

Pre-Commercial Thinning: Improving Young Growth Forests through Effective Management

*Pre-Commercial Thinning Task Force
Recommendations Report*

Facilitated by

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Photo: Sustainable Southeast Partnership

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Executive Summary

The Tongass National Forest, once home to a thriving old growth timber industry, now faces the challenge of managing previously harvested stands in a way that ensures healthy young growth forests. Pre-commercial thinning (PCT) is an essential management approach – it facilitates earlier economical timber sale opportunities and wildlife habitat benefits that provide critical subsistence resources for Southeast Alaskans. However, the U.S. Forest Service (USFS) is currently unable to address these thinning needs at scale: 85,000 acres are in need of thinning, and the PCT program needs to treat 6,000 - 8,000 acres per year to keep up, but the thinning rate now is only a fraction of that amount.

In 2020, the State of Alaska convened the PCT Task Force to develop recommendations to improve implementation of the PCT program on the Tongass. The Task Force, which was facilitated by Meridian institute, identified the following recommendations as top priorities. The full set of recommendations are in the report. See Appendix A for a list of Task Force members.



1. CONTRACTING MECHANISMS AND APPROACHES

Following changes to contracting approaches in the region, the pool of available PCT contractors declined precipitously. Suggested changes aim to increase the number of eligible contractors by issuing a variety of contract sizes and types.

Priority recommendation:

- **Continue work that is already underway to develop a more diverse array of contracting mechanisms and ensure these priorities remain as contracting authority shifts to the national level.** Implementation will require a strong working relationship among US Forest Service Region 10 leadership and the office of acquisitions management (AQM).



3. LABOR FORCE AND AVAILABLE CONTRACTING BASE

Given the significant need for consistent PCT projects at scale, the contracting base will need to expand to include contractors from other regions of the country with a workforce that includes migrant workers.

Priority recommendation:

- **Amend the H2-B visa program to allow migrant workers to work in Alaska and the contiguous United States.** The forestry and timber sectors will be essential to provide backing for these changes.



2. DEPARTMENT OF LABOR STANDARDS

Contractors in Southeast Alaska face the unique challenge of ensuring worker health and safety in remote temporary field camps. Suggested changes seek to increase understanding of and compliance with current standards, as well as offer options for flexibility in enforcement for remote settings.

Priority recommendations:

- **Pursue an agreement between the US Forest Service and Department of Labor regarding labor standards and specific guidance for worker conditions at remote field sites.**
- **Conduct virtual trainings with agency staff and contractors regarding compliance with Department of Labor standards.**



4. THINNING PRIORITIZATION AND FINANCIAL RESPONSIBILITY

Land managers have developed thinning priorities based on ecological needs, but contracting limitations, access to housing, and budget allocations limit the USFS's ability to complete PCT projects. The cost of PCT has risen precipitously while the amount of funding allocated for the program has remained stagnant.

Priority recommendation:

- **Develop cost estimates and budget priorities that reflect the true cost of PCT,** including temporary labor camps that meet health and safety requirements, transportation costs of accessing remote locations, and providing fair wages (including overtime) for workers.



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Pre-commercial thinning (PCT) provides valuable resource benefits, particularly for wildlife habitat and timber stand improvement. Pre-commercially thinning a stand can facilitate earlier economical timber sale opportunities by allowing viable stands to grow larger, faster, and with preferred species while also providing wildlife habitat benefits by supporting ungulate populations that are critical subsistence resources for Southeast Alaskans. PCT is also critical in even-aged stands in areas managed for old-growth objectives by creating growing conditions that accelerate development of structural and plant species heterogeneity and allow for the growth of large trees and eventual recruitment of large snags and logs, features important to a variety of Tongass wildlife.

However, the Tongass National Forest is currently unable to address the thinning needs that are imperative for ecological purposes and the timber industry. The scale of timber harvest during the pulp mill era (1960s-1990s) in Southeast Alaska resulted in a proliferation of young growth that is now in significant need of thinning, estimated at approximately 85,000 acres across the Forest. There is a limited window of time when thinning is effective, beyond which thinning is no longer a viable strategy. PCT of large-sized boles (e.g., >20cm diameter at breast height) can lead to substantive slash impacts to deer and other wildlife. The thinning window is considered approximately 15 to 30 years post harvest, depending on site productivity. To address the current thinning backlog within a reasonable time frame, the Tongass National Forest PCT program should be treating approximately 6,000-8,000 acres per year. Several years ago, the program was successful in meeting its thinning targets. However, the thinning rate now is a fraction of that amount.

The State of Alaska convened the PCT Task Force through a Challenge Cost Share Agreement with the Forest Service to develop a plan and a set of policy recommendations for how to address the backlog, improve future management of young-growth timber stands, and address labor and contracting issues associated with pre-commercial thinning crews. Meridian Institute assisted the Task Force by interviewing key stakeholders with knowledge about the PCT program, hearing their perspectives on what worked well in the past, their thoughts on current challenges, and their suggestions for how to improve the program going forward. A non-attributable summary of those interviews and a list of interviewees is attached in the annex.

In recent years, challenges associated with PCT have limited the ability of land managers, particularly the U.S. Forest Service (USFS), to thin desired acreage. These challenges fall into broad categories: contracting limitations, Department of Labor regulations, contractor and workforce availability, and prioritization and financial responsibility. These challenges are discussed in more detail in the attached interview summary. To address these challenges, the PCT Task Force developed priority suggestions and possible implementation steps, outlined in this paper. Many of these suggestions are closely interrelated and would best be implemented in conjunction with other suggestions.



The stand on the left (red dots) was pre-commercially thinned, while the stand on the right (yellow dots) was not. The healthy growth on the left, versus the sun-starved stand on the right, demonstrates the positive impact of PCT. (Photo: Terra Verde, Inc.)

1. Contracting Mechanisms and Approaches

Interviewees identified a variety of factors that contributed to effective contracting in the past, including:

- Smaller contracts more accessible to local contractors and owner-operator partnerships (including small business set-asides)
- Temporary field camps constructed from nearby materials, including available and permitted trees onsite, and dismantled upon project completion
- Many contracts of various sizes and in various locations solicited each year, allowing each contractor to compete for jobs that best fit their business profile, capacity, and knowledge of/access to specific geographic areas
- Consistent communication and coordination between contracting office representatives (CORs) and contractors
- Positive working relationships and clearly defined roles between CORs/forest silviculturists and the Office of Acquisitions Management (AQM), with CORs focused on on-the-ground needs and AQM determining contracting mechanisms for implementation
- Contracting decisions driven by ecological needs, access to work sites, and desired treatments identified by the COR.

While changes to the USFS contracting system ensured legal compliance and appropriate higher-level oversight, these approaches unintentionally resulted in limitations to implementation of the PCT program with the number of qualified contractors declining precipitously. In addition, given this limitation, planned PCT projects were relegated to the ability of contractors to meet contracting requirements as opposed to ecological needs. The following suggested changes aim to increase the number of eligible contractors and ultimately meet the thinning needs on the forest and across the region more effectively.

Suggested Change	Desired Outcome	Implementation Steps
A. Enable contracting beyond the 8(a) program so any qualified contractor can bid on a project (e.g., 1c)	Increase the number of eligible contractors in the region for USFS thinning projects	<ul style="list-style-type: none"> • Review contracting information from other USFS Regions for examples of other effective contracting approaches (R10 AQM) • Provide guidance on what is possible with the current contracting approach (R10 AQM) • Review PCT Task Force list of “what worked well” in past successful contracting and provide guidance regarding alternative contracting approaches (R10 AQM) • Ensure that staff in the contracting office can utilize the full range of available contracting tools (R10 AQM) • Implement and continue to utilize the open bidding process (R10 AQM, 2020)
B. Issue a combination of large and small contracts across communities, with creative packaging to make them attractive to a variety of contractors with different capacities	Meet the thinning needs on the forest more effectively, including smaller and more remote jobs, by employing a diversity of contractors ranging from larger outfits to local crews	<ul style="list-style-type: none"> • Provide guidance / direction in an overall statement about the Region’s priority to support local contractors (R10 Regional Forester) • Direct AQM staff to determine a strategy to implement this approach (R10 Regional Forester) • Assess capacity of local contractors for thinning contracts of differing sizes and compile a listing of available or interested contractors (TBD) • Package projects/contracts to be economically feasible/beneficial to make infrastructure and logistics investments worthwhile (R10 AQM)
C. Evaluate separate contracts to provide remote housing for PCT contractors	Provide more certainty for contractors to meet DOL housing requirements by contracting directly with a housing provider	<ul style="list-style-type: none"> • Identify contractors who have experience meeting DOL housing standards in other remote contexts (e.g., oil drilling) (TBD) • Conduct market research to determine contractor interest, including local workforce/contractor opportunities (TBD) • Determine whether this is a viable option, and if it is, establish contracting/subcontracting requirements for contracts (AQM) • Assess local government-owned housing options (e.g., existing barges owned by USFS and State of Alaska) (TBD)
D. Adopt a collaborative and regional approach to planning, contracting and mobilization via a multi-stakeholder process	Increase efficiency and address thinning needs across the region, and allow for longer-term planning and longer, multi-year contracts	<ul style="list-style-type: none"> • Engage the All Lands Group to help identify thinning priorities and innovative thinning prescriptions, including enhancing wildlife habitat and collaboration opportunities for joint mobilization (TBD) • Discuss and lead implementation across land ownership boundaries (All Lands Group) • Involve other federal and state agencies (e.g., Tongass Wildlife Working Group, Alaska Department of Fish & Game) in identifying needs and opportunities (TBD) • Provide support to existing partnerships and collaborative groups (e.g., Hoonah Native Forest Partnership, Keex K’waan Community Forest Partnership) (Tongass Partnership Coordinators, R10 Director of Forest Management)

2. Department of Labor Standards

PCT projects require field camps in remote settings throughout the Forest, often only accessible via boat and/or on foot. In these conditions especially, worker safety is of utmost importance on these crews, and must be acknowledged and protected. However, due to current Department of Labor (DOL) standards, these camps face the same requirements as farm laborers near towns and cities in the continental United States. As an example, hotels are required to be provided for workers; remote locations of PCT projects make such standards impossible to meet. The PCT Task Force identified possible changes to increase understanding of and compliance with current standards, as well as offering options for flexibility in enforcement for remote settings.

Suggested Change	Desired Outcome	Implementation Steps
A. Provide more clarity, in written form, about how to meet the Migrant and Seasonal Agricultural Worker Protection Act (MSPA) standards that apply to PCT work – including guidelines for Farm Labor Certificates and workforce housing	Increase understanding of DOL housing and farm labor standards	<ul style="list-style-type: none"> Coordinate between USFS AQM and DOL to identify approach and concrete steps to provide clear guidance (<i>Community Outreach & Resource Planning Specialist, DOL</i>) Review examples of other migrant agricultural field camp standards/guidance (e.g., Washington state cherry picking) (<i>TBD</i>) Make compliance guidance/checklist publicly available and provided in writing and via trainings to interested contractors (<i>DOL; Q1 2021</i>)
B. Provide training to contractors on MSPA standards and requirements and best practices to meet those standards and offer proactive communication and warnings over minor infractions, rather than immediate punitive measures and fines	Increase compliance of DOL standards while allowing contractors to address issues without significant punitive action	<ul style="list-style-type: none"> Conduct additional bilingual outreach and training regarding what is needed to be in compliance (locally and with contractors outside the region) (<i>Community Outreach & Resource Planning Specialist, DOL; 2021</i>) Provide clear contact information for DOL support staff for contractor questions (<i>Community Outreach & Resource Planning Specialist, DOL; 2021</i>)
C. Resurrect/recreate the national 1994 MOU between the Forest Service, Region 6 and the Department of Labor, Region IX regarding housing standards for reforestation and related contracts	Develop and implement a housing strategy that ensures worker safety while recognizing the unique challenges of a field camp setting	<ul style="list-style-type: none"> Determine current status of national MOU (<i>DOL Region IX</i>) Initiate outreach to DOL leadership regarding resurrection of MOU (<i>R10 Regional Forester</i>) Determine whether to pursue an Alaska-specific MOU or apply the MOU at a national level (<i>TBD</i>) Reinstate existing or implement a new MOU providing guidance regarding field camp standards (<i>national-level DOL and USFS/USDA; 2021</i>)
D. Responsibility of compliance and enforcement assumed by the State of AK	Allow for local enforcement of housing regulations	<ul style="list-style-type: none"> Assess interest and capacity of the State of Alaska to assume this responsibility (<i>TBD</i>) Gather information / examples from other western states where this approach is being utilized (<i>PCT Task Force/ Meridian team</i>)

3. Labor Force and Available Contracting Base

Given the significant need for consistent PCT projects at scale, the contracting base will need to expand to include contractors from other regions of the country. Local contractors may be part of the solution, but they lack the capacity to conduct PCT projects at larger scales. Similarly, the workforce that comprises the crews will need to include migrant workers. While an increased local workforce is a priority for the Alaska region, the work itself represents challenging conditions that sway local workers from joining the crews. The PCT Task Force identified suggested changes aimed at increasing the interest and availability of contractors and supporting workforce.

Suggested Change	Desired Outcome	Implementation Steps
A. Recruit contractors from the lower 48 to bid on PCT work in AK	Increase the number of outside contractors aware of and bidding on Alaska contracts	<ul style="list-style-type: none"> Establish (or maintain existing) database or shared list of interested contractors from lower 48 for ease of outreach (<i>R10 AQM</i>) Collect information from USFS districts in lower 48 about reliable and willing contractors (<i>R10 AQM</i>) Conduct outreach to contractors in the contiguous U.S. (<i>R10 AQM</i>) Develop multi-year contracts that would allow contractors from the lower 48 to bid without sacrificing their available H-2B visa allotment (<i>R10 AQM</i>)
B. Remove the non-contiguous state restriction on H-2B visas for Alaska	Increase workforce availability to complete PCT work, thereby encouraging more contractors to pursue the projects	<ul style="list-style-type: none"> Discuss challenges with current approach and options for adjusting the restriction to include Alaska (<i>USDA leadership, USFS WO, DHS</i>) Seek support from Alaska delegation (<i>PCT Task Force</i>) Seek support from Sealaska and other land managers in the region (<i>PCT Task Force</i>)
C. Re-energize collaborative groups on the Tongass, including increasing opportunities for stakeholder engagement regarding PCT program implementation	Increase opportunities for external stakeholders to provide input and expertise regarding PCT program implementation	<ul style="list-style-type: none"> Provide guidance / direction in an overall statement supporting collaboration and partnerships (<i>R10 Regional Forester</i>) Identify opportunities to support continued collaboration in the region (<i>Challenge Cost-share Steering Committee</i>) Communicate examples of on-the-ground outcomes associated with collaboration (<i>TTC</i>)



This rendering shows the benefits of PCT to a stand: light can reach the area that has been thinned in the middle, allowing for healthy growth, unlike in the crowded, overgrown stands around it. (Photo: Terra Verde, Inc.)

4. Thinning Prioritization and Financial Responsibility

To ensure PCT is prioritized for ecological outcomes, land managers, including silviculturists and wildlife biologists, identify geographic areas and specific stands and determine prescriptions based on on-the-ground needs. This approach was utilized for many years, with each District of the Forest receiving funding for its PCT program. In recent years, however, the ability to complete PCT projects became more limited, resulting in prioritization based on contracting limitations and access to housing. In addition, while the cost of PCT has risen precipitously, the amount of funding allocated for the program has remained stagnant. The PCT Task Force identified suggested changes to improve ecological outcomes for timber growth and wildlife habitat, with sufficient funds for implementation.

Suggested Change	Desired Outcome	Implementation Steps
A. Prioritize short-term thinning based on ecological needs	Improve ecological outcomes in parallel with improving stands for timber	<ul style="list-style-type: none"> • Authorize decision making at the Forest-level to prioritize thinning based on silvicultural and ecological needs (<i>R10 Regional Forester</i>) • Direct AQM staff/leadership to prioritize contracting approaches that lead to ecological and silvicultural needs, as opposed to focusing on access and other logistics (<i>R10 Regional Forester</i>)
B. Prioritize stands for thinning based on a combined approach of PCT and wildlife thinning	Increase efficiency and improve outcomes for timber growth and wildlife habitat	<ul style="list-style-type: none"> • Review inventory, LiDAR data, and other research (e.g., TWYGS) to consider geographic priorities (<i>TNF silviculturists and wildlife biologists</i>) • Support continued cross-discipline dialogue and planning within the agency (<i>R10 Regional Forester, TNF Forest Supervisor, Forest Silviculturist</i>) • Identify contracting approaches that will lead to projects that meet ecological needs prioritized by Forest-level staff (<i>AQM</i>) • Conduct a focused workshop to identify contractor capacity to meet Forest priorities and project opportunities (<i>USFS, thinning contractors</i>) • Support long-term monitoring and research to quantify benefits of young growth management (e.g. TWYGS + TYGS) (<i>TBD</i>)
C. “Catch up” with the backlog	Ensure timber stands do not “age out” of the beneficial thinning window	<ul style="list-style-type: none"> • Seek financial support from Alaska delegation for near-term thinning implementation (<i>PCT Task Force</i>) • Assess potential role of local NGOs or community entities in supporting this work (<i>TBD</i>) • Review the Forest Service Activity Tracking System (FACTS) and conduct geo-interspatial analysis to determine the number of acres and geographic spread of stands needing near-term PCT treatments (<i>TBD</i>)

Appendix A. PCT Task Force Members

Bonnie Bennetsen

Tongass Wildlife Program Manager
U.S. Forest Service

Craig Buehler

Silviculturist
U.S. Forest Service

Marco Hernandez

PCT Contractor

Brian Kleinhenz

Terra Verde Inc.

Julia Nave

Conservation Forester
The Nature Conservancy

Sheila Spores

Forest Management Staff Officer
U.S. Forest Service

Andrew Thoms

Executive Director
Sitka Conservation Society

Appendix B. Interview Summary

During April-July 2020, the Meridian Institute team interviewed a range of private sector, federal agency, Alaska Native Corporation, and other local and regional stakeholders to discuss challenges and opportunities associated with pre-commercial thinning (PCT) on the Tongass National Forest. This summary reflects comments and ideas that we heard from the various interviewees and does not represent consensus or other form of agreement among the interviewees. A complete list of those who contributed input may be found at the end of the document.

Opportunities

Many stakeholders commented that there is broad agreement that PCT is useful and necessary for healthy forests and wildlife habitat, as well as to grow economic timber stands for future harvest. Some specific opportunities and areas of success include:

- **Existing successful thinning programs.** The Natural Resource Conservation Service (NRCS) and Sealaska have established an effective partnership in which Sealaska contracts and conducts thinning work on behalf of (and in partnership with) most of Southeast Alaska's Native Corporations. Efficiencies of scale help cut costs for both NRCS and Sealaska, and the program successfully thins a desired 4,000-6,000 acres per season. Such programs may serve as models for how other partnership agreements may be developed and implemented on federal lands.
- **Wildlife treatments.** Some PCT projects have opportunities to explicitly include wildlife treatment as part of their scope, thereby achieving cost savings for otherwise expensive treatments. These dual contracts provide important co-benefits for the forest by simultaneously improving the health of stands for wildlife habitat and future timber harvest.
- **Timber value of thinned stands.** Thinned stands are both much more valuable for timber harvest and ready for harvesting more frequently. By focusing only on thinning in timber LUDs, the USFS could prioritize thinning in places where it has the intention to develop sales and make a return on investment for thinning.

Challenges

Interviewees discussed a range of challenges associated with PCT that have limited the ability of land managers, particularly the U.S. Forest Service (USFS), to thin desired acreage. These challenges include the broad categories of contracting limitations, department of labor regulations, workforce availability, and financial responsibility, each of which are described further below.

Forest Service contracting limitations. While changes to USFS contracting system ensured legal compliance and appropriate higher-level oversight, these approaches unintentionally resulted in limitations to implementation of the PCT program. These changes included the following:

- **8(a) contracting.** In the past, the USFS utilized an indefinite delivery/indefinite quantity (IDIQ) contract, with 8-10 pre-approved contractors available. Each contractor could bid on specific PCT jobs put forward by the USFS. About five years ago, the USFS began requiring that PCT contracts be filled by 8(a) contractors only. 8(a) contractors are small, disadvantaged businesses that are at least 51% owned by economically and socially disadvantaged U.S. citizens who make less than \$250,000 per year. This change resulted in a limited number of eligible contractors in the region for USFS work.
- **Contract size.** In addition to the added requirement of 8(a) contractors, the USFS also adjusted their contracting approach to prioritize large contracts with one or two businesses, as opposed to the varied mix of contractors available via the existing IDIQ. Some stakeholders discussed challenges with this shift, as qualified contractors lacked the necessary capacity to handle the scale of thinning needs required by these larger contracts. Other stakeholders discussed that these larger contracts more easily comply with federal contract law.
- **Negotiation vs. bids.** The switch to 8(a) contracting also brought a change to the bid process that contractors had used with the IDIQ approach. As opposed to several contractors providing bids of “what they think they can do the work for,” one contractor negotiates an amount with the USFS. Among other factors, this has contributed to higher costs per acre since it is no longer a competitive bidding process.
- **Accountability and metrics.** While the changes in contracting approaches heightened the level of accountability for contracts from staff at the ground-level to Contracting Officers at the Regional-level, it also resulted in different metrics for measuring success. The Acquisition Management (AQM) office tracks accountability metrics based on the number of contracts and total dollars awarded. By this measure, a few large contracts are more efficient (and “successful”) than many small contracts (regardless of impact to local economies).
- **Multi-layered decision-making structure.** The current AQM office is located at the Regional level (in Juneau for Region 10). Because of the multiple layers of decision making between the AQM level with the Contract Officer and the actual workers on the ground, there is not always clear communication between AQM and the on-the-ground level work. This issue has the potential to be further exacerbated with the AQM move to a national-level decision making structure, housed within the Department of Agriculture, in October 2020.

Department of Labor regulations. The Occupational Safety and Health Administration (OSHA) within the Department of Labor (DOL) began investigating labor conditions of the thinning program in Southeast Alaska following two deaths of PCT crew members. The DOL began scrutinizing the program more closely through regular surprise inspections, which ultimately led to significant fines and disciplinary action for some USFS contractors.

- **DOL standards and housing requirements.** Worker safety and health are essential components to any PCT job. However, some of the standards and regulations laid out in the OSHA Migrant Seasonal Protection Act are difficult, if not impossible, to meet in remote field locations in Southeast Alaska. Stakeholders identified DOL housing requirements as the most challenging part of the labor requirements to meet, particularly in a remote camp setting in Alaska. For example, the guidelines require access to a bathroom with running water. In order to meet these guidelines, the cost per acre has risen precipitously (in some cases up to tripling the costs) since the DOL started investigating PCT jobs more vigorously. Some stakeholders discussed lack of transparency in meeting these standards, difficulty getting expectations in writing, and high costs

associated with small transgressions as barriers to doing business.

- **Contractor education.** Contractors generally must determine how to meet standards on their own.

Workforce. At its core, PCT work, especially when coupled with the environmental conditions of Southeast Alaska, is grueling and extremely challenging. Establishing a reliable and effective crew is often the most challenging part of a PCT job. Establishing a pool of reliable contractors who can recruit crews and complete the prescribed work is also critical for a successful regional thinning program.

- **Local workforce.** There are very few locals who are willing to do this work due to the extremely physical and challenging nature of PCT, and the need to pay very high hourly rates to attract workers. Most local workers can find much easier jobs for comparable wages, for example in mining or the service industry. In cases where local crews have been contracted to complete PCT work, such as on tribal lands, the work has been rated as below USFS standards. Outreach to local operators and potentially interested individuals has not yet proved successful in attracting new contractors.
- **H-2A Visa holders.** Many successful crew members are migrant laborers from Central America that are recruited for work in Alaska. Often, these workers complete one-two seasons thinning and return home with their savings, as opposed to remaining in the region. These workers require H-2A visas, which cover seasonal agricultural workers. The process for applying for and securing a set of H-2A visas for a summer thinning crew is bureaucratic and very challenging, and the timelines for negotiating a contract and applying for worker visas do not always align (e.g., contracting for multiple years yet only securing visas one year at a time). Small businesses that qualify for 8(a) status often do not have the administrative capacity to successfully apply for and receive the documentation they need to build a successful thinning crew. Also, recent immigration policies have restricted the ease of access to H-2A visas, limiting who can receive visas and under what conditions. Finally, H-2A visas grant legal status for workers in the state where they were sponsored and contiguous states; since Alaska has no contiguous states, H-2A visa holders are limited in their ability to travel for other seasonal work, or be hired by a PCT company in another state.

- **Available contractors.** Especially since the USFS shift to large 8(a) contracts, many of the existing PCT contractors in Southeast Alaska have gone out of business or moved on to other work, since they no longer qualified for USFS contracts. Some of the larger qualified contractors in the region also ran into legal or technical issues with their contracts. There are more contractors in the lower 48 who run larger businesses that could fill this gap, but they may not qualify for 8(a) status, and face significant logistical hurdles and start-up costs to conduct thinning work in Southeast Alaska, especially in remote locations.

Financial responsibility. Some stakeholders discussed the skyrocketing costs of PCT per acre given contracting oversight requirements, stricter DOL standards, and a lack of competitors to drive down bid prices on contracts.

- **Catching up with the backlog.** The USFS has reserved funds for its PCT program, but at this point, there is a significant backlog of acres that need to be thinned. Catching up with the backlog may not be financially realistic under the scope and price/cost realities of the current PCT program.
- **Return on investment.** The goal of the PCT program is to create more valuable timber stands for future harvest and profit. If the cost to thin per acre is exorbitant, the landowner may not be able to make a return on its investment, especially given ongoing challenges with packaging profitable timber sales in Southeast Alaska. Some stakeholders questioned the value of PCT given this reality.
- **Fiscal year planning.** Decisions about agency budgets and spending are determined on an annual basis, typically with funds allocated for the fiscal year (October – September) in June of the prior year. With the move of the AQM office to a national-level, there will be an even stronger need to plan early, submitting contracting requests even earlier in the prior year, in order to compete with all other spending priorities throughout the nation. In addition, flexibility in fiscal spending will be reduced, with a change that will no longer allow spending between line item categories (e.g., staff salary vs. discretionary funds).

Possible Changes

Stakeholders discussed possible suggestions that could help alleviate some of the challenges summarized above, including:

- **Expand USFS contracting mechanisms.** Expanding contracting mechanisms to any qualified contractor, rather than just 8(a) businesses, could increase workforce availability by broadening the contracting pool. Including a mix of smaller or medium-sized contracts could compliment larger contracts by increasing the ability of smaller or newer outfits to do the work. However, some stakeholders recognized that this is likely to result in an increased workload for USFS staff.
- **Train staff in available contracting mechanisms.** Some stakeholders acknowledged the lack of clear communication and understanding of currently available contracting mechanisms. Specifically, there are a variety of requirements that must be met under the Federal Acquisition Regulation System (FAR) for use by executive agencies in acquiring goods and services.
- **Expand the use of Good Neighbor Authority (or other contracting approaches) to bundle PCT work.** Since PCT needs in Southeast Alaska are geographically diverse and often remote, it is challenging to create profitable and efficient contracts for stands on small islands or remote areas. Good Neighbor Authority includes a contracting mechanism, which could provide an opportunity for local groups, small-scale contractors, the State, tribal authorities, and other landowners and stakeholders to bundle smaller projects and reach sufficient quantity for a long-term GNA contract covered by USFS resources with USFS administrative and contracting support. However, such contract “bundles” can create higher risk for both the agency and the contractor, as the agency becomes further removed from the work on-the-ground.
- **Long-term planning and contracting.** The USFS has the capacity to issue long-term, 5- to 10-year contracts for PCT work. These long-term contracts could be informed by multi-stakeholder planning and budgeting processes, although they are contingent on establishing trusted contracting partnerships. Long-term contracts make it easier to establish infrastructure to bring PCT camps in line with OSHA requirements, develop administrative capacity among contractors, and engage in strategic sourcing.
- **Geography-specific planning and mobilization.** Once planning is conducted on-the-ground to identify thinning needs, an approach to project planning could take into account needs across different geographies, including across Districts of the Tongass, as well as surrounding lands (e.g., State, tribal, etc.). Such a geographic approach could identify needs surrounding communities where a local workforce may be employed, versus more remote locations where a larger firm with more capacity could mobilize crews to achieve economies of scale. Engaging the All Lands Group could be valuable to identifying thinning priorities on adjacent lands and could help facilitate coordination among various landowners in scheduling PCT contracts and sharing infrastructure to achieve greater efficiency and lower costs for all.
- **Clarify DOL expectations and guidelines.** Several stakeholders discussed the need to develop a more productive working relationship with the DOL in Southeast Alaska, especially in the context of remote work, while also ensuring the safety and health of remote workers. Stakeholders identified a helpful starting point as a set of clear checklists and simplified set of materials explaining the guidelines that contractors must follow across all regulations. These materials could be complemented by bilingual DOL trainings to provide contractors with more detailed information on standards, requirements, and best practices.
- **Reinstate Memorandum of Understanding between DOL and the USFS.** The USFS and DOL have a signed MOU that created certain exceptions to the Migrant Seasonal Protection Act standards and guidelines for remote camp settings. Re-instating this MOU, or developing a new one, could open the door for the thinning program in Southeast Alaska to thin beyond Prince of Wales where front-country lodging is available, while ensuring that backcountry camps still have critical oversights to ensure fair labor and working conditions.
- **Increase the scope of workforce development.** Stakeholders discussed a variety of workforce development possibilities, including:

- *Top-down messaging from the Region-level emphasizing the importance and priority of supporting local businesses and local economies* (e.g., by awarding a certain number of contracts to local firms). This could be supported by line officers at the District-level emphasizing the need for equitable distribution of contracts in each District.
- *Encourage contractors from the lower 48 to bid on contracts on the Tongass* if current contracting mechanisms change, via direct outreach, existing relationships, and/or other incentives.
- *Provide administrative capacity support for small businesses and/or entrepreneurs in the region* to assist with bureaucratic hurdles, such as the contracting and bid process, acquiring permits, and fulfilling DOL requirements. This “incubator” program could help ensure the success of small local businesses in their early phase so that they may continue to support the USFS through contract work (if unsuccessful, e.g., defaulting on a contract, that business would no longer be able to contract with the agency).
- *Provide training programs for local crews* that work for Sealaska or tribal governments to ensure their thinning work meets USFS standards and could be considered as part of the available labor pool.
- **Identify a set of goals/metrics for the PCT program that explicitly include community needs.** To better meet the economic and worker needs of local communities, and to help bridge the gap in communication between the ground-level and decision makers, local stakeholders could be engaged to help identify goals that encompass their interests and needs. Goals might include number of contracts awarded to local businesses, variety of contract sizes, number of total acres thinned per year, among others. With such goals in mind, along with data about the current situation, AQM staff could use their expertise to identify and operationalize appropriate contracting mechanisms.

Interviewee List

Bonnie Bennetsen

Tongass Wildlife Program Manager
U.S. Forest Service

Craig Buehler

Silviculturist
U.S. Forest Service

Sheila Creel

Community Outreach & Resource
Planning Specialist
U.S. Department of Labor

Rick Harris

Contracts Administrator (*retired*)
Sealaksa

Marco Hernandez

Pre-commercial thinning contractor

Ian Johnson

Hoonah Native Forest Project
Coordinator
Hoonah Indian Association

Brian Kleinhenz

Vice President
Terra Verde, Inc.

Della Koelling

Supervisory Contact Specialist
U.S. Forest Service

Scott Langston

Director, Acquisition Management
U.S. Forest Service

Julia Nave

Conservation Forester
The Nature Conservancy

Eric Nichols

Director
Alcan Forest Products

Chuck Ressler

Forestry Technician
U.S. Forest Service

Conor Reynolds

Conservation Forester
Formerly with The Nature
Conservancy

Thomas Roland

Silviculture Forester
U.S. Forest Service

Samia Savell

National Resources Conservation
Service
Resource Conservationist

Thomas Silva

District Director
U.S. Department of Labor

Sheila Spores

Forest Management Staff Officer
U.S. Forest Service

Earl Stewart

Forest Supervisor, Tongass National
Forest
U.S. Forest Service

Andrew Thoms

Director
Sitka Conservation Society

Kim Toland

Contract Officer (*retired*)
U.S. Forest Service