails strict operational requirements:

- The timber must sell as a uniform product type.
- Decks must consist of logs of uniform length.
- Scaled decks cannot intermingle with unscaled wood.
- No logs may leave the landing prior to scaling by Forest Service personnel.

In light of these requirements, the Chequamegon-Nicolet National Forest completed specified deck scaler training.

Processed logs waiting for transport from a landing. USDA Forest Service photo.

Next Steps

Going forward, deck scaling may increase the viability of salvage and forest restoration projects on National Forest System land. Given the success of this ongoing project, the Forest Service will consider expanding deck scaling to other forests in the Eastern Region.

For More Information, Contact

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Eastern and Southern Regions
johnchurch@fs.fed.us
404-347-3885

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Planned Next Steps

1. Gathering feedback from our employees and our partners
2. Continuing implementation of actions already underway
3. Immediately implementing other high leverage/priority actions
4. Strategizing on best approaches for longer-term actions

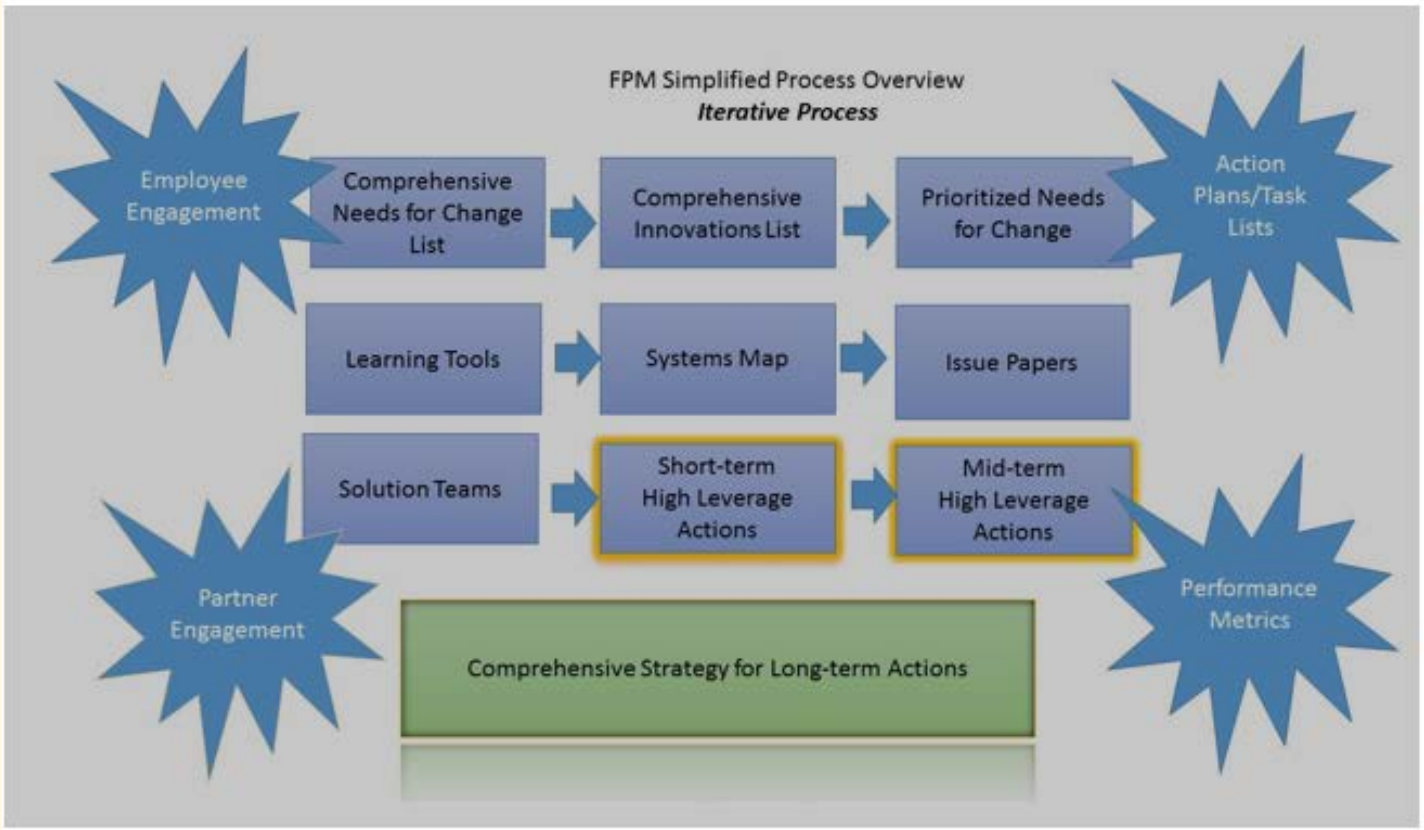


Figure 1. Simplified Forest Products Modernization Process: Needs for Change to a Comprehensive Strategy

Section 2 – Key Issues

Dave Cawrse, Forest Products Modernization Implementation Team Leader

What We Are Examining

1. **Personnel, recruitment, staffing, and training**
2. **Sale layout, including transportation and logging systems**
3. **Timber sale accounting, scaling, and accountability**
4. **Certification**
5. **Appraisals**
6. **Contracting and permitting**
7. Project and program management
8. Permanent and trust funds
9. Information management
10. Forest products utilization and markets
11. Silviculture
12. Reviews and audits

Solution Team Summary

- Nominations from Regional Foresters
- 6 teams comprised of district, forest, and regional forest management staff
- Each team focused on one high-priority change need
- Kicked off a series of 4 virtual workshops in April and concluded in May
- Effort coordinated by the FPM implementation team

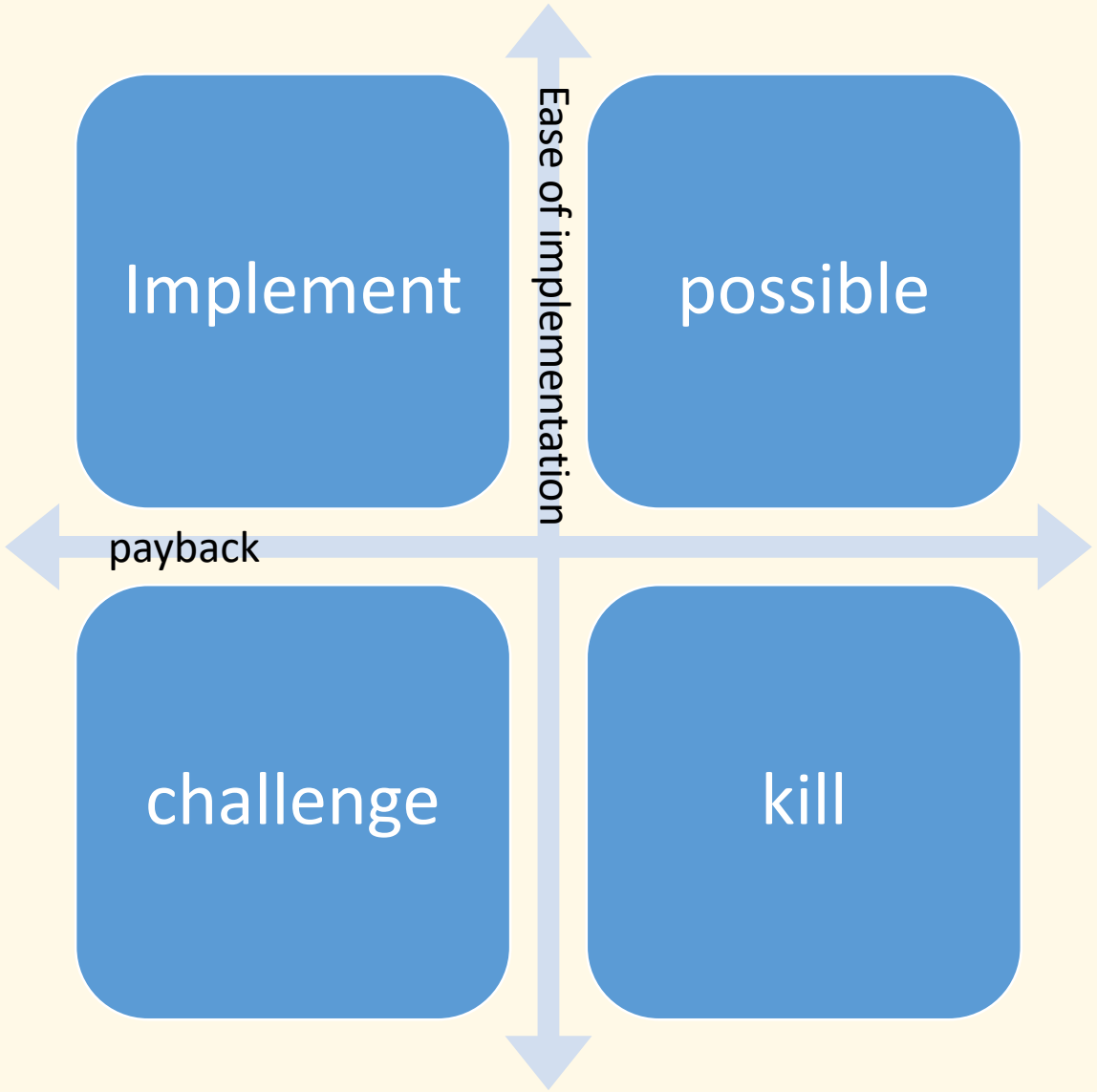
Solution Ranking

- Over 300 solution ideas generated between all 6 teams
- About 100 solution ideas from other employees and partners
- About 170 individual ideas categorized and ranked by the implementation team
- Sorted by broad change category, delivery system change need, and gate

Solution Ranking

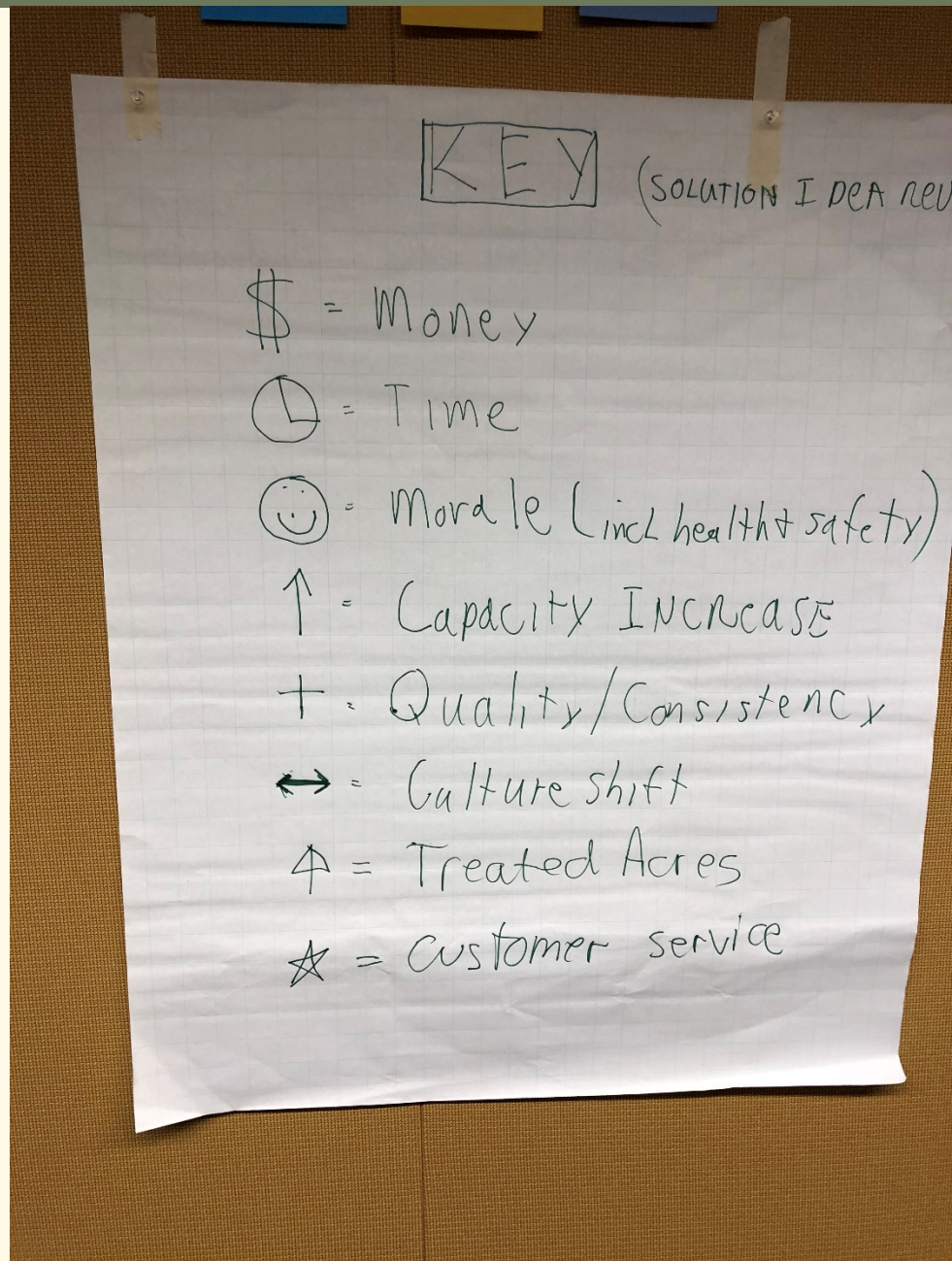
- Implementation time
- Effort to Implement
- Benefit / payback including range of influence

Each idea was given a score on a scale of 1 to 10



Workshop Results

- Director identified 10 high-leverage actions based on his review of June workshop results
- Guiding Team weighed in during a July workshop
- Guiding Team helped develop approaches to several recommendations
- Allen Rowley sharing this list today



Key Issues

1. Personnel recruitment, staffing, and training
2. **Sale layout, including transportation and logging systems**
3. **Timber sale accounting, scaling, and accountability**
4. Certification
5. **Appraisals**
6. **Contracting and permitting**

Sale Layout

- Determine which sale layout policies and procedures can be altered or eliminated to increase efficient and effective timber sale layout
- Streamline policies and procedures for logging systems and transportation analysis

Sale Layout

Some things we have learned:

- Paint is expensive
- Designation by Prescription is a new authority we can use
- Many opportunities to embrace new technologies in sale layout

Timber Sale Accounting

- Includes timber sale accounting, sale administration, scaling, and financial accountability.
- Want to increase flexibility and efficiency in our financial system, accountability standards, and timber measurement policies and procedures by determining which ones can be eliminated, changed, or streamlined.

Timber Sale Accounting

Concerns include:

- Low-value material is generally treated the same as high-value material
- Opportunities to better use new technology in sale administration

Have implemented a new Forest Products Financial System (FPFS)

Appraisals

We are required to appraise timber and other forest products to determine fair market value prior to offering them for sale.

- Determine whether to eliminate, change, or streamline appraisal policies and procedures to increase efficiency and effectiveness
- Review transaction evidence appraisal system policies and procedures to determine the accuracy of appraisals for low-value forest products.

Contracting & Permitting

- Examine our policy and procedures for timber sale contracting and non-commercial forest products permitting to determine if any can be eliminated, changed, or streamlined when in the best interest of the parties involved
- Consider low-value markets, post-contract awards, term adjustments, award timeframes, road package contracts, end-results clauses, and stewardship and Good Neighbor Authority contracts

Section 3 – Director Recommendations

Allen Rowley, Acting Associate Deputy Chief, National Forest System

Director Recommendations

1. Continue training on new tools, authorities, and methods
2. Develop sale administration position description and standardize nationally
3. Improve strategies for recruitment and retention of employees to meet staffing demands for delivery of forest products
4. Continue staff work on certifications and determine return on investment if changes are needed
5. Form TIM team and develop business requirements for a modernized TIM system
6. Continue application of new technologies and the infrastructure support needed

Director Recommendations

7. Form national team to streamline and simplify contracting process

8. Engage appraisals team and develop a simple appraisal process to test. Continue review of the new base price system being piloted. Consider short-term and long-term system needs

9. Form national team to look into FPFS and consider desk guide/task book concepts

10. Define “low value” and develop a new process/policy on identification, management, and disposal of low-value material in conjunction with land management objectives.

Questions?

10-minute break

Feedback & Discussion

1. How do the priorities we've shared today resonate with you? What feedback do you have for us on what has been presented here today?
2. If you could do one thing to improve the Forest Service's business practices in the delivery of forest products, what would you do?
3. What practice, process, or implementation tool from state or private timber operations would you recommend the Forest Service consider in order to achieve forest restoration objectives?
4. Other questions or suggestions?

Leadership Close-Out

Reflections and Takeaways

Next Steps

2018

- Oct 10-12: Regional feedback sessions
- Oct 24 and Nov 8: Employee webinars
- Nov: analyzing feedback and adjusting path forward as needed
- Nov - Dec: Preparing comprehensive strategy for long-term actions

2019

- Dec – Jan: strategy review periods
- Jan – Mar: finalizing strategy

**Mar, July, Oct: anticipated policy reform comment periods*

How to Stay Engaged

Your input is welcome on any materials shared

Request additional sessions/presentations

Look for policy reform comment opportunities

Stay informed about our progress: https://www.fs.fed.us/science-technology/forest-products-modernization

Send us an email: dwwilson@fs.fed.us

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Additional Dialogue Sessions

All sessions: Dial 888-844-9904

Access codes by region:

Region 8 (Southern Region): **4463759#**

Region 9 (Eastern Region): **5940426#**