



**Toward a Synchronized Federal Policy
Scaffolding to Support Healthy Headwaters Efforts**

Briefing Paper, June 2013

Current federal policy endorses the protection of headwaters landscapes, particularly from a source water perspective. A plethora of overlapping programs and initiatives support the goal of restoring and protecting headwaters and watersheds – from the USFS’s Strategic Plan, to the legislated Collaborative Forest Landscape Restoration Program (CFLRP), to EPA’s revolving loan funds, to the Department of the Interior’s Large Landscape Conservation Cooperatives Initiative (LCC’s).

Nevertheless, watershed protection is not prioritized on public lands as a matter of regular practice. Federal efforts to preserve the green infrastructure provided by the headwaters of the American West, and maximize the ecosystem services they provide, are fragmented and lack functional interagency coordination. On the ground restoration progress has been slow, particularly in light of countervailing pressures such as development, fire and more. With the increased threat of climate change, elevating headwaters restoration and protection to ensure water quality and sustainability should be a policy priority over the long term. While state, regional and local factors will be central to the success of healthy headwaters efforts on the ground, this paper addresses the potential benefits of more focused, internally coordinated, and robust federal policies and practices to provide a solid framework and incentive structure for those efforts.

At the highest levels of government, the federal family has embraced the notion that stewarding our natural capital is essential for the nation’s economic health. See, e.g., [President’s Council of Scientific and Technical Advisors, Report on Environmental Capital: Protecting Society and the Economy](#) (PDF, July 2011). Federal agencies are required to adopt sustainability objectives and to organize their operations “to create and maintain conditions under which humans and nature can exist in productive harmony, that permit fulfilling the social, economic, and other requirements of present and future generations.” [Executive Order 13514](#) (PDF, October 2009). Moreover, the federal government has concluded that “healthy

resilient watersheds are more likely to supply desired ecological services in the face of climate change.” See, USDA, [Water Climate Change and Forests: Watershed Stewardship for a Changing Climate](#) at 3 (PDF, June 2010); see also, GAO, [Climate Change: Agencies Should Develop Guidance for Addressing the Effects on Federal Lands and Water Resources](#) (Aug. 2007). This paper briefly reviews some, but by no means all, federal programs touching healthy headwaters today, and raises questions about the extent to which there is an useful opportunity at this point for a collaborative effort to work toward a more robust, integrated and functional federal framework.

US Department of Agriculture (USDA) and US Forest Service (USFS)

USFS is responsible for 193 million acres of forest and grassland nationwide and roughly 60% of the West’s headwaters landscapes. Key Forest Service programs include:

Watershed Condition Framework (WCF)

WCF is the vehicle for evaluating the health of watersheds nationwide and identifying restoration priorities. It is a tool for monitoring and gauging the effectiveness of management plans, tracking accomplishments, and sets a baseline for outcome measures. The program was developed in response to a 2008 OMB review identifying a need for a clear and consistent method to prioritize and evaluate watershed projects. Classification for National Forest Service (NSF) lands was completed in May 2011. Priority watersheds were identified and work has begun on Watershed Restoration Action Plans. How funding will flow to the priorities identified appears to be as yet unresolved.

Terrestrial Condition Framework (TCF)

TCF is being developed in parallel with the WCF to provide a comprehensive system for prioritizing terrestrial ecosystem restoration needs. Baseline assessments of areas under review are expected to be completed this year.

Collaborative Forest Landscape Restoration Program (CFLRP)

CFLRP selects and funds restoration projects on National Forest lands, in particular to promote reestablishment of natural fire regimes and reduce the risks of severe wildfire. It focuses on landscape scale projects and opportunities to work in collaboration with local entities. 23 projects are currently approved and are in implementation.

Land and Water Conservation Fund (LWCF)

LWCF provides funding (derived mainly from federal fees on oil development) to federal, state, and local governments to buy land, water and wetlands to preserve for future

generations. Purchases are identified by individual National Forests and go through a lengthy selection process. Since its establishment almost 50 years ago, about \$9 billion has been spent to acquire 7 million acres.

Legacy Roads and Trails Program (LRT)

The National Forest Service's system of roads covers 374,000 miles (for a bit of context, the distance from the earth to the moon is 228,000 miles). The LRT program was created by Congress in 2008 to address watershed damage associated with NFS roads which are a chronic source of sedimentation degrading water supplies. Compacted roadbeds impede water infiltration and block subsurface water flow. Two-hundred-seventy million dollars has been allocated to LRT over the last 5 years. Eleven thousand miles of trails have been improved, over 500 fish passage sites upgraded, and 5,000 miles of roads have been addressed through decommissioning or maintenance. To complicate matters, in the three Regions where IRR (see below) is being piloted, LRT is no longer a separate pot of funds.

Community Wood Energy Program (CWEP)

CWEP is a small program (\$5M /yr.) providing grants of up to \$50,000 to state and local governments to develop community wood energy plans and to acquire or upgrade wood energy systems. The program also provides technical assistance and demonstration of new technology. The projects, overseen by the USFS Forest Products Lab's Technology Marketing Unit, will utilize woody material, such as beetle killed trees removed from forests to reduce the risk of wildfire, to create energy for heating and electricity. Salvage logging can be harmful to soils contributing to compaction, and can also harm natural forest regeneration, so there are concerns that this program needs to be implemented in ways that avoid adverse impacts on water and hydrology.

Integrated Resource Restoration Program (IRR)

Enacted in 2012, IRR combines authority and funding from seven USFS programs into an integrated approach to maintaining or restoring terrestrial and aquatic ecosystems on National Forest System lands. Forest Service [documents indicate](#) that the Watershed Condition Framework is "a critical component" of IRR implementation and provides "foundation and guidance for consistent identification of factors limiting a watershed's condition," suggesting that restoration work under IRR will be guided by the WCF. The program is being pilot tested in three US Forest Service Regions.

Stewardship Contracting

Stewardship contracting is a mechanism that federal land management agencies can use to fund and implement watershed restoration activities. Under a [stewardship contract](#), revenues from timber sales can be retained or applied as an offset to pay for restoration

efforts, such as road maintenance or decommissioning. Congress will need to renew the statutory authority for stewardship contracting projects by September 2013.

Natural Resources Conservation Service (BRCS)

The NRCS is a sub-agency of USDA, originally established in 1935 to address soil conservation on farm lands and it has primary responsibility for administering financial assistance for conservation programs through the Farm Bill. It works with public and private landowners to maintain healthy and productive working landscapes, including watershed planning. NRCS's current focus is to ensure working lands are "conserved, restored, and more resilient to environmental challenges, like climate change." Its mandate is to reduce soil erosion, enhance water supplies, improve water quality, improve wildlife habitat and reduce damages from flooding and other natural disasters. Relevant NRCS programs include but are not limited to the following:

Rapid Watershed Assessments

These assessments provide initial estimates of where conservation investments would best address the concerns of landowners, conservation districts and communities. They are intended to help set priorities and actions to meet pressing goals on a watershed basis.

Watershed and Flood Prevention Operations Program (WFPO)

WFPO provides for cooperation between Federal and state agencies to prevent erosion, sediment damage, flooding and to conserve watershed lands. The program provides technical and financial assistance to states, local governments, tribes and others to plan and implement watershed project plans for watershed protection as well as flood mitigation, water quality, erosion control, and other purposes.

Cooperative Conservation Partnership Initiative (CCPI)

CCPI is a voluntary program for private landowners and farmers to coordinate conservation assistance and financial support for private forest landowners and farmers bring together a number of NRCS programs including the Environmental Quality Incentives Program (EQIP), Wildlife Habitat Incentive Program (WHIP) and the Conservation Stewardship Program (CSP). CSP in particular has relevance for healthy headwaters efforts in that it is focused on paying participants for "conservation performance." The program encourages land stewards to take conservation actions, install equipment and adopt practices to better conserve land and water.

US Environmental Protection Agency (EPA)

Revolving Fund Programs

The Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) are separate EPA programs. CWSRF is aimed at protecting water quality in a broader sense, while the DWSRF specifically targets public drinking water supplies. Funds are typically disbursed by the states in the form of low-interest and flexible term loans. The Funds are self-sustaining through loan repayment and interest earnings.

- *Clean Water State Revolving Fund.* Applicants include municipalities, tribal governments, NGOs, farmers, home/ landowners and businesses. States can target specific assistance needs with various options, such as low-interest loans, refinancing, purchasing, debt guarantee and purchasing bond insurance. CWSRF programs fund traditional municipal wastewater treatment projects, as well as nonpoint source pollution control, watershed protection or restoration and estuary management projects. Approximately \$5 billion available annually.
- *Drinking Water State Revolving Fund.* Loans from the DWSRF must be made to protect public health and to ensure compliance with drinking water standards; generally used for small and disadvantaged communities. Most DWSRF projects address a specific capital infrastructure need. DWSRF funding available in 2010 was about \$1.3 billion nationwide.

Administration of these funds is not easy; California was just “slammed” by EPA for failing to spend \$455 million in DWSR funds. Not surprisingly, this kind of news can make people upset, but also creates potential opportunities.

Healthy Watershed Initiative

Based in EPA’s Clean Water Act authority, this Initiative encourages states, local governments, watershed organizations, and others to take a systems approach to conserving their own watersheds through training, information development and other non-financial forms of assistance. The program identifies healthy watersheds (and healthy components of other watersheds) on a state-wide basis, and then helps to identify an appropriate combination of conservation approaches to maintain watershed health and integrity. These include; protecting river corridors, promoting green infrastructure and landscape conservation, ensuring instream flows, addressing invasive species and protection programs, etc.

US Department of the Interior (DOI)

Landscape Conservation Cooperatives (LCCs)

The LCC Initiative was established by Secretarial Order in 2009 specifically as a response to climate change impacts to important large landscapes nationwide. LCCs are intended to be a network of public-private partnerships providing shared science to ensure the sustainability of America's land, water, wildlife and cultural resources. An LCC provides a forum for partner to connect and integrate efforts, identify best practices, identify information gaps through conservation planning and design. Partner agencies and organizations coordinate with each other while working within their existing authorities. There are 22 LCCs currently established in as many states.

The Current Strategic Opportunity

The time may be right to propose a more comprehensive and integrated federal policy approach to healthy headwaters. One small example - the USFS's FY 2014 budget included a USFS Budget Request for about \$10 million for a new Restoration Partnerships program to reduce risk to fire-prone communities in part by protecting and enhancing water quality in municipal watersheds, restoring aquatic ecosystems through the agency's Watershed Condition Framework (WCF). Perhaps as significant as the funding request itself was the rationale included in the Budget:

Healthy and resilient landscapes have a greater capacity to survive natural disturbances, provide for the natural storage and sustained delivery of high quality water, and are more resilient and adaptable to changing environmental conditions. USDA 2014 Budget Request

A question going forward is to what extent existing federal authorities can provide a more focused and effective scaffold for the promotion of healthy headwaters programs and projects throughout the American West.

Please contact Cynthia Koehler, Director of Programs: cynthia@carpediemwest.org