



**FOREST SERVICE HANDBOOK
NATIONAL HEADQUARTERS (WO)
WASHINGTON, DC**

FSH 2409.19 – RENEWABLE RESOURCES HANDBOOK

CHAPTER 80 – GOOD NEIGHBOR AUTHORITY

Amendment No.:

Effective Date:

Duration: This amendment is effective until superseded or removed.

Approved:

Deputy Chief, NFS

Date Approved:

Posting Instructions: Amendments are numbered consecutively by handbook calendar year. Post by document; remove the entire document and replace it with this amendment. Retain this transmittal as the first page(s) of this document. The last amendment to this handbook was 2409.19-2014-1 to 2409.19_60.

New Document	2409.19_80	31 Pages
Superseded Document(s) by Issuance Number and Effective Date		Pages

Digest:

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

80.1 - Authority

1. Public Law 113-79, section 8206 (Pub. L. 113-79, sec. 8206) of the Agricultural Act (Farm Bill) of 2014, as amended. Title 16, United States Code 2113a (16 U.S.C. 2113a) (Good Neighbor Authority) Catalog of Federal Domestic Assistance (CFDA) No. 10.691, Good Neighbor Authority. This section grants the Forest Service permanent authority to enter into contracts and cooperative agreements with States, counties, Indian Tribes, and the Commonwealth of Puerto Rico to perform authorized restoration services.

2. Section 206(a) of the Agricultural Act of 2014 (16 U.S.C. 2113a (a)) as amended by Pub. L. 115-141, sec. 212 (Consolidated Appropriations Act, 2018). This section expands authority to address road reconstruction, repair, or restoration of a National Forest System road.

3. Wyden Amendment (Pub. L. 105-277, sec. 323 as amended by Pub. L. 109-54, sec. 434 and permanently authorized by Pub. L. 111-11, sec. 3001).

4. Pub. L. 115-334 Agriculture Improvement Act (Farm Bill) of 2018 (12/20/2018). This bill, commonly known as the farm bill, reauthorizes through FY2023 and modifies Department of Agriculture programs.

5. 2018 Omnibus Bill. The Consolidated Appropriations Act, 2018 (Pub. L. 115-141) is a United States omnibus spending bill for the United States Federal Government for fiscal year 2018 (FY2018). The FY 2018 policy provisions related to the fire funding fix and other management reforms are in Division O of the bill.

80.2 - Objectives

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

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

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80.3 - Policy

1. Good neighbor agreements allow States, counties, and Tribes to accomplish authorized restoration activities on National Forest System (NFS) lands.
2. Authorized restoration services may include the sale of National Forest System timber. Timber disposal shall be approved by a line officer with delegated authority to dispose of the planned volume of timber.
3. Delegate authority to qualified individuals, consistent with the authority and responsibility of the Regional Forester and other line officers for the sale and disposal of timber and forest products (FSM 2404.28 and FSH 1509.11, sec. 14.4) through good neighbor contracts and agreements.
4. The Forest Service shall ensure all work performed by cooperators on National Forest System land meets applicable Federal laws, regulations, and orders, as well as requirements of associated documents such as decisions under National Environmental Policy Act (NEPA) of 1970, as amended (16 U.S.C. 4321); land management plans; silviculture prescriptions; and marking guides.
5. When NFS timber will be sold by the State under a good neighbor agreement, the State may follow its regular sale preparation, contracting, administration, and other procedures when they meet Forest Service objectives and applicable regulations, are acceptable to the responsible line officer, and are agreed to in the good neighbor agreement. The Forest Service will track and report timber sales according to section 83.
6. As required by the National Forest Management Act (NFMA) of 1976 (16 U.S.C. 472a) and Title 36, Code of Federal Regulations, section 223.60 (36 CFR 223.60), National Forest System timber shall be sold for appraised value. All projects involving the sale of forest products require an appraisal to determine the minimum stumpage bid rate as described in section 82.4.
7. Counties and Tribes are not authorized to retain revenues. If a county or Tribe were to sell a timber sale that generates revenue, these revenues shall be returned to the Secretary (see section 81.31). Timber revenue received by a State (any State agency under direct responsibility of the Governor) shall be retained and used by the State to carry out authorized restoration services on Federal land under the good neighbor agreement. Funds can be used to accomplish authorized restoration services on other good neighbor agreements within the State, when mutually agreed to by all parties involved.
8. Revenues generated by the State's sale of Federal timber shall be used to accomplish authorized restoration services as listed in the Cooperator responsibilities in the good neighbor agreement, including required reforestation, brush disposal, and all other required associated activities.

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9. For prescribed fire projects, cooperators shall be consistent with the guidelines and qualifications set by the National Wildfire Coordinating Group (NWCG) (see NWCG.gov for information) and other Federal laws and regulations, such as the Clean Air Act. If the primary purpose of the prescribed fire project is to reduce hazardous fuel accumulations, then the project may be better covered by a project plan or supplemental project agreement under a statewide cooperative fire agreement citing the Reciprocal Fire Protection Act (42 U.S.C. 1856a). Prescribed fire activities for purposes such as wildlife habitat improvement or site preparation may be covered under a good neighbor agreement.

10. Cooperators are authorized to repair, reconstruct, decommission, and restore existing National Forest System roads or construct temporary roads necessary to carry out authorized restoration services under a good neighbor agreement.

80.4 - Responsibilities

80.41 - Washington Office

80.41a - Chief

The Chief reserves the authority to:

1. Have overall responsibility for the good neighbor authority program and projects implemented using the good neighbor authority.
2. Delegate the authority to Regional Foresters to approve the use of good neighbor authority as a tool for implementing projects to accomplish land management goals.
3. Direct the Washington Office, Mission Area Senior Contracting Official (MASCO) to determine the appropriate Grants and Agreements activities related to the good neighbor authority program.

80.41b - Deputy Chief for the National Forest System

Responsibilities of the Deputy Chief for the National Forest System with the functional responsibility for forest management include:

1. Provide direction to, and supervision of, the Washington Office, Director, Forest Management, in administering the National timber management program, including the Healthy Forests Restoration Act (HFRA) of 2003 (16 U.S.C. 6591c) projects, stewardship end result projects (36 CFR part 223, subpart I), and projects implemented using the good neighbor authority.

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80.41c - Washington Office, Mission Area Senior Contracting Official (MASCO)

Refer to FSM 1580 - Grants, Cooperative Agreements and Other Agreements, for a full list of authorities and responsibilities specific to good neighbor authority programs for forest management. It is the responsibility of the MASCO to:

1. Coordinate and manage good neighbor authority policies with the Washington Office, Director, Forest Management.
2. Ensure the Small Business set-aside program is considered in cooperation with the Small Business Administration (SBA) and in compliance with the Federal Acquisition Regulation (FAR), Agriculture Acquisition Regulation (AGAR), and United States Department of Agriculture Desk Book (USDA Contracting Desk Book).
3. Follow agency procedures for determining the appropriate level of approvals for items including but not limited to acquisition plans, source selection approvals, multi-year authorizations, and other required approvals for good neighbor authority agreements.
4. Review how effectively the Regions are using and complying with agreement procedures to accomplish good neighbor authority projects.
5. Delegate authority to the appropriate Acquisition Management staff the authority to determine appropriate Contracting Officers for activities related to acquisition-based good neighbor authority contracting, or “Procurement of Services” (36 CFR 223.301).

80.41d - Washington Office, Director, Forest Management

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

1. Advise the Chief on policy regarding the good neighbor authority program.
2. Jointly coordinate and manage policies for the good neighbor authority with the MASCO.
3. Oversee the good neighbor authority program and maintain coordination among the Regions for forest management activities involving good neighbor authority through National meetings, committees, correspondence, and staff advice.
4. Conduct monitoring, field reviews, and functional assistance trips of forest management activities involving good neighbor authority projects. Ensure forest resource management and the resulting effects of the activities on other resources meet National policy requirements.

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It is the responsibility of the Washington Office, Directors, Ecosystem Management Coordination; Engineering; Office of Tribal Relations; Fire and Aviation Management; Law Enforcement and Investigations; Recreation and Heritage Resources; National Partnership Office; and Watershed, Fish, Wildlife, Air, and Rare Plants:

1. To assist the Washington Office, Director, Forest Management in overseeing the implementation of good neighbor authority projects as it relates to these Staff areas.
2. To provide advice concerning good neighbor authority agreements as it relates to specific Staff areas to the Deputy Chief for National Forest System and Regional Foresters.

80.42 - Field Units**80.42a - Regional Foresters**

Except as noted below, the following responsibilities cannot be re-delegated. It is the responsibility of each Regional Forester to:

1. Enter into good neighbor authority agreements with the Governor or the designated representative from a State, county, or Indian Tribe. Good neighbor authority agreements may be executed by a Regional Forester or a Forest Supervisor with delegated authority to sign Grants and Agreements (G&A) instruments (FSM 1580).
2. Advise Forest Supervisors on the appropriate use of good neighbor authority agreements and assignment of Grants and Agreements specialists for specific projects.
3. Provide for oversight of good neighbor authority projects to ensure forest resource needs, and resulting effects of the activities on other resources, meet National and Regional policy requirements.
4. Ensure Forests provide adequate and timely input into the monitoring and evaluation process for good neighbor authority projects, including updating accomplishments for each good neighbor authority project.
5. Provide technical expertise to Forest Supervisors on the appropriate use of the good neighbor authority program.
6. Oversee monitoring, field reviews, functional assistance trips, and audits of forest resource management activities on good neighbor authority projects to ensure forest resource needs, and resulting effects of the activities on other resources, meet Regional and Forest-level

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policy requirements. Schedule activity reviews to evaluate forest resource management activities.

80.42b - Forest Supervisors

It is the responsibility of the Forest Supervisor to:

1. Coordinate with the Regional Office for training and technical assistance to District Rangers, as needed, to meet the need for Staff expertise to properly implement forest resource management including projects implemented under the HFRA, stewardship authorities, and good neighbor authorities.
2. Ensure necessary environmental analysis and documentation occurs on all good neighbor authority projects.
3. Ensure all good neighbor authority projects are consistent with land management plan objectives, and are developed with the appropriate level of collaboration for the authorities used.
4. Coordinate with Law Enforcement and Investigations staff on good neighbor authority projects involving removal of products.
5. Approve Timber Information Manager (TIM) certifications for Gates 1-4 on good neighbor authority projects.

80.42c - District Rangers

It is the responsibility of the District Ranger to:

1. Plan and implement forest resource management programs and projects including HFRA, stewardship, and good neighbor authority projects that are responsive to the land management plan objectives. Integrate forest resource management programs with other resource management programs in developing and implementing the land management plan.
2. Ensure environmental analysis and documentation occurs for all good neighbor authority projects and the results of the analysis are available to the Line Officer with authority to dispose the timber (FSM 2404.21).
3. Ensure collaboration at the level appropriate for the scale and complexity of good neighbor authority projects.
4. Ensure early and continued involvement of the appropriate technical specialists in proposing, planning, executing, and monitoring good neighbor authority projects.

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5. Consider the analysis (resource and economic), tradeoffs, advice of the project planning interdisciplinary team, and information generated during collaboration when recommending using good neighbor authority.

6. Ensure good neighbor authority projects are consistent with project-level NEPA, land management plans, and other laws, regulations, and authorities.

7. Combine work items, when appropriate, into a good neighbor authority project to maximize use of equipment, supplies, and people to benefit a variety of resources.

8. Ensure required deposits are planned and accounted for where necessary and appropriate within good neighbor agreements with product removal.

9. Ensure Brush Disposal Plans (FSH 2409.18, ch. 50) are completed as necessary for good neighbor authority project.

10. Sign Timber Information Manager (TIM) certifications for Gates 1-4 for good neighbor agreements. The approval of the certification forms cannot be re-delegated.

11. Update the accomplishments each fiscal year for each good neighbor authority project in the appropriate databases of record.

12. Review with the State and Forest Supervisor all District contracts under good neighbor authority that were offered and did not receive bids.

80.5 - Definitions

Authorized Restoration Services. Similar and complementary forest, rangeland, and watershed restoration services carried out on Federal land by either the Secretary, a Governor, or county, as applicable pursuant to a good neighbor project.

Cooperator. The State, county, or Indian Tribe serving under a good neighbor agreement providing all services necessary to facilitate the performance of authorized restoration services under good neighbor authority.

County. The appropriate executive official of an affected county; or, in any case in which multiple counties are affected, the appropriate executive official of a compact of the affected counties.

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

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

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

Indian Tribe. As defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304).

National Forest System Road. As defined in 36 CFR 212.1.

Revenue. Funds received by the State through the sale of timber or other forest products.

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

Secretary. The Secretary of Agriculture, with respect to National Forest System land.

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

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

80.6 - Understanding Agreements and Supplemental Project Agreements

Good neighbor agreements are managed under the direction of the Washington Office, Deputy Chief for Business Operations, Acquisition Management. The Washington Office, Acquisition Management staff is responsible for the development of the good neighbor agreements and supplemental good neighbor agreement templates that will be used for all good neighbor projects with States, counties, and Tribes. Refer to FSM 1580 or the Washington Office, Acquisition Management website (<http://fsweb.wo.fs.fed.us/aqm3/pages/grants-agreements/?tab=templates&anchor=temp-gn>) for detailed information on the various types of agreements. Templates are different for projects that will include the sale of timber.

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

81 - PLANNING GOOD NEIGHBOR TIMBER SALE PROJECTS

Good neighbor projects are one way to accomplish landscape restoration in a multi-jurisdictional setting. Exhibit 01 below provides a matrix to help determine if it is the appropriate instrument, depending on project needs and requirements. To determine if a good neighbor agreement or

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contract is the appropriate tool, refer to the Forest Restoration Best Tool Decision Tree in FSM 2432.32.

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81 - Exhibit 01

Tool Selection Matrix

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

^{1/} See section 81.13 for bundling and goods for services projects under good neighbor authority.

^{2/} Only if the majority of the project area is in Fire Regime Groups I-III.

^{3/} Depends on State procurement process.

^{4/} With written approval from the Regional Forester.

^{5/} Direct sales under Administrative Use and Settlement Authority (FSM 2463 and FSM 2464).

^{6/} Good neighbor authority/stewardship agreements are not full and open competition, however contracts awarded shall be.

^{7/} See section 82.4 Revenues from Good Neighbor for further detail. Use – yes; collect – no.

^{8/} See section 81.31 for more on specified roads.

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All good neighbor projects on National Forest System land shall comply with NEPA following the procedures set out in FSH 1909.15 and FSH 1509.11, chapter 80. Cooperators may provide services in support of NEPA documentation or other compliance requirements. However, all NEPA decisions remain the responsibility of the Forest Service responsible official and may not be delegated.

81.11 - Compliance with Existing Plans and Regulations

Good neighbor projects shall be consistent with plans relevant to the project, including: land management plans, range allotment plans, fire management plans, and facilities master plans. All projects shall comply with applicable laws, regulations, and agency direction affecting the project areas.

81.12 - Selection of Project Areas

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

1. For maximum benefit, projects should work across boundaries in a coordinated manner to achieve goals for both the agency as well as the Cooperator.
2. Complex projects requiring intensive Forest Service oversight may be too inefficient to be good candidates.
3. If revenue is needed to allow the authorized Cooperator to recover project development and administration costs, the project should be supported by a feasibility analysis.
4. Projects funded with revenues shall occur on Federal land. However, projects can be combined or coordinated with other projects from non-National Forest System lands when revenues and appropriated funds are combined. The appropriated funds shall be authorized under the Wyden authority. Project costs charged to good neighbor authority shall be in proportion with the project size both on and off the Forest.

81.2 - Collaboration

Successful project development and implementation requires many steps, considerable expertise, and excellent communication. Cooperators involved in the collaboration of the desired project should be selected in a manner that is consistent with the policies set in the Grants, Cooperative Agreements and Other Agreements Handbook (FSH 1509.11). The Forest Service and the Cooperator should work closely from project conception to completion. Projects are typically more successful when a variety of local interests and key stakeholders are engaged throughout

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the life of the project, from project design through implementation and monitoring. The level of collaboration is consistent with the scale and complexity of the project. Likewise, both Forest Management and Grants and Agreements staffs shall jointly participate throughout the life of the agreement. Documentation and communication of roles, responsibilities, and expectations for all phases of the project agreement will help avoid missteps, delays, and other avoidable challenges to success.

81.3 - Fund Use and Revenue Collection Ability

The only activities associated with good neighbor agreements that have the ability to collect funds are: required reforestation activities, brush disposal, and cooperative roads funds. The ability to collect and use these funds varies greatly when compared to collections in typical timber sales or stewardship contracts. Exhibit 01 summarizes which funds can be used in the creation of good neighbor authority and other projects, along with what funds can be collected.

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81.3 - Exhibit 01

Ability to Expend Funds to Develop, Prepare, and Administer

Fund Expended	Conventional Forest Service Timber Sale	Stewardship Contract/ Agreement	Good Neighbor Agreement
Appropriated (as appropriate)	Yes	Yes	Yes
Forest K-V	No	No	No
Regional K2 ^{1/}	Yes	Yes	Yes
Salvage Sale Funds ^{2/}	Yes	Yes	Yes
Pipeline Restoration Fund	Yes ^{3/}	No	No
Stewardship Retained Receipts	No	Yes ^{4/}	No

^{1/} Can be expended on stewardship/good neighbor authority projects, but not collected in return.

^{2/} Salvage Sale Funds can be used if sale has a salvage component.

^{3/} Sale can be developed using Pipeline Restoration Funds if planned.

^{4/} Shall be used on approved stewardship project.

Ability to Collect Revenues from Sale Receipts

Into Fund	Conventional Forest Service Timber Sale	Stewardship Contract/ Agreement	Good Neighbor Agreement
Appropriated	No	No	No
Forest K-V	Yes	No	No ^{1/}
Regional K2	Yes	No	No
Salvage Sale Funds	Yes ^{2/}	No	No
Pipeline Restoration Fund	Yes ^{3/}	No	No
Stewardship Retained Receipts	No	Yes	No
Brush Disposal Fund	Yes	No	No ^{1/}
Cooperative Roads	Yes	No	No ^{1/}
Revenue	No	No	Yes

^{1/} Funds for these activities can be collected through collection agreements into CWFS.

^{2/} Salvage Sale Funds can be collected if SSF Funds used to prepare sale.

^{3/} Funds into Pipeline Restoration Fund allowed only when used to prepare sale.

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Revenue is generated from the sale of Federal timber between the effective date of award and completion of the agreement and may only be collected by States. Although the good neighbor authority includes counties and Tribes, they are not authorized to generate or collect revenue. This revenue provides funds for restoration activities over and above other Forest Service or State contributions.

As identified in section 80.3, the intent of good neighbor authority is to allow the State to accomplish authorized restoration activities on National Forest System lands, and not to generate revenues to be returned to the Forest Service. If it is mutually agreed that the State will not accomplish required reforestation, brush disposal, or deferred road maintenance associated with the timber sale, the State may provide funding to the Forest Service through a separate collection agreement (refer to FSH 1509.11, ch. 50). Funds collected will be assigned to CWFS by the Albuquerque Service Center. The Forest Service may choose to fund required reforestation, brush disposal, and road maintenance with appropriated funds or through other means.

The State may transfer remaining revenue to another active good neighbor agreement within the State by October 1, 2023 or within 180 days prior to expiration, whichever comes first.

Executed agreements with planned projects may continue to collect and expend revenues past October 1, 2023. After this date, any unplanned revenues shall be returned to the U.S. Treasury upon completion or expiration of the agreement.

Revenue generated and returned to the Forest Service are not considered to be monies received from National Forest System lands for the purpose of calculating payments to States (FSH 6509.11g, sec 61.1). Therefore, good neighbor agreements do not require a minimum deposit to the National Forest Fund (NFF).

81.32 - Salvage Sale (SSF), Knutson-Vandenberg (K-V), and Brush Disposal Funds

Salvage Sale Funds (SSF) (NFMA) and Regional Knutson-Vandenberg (K-V) Act of 1930 (16 U.S.C. 576, 576a-576b), as amended (K2) funds can be contributed to good neighbor agreements to accomplish authorized restoration activities when appropriate. Collections to the salvage sale and K-V funds cannot be made in a good neighbor agreement.

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

The Granger-Thye Act authorizes the United States Forest Service Nursery System to sell nursery seed and stock directly to States and political subdivisions, and to public agencies of

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other countries, at rates not less than the actual or estimated cost to the Federal Government. Reimbursements to the Government are accomplished through the Working Capital Fund (WCF). These are direct agreements executed between the nursery facility and the external partner and should not utilize FSM 1580 agreements (FSH 1509.11, ch. 40 – Collection Agreements).

81.33 - Collection of Road Maintenance Funds

Road maintenance may be performed by the State or its Subcontractors. Cooperative work deposits for road maintenance and surface rock replacement that will not be performed by the State may be collected according to FSH 1509.11, chapter 40 - Collection Agreements.

81.34 - Use of Wyden Authority

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

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

81.4 - Examples of Restoration Services

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

Examples of forest, rangeland, and watershed restoration services include:

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

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

81.41 – Bundling and Goods for Services Agreements

Good neighbor agreements may contain a variety of work items that can be bundled into one agreement or allow for the completion of projects using the revenues generated from a timber sale. A State also must have the authority to bundle service work projects together or create goods for services agreements with their contractors when there is a revenue generating project involved. States shall use their instruments to create these agreements.

81.5 - Timber Sale Selection of Offeror

When timber removal is included within a good neighbor project, the Forest Service and the Cooperator shall specify whether the timber will be sold directly by the Forest Service or by the Cooperator under a good neighbor agreement.

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81.51 - Forest Service as Offeror

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

81.52 - Cooperator as Offeror

The Cooperator may offer National Forest System timber under a good neighbor agreement. When this occurs, the Forest Service and Cooperator shall agree to practices and procedures for timber sale preparation, offer, finance, and administration identified in the following sections, when developing the timber sale plan in the good neighbor agreement.

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

81.6 - Reforestation Activities

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

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

If it is agreed that the State will conduct reforestation activities, the State and Forest Service will mutually agree upon the methods and materials to be used.

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

1. Site preparation (chemical, fire, manual, and so forth) for planting, seeding, or natural regeneration;
2. Planting (which encompasses seed collection, seedling sow and grow, artificial shading, and so forth);

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3. Seeding;
4. Animal damage, insect and disease, or vegetation control on natural or artificial regeneration; and
5. Planted, seeded, and natural regeneration monitoring.

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

81.61 - Nurseries and Seed Sources

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

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

As discussed in section 81.2, the Granger-Thye Act authorizes the United States Forest Service Nursery System to sell nursery seed and stock directly to States and political subdivisions, and to public agencies of other countries, at rates not less than the actual or estimated cost to the Federal Government.

82 - PREPARING TIMBER SALES UNDER GOOD NEIGHBOR AUTHORITY

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

82.1 - Field Preparation

The Forest Service shall work with the Cooperator to prepare an accountable timber sale project, including the determination of volume and appraisal of fair market product value. The Forest Service shall prepare and/or approve all silvicultural prescriptions and marking/designation

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guides for the Cooperator to implement. The Forest Service shall review the contract to be used by a State for the sale of any timber.

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

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

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

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

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

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

As a result of these exemptions, timber sales sold by cooperators under a good neighbor agreement shall be governed by state contracting procedures but must ensure accountability of NFS timber harvested. The policy is to rely on state contracting procedures for advertising, marking/designation, and supervision to ensure accountability. Consult with the Washington Office regarding any concerns about Forest Service regulations, policies or procedures that may be exempt as a result of the good neighbor authority exemptions from NFMA.

82.12 - Use of Forest Service Tracer Paint

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

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82.2 - Requirements of State Instrument for Sale of Timber

State-offered timber sales do not require use of Forest Service timber sale forms. However, the State timber sale instrument (agreement, contract, permit, and so forth) shall be reviewed by a Timber Sale Contracting Officer (consistent with appendix E of FS-1500-36 or FS-1500-36b) and approved by a responsible line officer prior to timber sale advertisement to ensure protection of the interests of the United States.

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

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

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

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

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

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

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CHAPTER 80 – GOOD NEIGHBOR AUTHORITY****82.21 - NEPA Compliance for Sale of Timber**

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

82.22 - Compliance with Federal Regulations

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

82.23 - Fire Liability

State timber sales are not required to follow Forest Service fire liability provisions. However, a State's timber sale instrument shall not relieve the Purchaser of liability in the event of negligence. The instruments should include fire prevention and response measures. If the State instrument lacks such prevention and response mechanisms the State instrument should incorporate fire precaution measures from the standard Forest Service timber sale contract that would otherwise be applicable to this type of project on National Forest System lands. The Forest Service retains authority to conduct an investigation to determine if negligence has occurred. Also refer to FSM 1580 for additional information regarding fire liability.

82.24 - Forest Resources Conservation and Shortage Relief Act

For all timber sales in Regions 1-6 and Region 10, the State timber sale instrument shall include appropriate measures to properly identify and account for National Forest timber that is subject to the Forest Resources Conservation and Shortage Relief Act of 1990, as amended (16 U.S.C. 620 et. seq.). For examples of contract language, see FS-2400-6/6T provisions C/CT 8.66 options 1 and 2. At a minimum, States shall adopt Regional standards for log painting and branding.

82.25 - Title Passage

To minimize conflict in the event of a contract default, the Forest Service shall maintain all right, title, and interest in included timber until it has been cut, measured, and removed from the timber sale area, regardless of payment arrangements between the State and Purchaser. Any timber not removed on or prior to the contract termination date remains the property of the Forest Service.

82.26 - Performance

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

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

82.27 - Debarment and Suspension

The State shall inform the Forest Service if they are or become suspended, debarred, or excluded from entering into covered transactions with the Federal Government according to the terms of 2 CFR, Parts 180 and 417. All Contractors and Subcontractors doing business with a State under good neighbor authority shall complete a certification using forms AD-1047 and AD-1048. The State will retain the certifications and provide copies to the Forest Service upon request.

In the event of a Purchaser default of a State timber instrument, default proceedings will follow State procedures. The Purchaser will be referred to the Forest Service for consideration of Federal suspension and/or debarment.

82.28 - Timber Removal Plan

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

82.3 - Timber Sale Roads

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

Timber sale roads shall be maintained, commensurate with use, to meet the minimum standards for removing forest products. Maintenance of existing system roads is permitted under good neighbor authority to the extent necessary to implement projects.

Road maintenance may be performed by the State or its subcontractors. Cooperative work deposits for road maintenance and surface rock replacement that will not be performed by the State may be collected according to FSH 1509.11, chapter 40 - Collection Agreements.

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

Reconstruction, repair, or restoration of a National Forest System road that is necessary to carry out authorized restoration services is permitted. Any such roads reconstructed, repaired, or restored that were previously identified as not needed according to 36 CFR 212.5(b)(2) shall be

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decommissioned according to the travel management plan no later than three years after completion of the applicable authorized restoration project.

82.4 - Determination of Appraised Value

Though the States retain all revenue from a timber sale, there is still a need for an appraisal to determine fair market value. National Forest System timber shall be sold by States in accordance with subsection (a) of NFMA (36 CFR 223.60 and 223.61). Specifically, under a good neighbor agreement, the States shall sell National Forest System timber for no less than the product's appraised value. Revenues generated from the timber sale shall be used by the Governor to carry out authorized restoration services.

Determination of appraised value will follow normal Forest Service appraisal methods or methods established by the State when acceptable to the responsible line officer. The Forest Service and State will work together to establish an appraised rate that will be the lowest rate that the State may use to advertise the National Forest System timber for sale. That rate will be either the established Regional minimum stumpage rate (as defined in FSM 2431.31b and 36 CFR 223.61) or the fair market value as required under 36 CFR 223.60, whichever is higher. There may be a need for the timber sale value to cover required reforestation, brush disposal, or deferred road maintenance costs. The appraisal will indicate if there is sufficient appraised value. The State and the Forest Service may agree to use an advertised rate above the appraised rate to cover required reforestation, brush disposal, and deferred road maintenance costs.

The State and the Forest Service may agree to use all revenues, including bid premiums, to cover the State's direct or indirect costs. The good neighbor agreement should fully address how the State handles revenue received.

When revenue is insufficient to fund the authorized restoration services, dollars may be contributed to the good neighbor agreements (Cooperator or appropriated).

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

82.5 - Timber Sale Gates 1-6

Timber sale gate certifications are required for good neighbor timber sales. The responsible official for the project approves work completed in each gate by signing the TIM-generated certification report for Gates 1-4. This authority cannot be delegated.

Gates 1 and 2: Line officers are responsible for certifying any potential good neighbor project at Gate 1 - Proposal Development and Gate 2 - Project Analysis and Decision on the TIM-generated certification reports.

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Gate 3: Good neighbor authority authorizes the State to prepare the timber sale on the ground in accordance with the silviculture prescription. The Forest Service shall prepare or approve silvicultural prescriptions and marking/designation guides for the State to implement. The Forest Service shall work with the State to prepare an accountable timber sale project, including the determination of volume and appraisal of fair market product value. The responsible official shall certify on the TIM-generated certification report for Gate 3 that the timber sale complies with management requirements.

Gate 4: Good neighbor authority allows the State to implement restoration activities, including product removal using State contract procedures. The Forest Service shall appoint a liaison to the State to review plans and contracts to monitor adherence to NEPA decision and required accountability regulations as they are implemented under State contract procedures. The responsible official shall certify the TIM-generated certification report for Gate 4, including the following statement typed or written in the remarks section:

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

Gate 5: No signature is required at Gate 5 due to the exemption from subsection (d) of section 14 of NFMA.

Gate 6: Gate 6 should not be locked until the State has an awarded contract. When Gate 6 is locked, a final copy of the contract shall be printed and filed with the certification reports for Gates 1-5 as documentation in the official agreement file. A copy of the State’s timber sale contract(s) and Timber Information Manager (TIM) and Forest Products Financial System (FPFS) outputs should also be included in the Forest Service Grants and Agreements official agreement file. Volume sold will not be accounted for in reports until the volume has been sold.

83 - AWARDING, TRACKING, AND REPORTING GOOD NEIGHBOR TIMBER SALE PROJECTS

83.1 - Timber Information Manager (TIM)

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

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

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

If it is determined to re-advertise or continue with a timber sale after a no bid or a rejected bid, select “re-advertise” or “continue with sale” in TIM at Gate 5. This will unlock Gate 4 (if you have TIM-unlock role) and change the timber sale status to “ongoing.”

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

Good neighbor timber sales are to return no revenue to the Forest Service. Indicated Advertised Rate and Advertised Rate on the ADVR109 form in TIM shall be entered as \$0.00 and the Base Rate shall be entered as \$0.00.

To allow tracking and upward reporting, all good neighbor authority timber sale names will include “GNA” as the first 3 letters of the 20-character sale name in TIM. Further instructions on TIM implementation will be provided as system changes are implemented to better accommodate good neighbor projects.

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

83.2 - Forest Products Financial Administration

All good neighbor agreements with product removal will be put into TIM according to section 83.1. TIM directly interfaces with the Forest Products Financial System (FPFS), transferring the timber sale data necessary to report cut volume. Both parties are responsible for identifying procedures to gather volume changes and harvest data.

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

It will be required to report specified road components (prism/culverts, surface, and bridges) into FPFS, based on the monthly road work that has been accomplished. This information will need

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to be provided to the Forest Products Resource Specialist. Road component information reported in FPFS is upwardly reported to assist in assigning a value to Forest Service roads.

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

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

83.3 - Advance Payment

Advance payment to the Forest Service is not required under good neighbor authority. 36 CFR 223.34 requires that all timber sale contracts provide for payment or satisfactory payment guarantee in advance of cutting. Because good neighbor agreements are not timber sale contracts, the Forest Service will accept documentation in the good neighbor agreement that the State stands behind the agreement with the full faith and credit of the State. With that guarantee, the State may follow its own timber sale payment requirements.

83.4 - Harvest and Payment Reporting to the Forest Service

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

83.5 - Collection Agreements

When the State is providing funding to the Forest Service for required reforestation, brush disposal, and road maintenance through a collection agreement, advance payment to the Forest Service is required under good neighbor authority (FSH 1509.11, ch. 40).

Collection agreements, and modifications to them, shall be executed prior to required reforestation, brush disposal, and road maintenance being performed by the Forest Service. The agreements need to be signed and in place before collection of revenues has started, and all revenues shall be received from timber sale activity before any work by the Forest Service is implemented.

83.6 - Accomplishment Data Entry

Acres harvested, and other restoration work activities that are not related to timber product volume, shall be tracked in the appropriate database of record. Good neighbor authority accomplishments reported in Forest Service Activity Tracking System (FACTS) and Watershed

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Improvement Tracking (WIT) will be identified by “GNA” implementation project types. Refer to Forest Service handbooks regarding entry requirements for accomplishments.

84 - QUALITY CONTROL AND ADMINISTRATION**84.1 - Project Oversight**

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

84.2 - Law Enforcement

The lead role regarding timber theft prevention and other law enforcement issues on good neighbor projects will be established and agreed upon within the good neighbor agreement. In the case of fire, the Forest Service retains authority to conduct an investigation to determine if negligence has occurred. Both State and Forest Service Law Enforcement and Investigations personnel should be invited to pre-operations meetings for good neighbor projects to facilitate project orientation and interagency coordination. As standard procedure, State and Forest Service Law Enforcement and Investigations staff must share information and should coordinate regarding any investigations, citations, or other law enforcement concerns involving good neighbor projects.

84.3 - Monitoring

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