



Plan for  
Receipt and Expenditure of Monies for  
County Environmental Programs  
Impacting Economic Development  
Fiscal Year 2013

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## Foreword

Recognizing that the words “*collaboration*,” “*cooperation*,” “*coordination*,” “*contribution*” or “*consultation*” and their associated words such as “*collaborator*,” “*cooperator*” or “*contributor*” may have specific legal meanings under the National Environmental Policy Act (NEPA), the Collaborative Forest Landscape Restoration Act (CFLRA) or other acts, or specific regulatory meanings in U.S. Department of Agriculture (USDA) or U.S. Department of the Interior (USDI) regulatory texts, or may be value laden, the Environmental Economic Communities Organization Board of Directors has elected to use the word “*participation*” to characterize its action, in order to avoid unintended interpretations or possible misinterpretations.

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# Introduction

In October 1993, the longtime collaboration between Apache, Gila, Graham, Greenlee, and Navajo Counties (“Counties”) was formalized under A.R.S. 11-952 by an Intergovernmental Agreement between the Counties to create the Eastern Arizona Counties Organization (ECO) and to participate in, support and endorse its actions and decisions which are in compliance with the adopted bylaws of the organization. The initial primary purpose of the Counties was to develop a process to implement Presidential Executive Order 12372 (PEO 12372) related to the clearinghouse process for review of Federal programs which affect the custom, cultures and economic well-being of the Counties.

In December 1998, Apache, Gila, Graham, Greenlee, and Navajo Counties agreed by vote of their Boards of Supervisors to create the Environmental Economic Communities Organization (EECO) for the purpose of planning and implementation of specific environmental programs impacting economic development.

In May 1999, the Governor signed into law Senate Bill 1222, appropriating the sum of \$250,000 for each of the fiscal years 2000 and 2001 from the state general fund to the State Land Department for equal distribution to Apache, Gila, Graham, Greenlee, and Navajo Counties for planning and implementation of specific environmental programs impacting economic development in those counties.

In September 1999, the Counties caused EECO to submit for approval to the State Land Department an environmental program plan that included a comprehensive set of research, demonstration projects, educational forums, and public information dissemination efforts that promoted and demonstrated the stewardship-based utilization of natural resources throughout Arizona.

In March 2001, EECO was incorporated as a nonprofit corporation under Title 10, Chapter 25, A.R.S. Section 10-3201, in order to become a distinct legal entity with whom individual counties and entities created by intergovernmental agreements and appropriate bylaws under A.R.S. 11-952 - such as the Eastern Arizona Counties Organization created by Apache, Gila, Graham, Greenlee, and Navajo Counties in October 1993 - may reach agreements to provide services under A.R.S. 11-952.

For fiscal years 2000 to 2012, the State Budget included appropriations disbursed equally by the State Land Department then the State Forestry Division to Apache, Gila, Graham, Greenlee, and Navajo Counties for the purpose of funding EECO, and EECO performed directly or through agreements to provide services with individual counties or the Eastern Arizona Counties Organization, the planning and implementation of specific environmental programs impacting economic development in those counties.

For fiscal year 2013 (FY 2013), the State Budget included a \$75,000 appropriation to be disbursed equally in \$15,000 installments by the State Forestry Division to Apache, Gila, Graham, Greenlee, and Navajo Counties through the execution of individual intergovernmental agreements between each of the counties and the State Forestry Division, for the purpose of funding EECO, subject to the submittal of a proposed Plan for Receipt and Expenditure of Monies for County Environmental Programs Impacting Economic for fiscal year 2013 (“Plan”) and the submittal of documentation of completed projects in FY 2012.

EECO is hereby submitting to the State Forestry Division a Plan for Receipt and Expenditure of Monies for County Environmental Programs Impacting Economic Development for fiscal year 2013, to be approved by the State Forester. Upon approval of the Plan, each of the Counties will sign an Intergovernmental Agreement for fiscal year 2013 with the State Forestry Division, for the equal disbursement of \$15,000 installments by the State Forestry Division to Apache, Gila, Graham, Greenlee, and Navajo Counties, from the \$75,000 State Budget appropriation.

The EECO fiscal year 2013 Plan for Receipt and Expenditure of Monies for County Environmental Programs Impacting Economic Development proposes two strategic directions:

- 1) The continuation of three long term priorities previously approved by the State Forestry Division for planning and implementation:
  - a. Participation in developing forest biomass projects;
  - b. Participation in the Mexican Gray Wolf Recovery Program;
  - c. Participation in professional organizations.

Significant progress has been made along these three priorities, which are presented in the documentation of completed projects previously submitted to the State Forestry Division for previous fiscal years, and most recently with the filing of the Report on Fiscal Year 2012 Activities submitted by EECO to the Arizona State Forestry Division.

- 2) The participation of EECO in new priorities addressing:
  - a. The continuation of the restoration efforts and wood industry economic development initiated in the White Mountains under the White Mountains Stewardship Contract that is expected to expire with the issuance of the final task orders in August of 2014;
  - b. The power and transportation infrastructure issues resulting from the continued threat of catastrophic wildfires, as well as the implementation of restoration efforts on a landscape scale in northern Arizona, expected to result in the mechanical treatment of up to 50,000 acres annually for a period of 20 years, and the resulting transportation on state highways and county roads of approximately 1.7 million tons of logs and 600,000 tons of residual biomass annually, which equates to approximately 90,000 annual truck runs, or approximately 360 daily truck runs in northern Arizona;
  - c. The emerging issues of new and additional species recovery efforts prompted by the recent documentation of the presence of one jaguar in the mountains of Arizona.

In consequence, the EECO fiscal year 2013 Plan is articulated in four separate but mutually complementary programs:

- Program 1: Continued Support for, and Participation in the Development and Implementation of a Successor Strategy to the White Mountains Stewardship Contract.
- Program 2: Continued Support for, and Participation in the Development and Implementation of an Effective Execution Strategy for the Four Forest Restoration Initiative.
- Program 3: Continued Participation in the Mexican Gray Wolf Recovery Program, and Participation in the Dialog about Other Species Habitat Designation or Recovery Efforts.
- Program 4: Support for, and Participation in the Development and Implementation of an Effective Planning and Execution Strategy for the Protection and Development of Northern Arizona Infrastructures.

This Plan covers EECO activities to be performed directly by EECO or through agreements to provide services with individual EECO member counties or the Eastern Arizona Counties Organization (ECO). These activities are scheduled to take place during fiscal year 2013, from July 1, 2012 to June 30, 2013.

The EECO total operating budget for fiscal year 2013 identifies the expenditure of \$129,000 funded by \$75,000 of EECO appropriation; \$30,000 of Eastern Arizona Counties Organization (ECO) funding; and \$24,000 of deficit spending.

# Program 1: Continued Support for, and Participation in the Development and Implementation of a Successor Strategy to the White Mountains Stewardship Contract

## **Background**

In June and July 2002, the Rodeo-Chediski Fire burned approximately half a million acres in the White Mountains of northern and eastern Arizona. The devastation of the Arizona forests, unprecedented in historical times, the large scale community evacuations that it triggered, and the loss of approximately 400 homes and structures crystalized the threat identified in the first EECO Environmental Program Plan of 1999, and stimulated the EECO Counties and the White Mountains communities to accelerate the completion of community fire plans spanning seamlessly the wildland urban interface (WUI) across the White Mountains. In addition, the White Mountains Natural Resources Working Group (NRWG) provided a forum for a broad range of stakeholders to provide collaborative input to the USFS and to create a local social license to experiment with a large scale, long term stewardship contract as authorized by the 2003 Healthy Forest Restoration Act.

In August 2004, the U.S. Forest Service (USFS) awarded Future Forest, LLC the White Mountains Stewardship Contract (WMSC) on the Apache–Sitgreaves National Forest. This project was at the time the largest 10 year stewardship contract in the nation. The contract allowed for the treatment of up to 15,000 acres per year, up to 150,000 acres over 10 years. The stewardship contract was also intended to facilitate the development of a wood products industry better suited to market the small-diameter trees harvested during the implementation of restoration mechanical treatments.

Due to budgetary and efficiency challenges, the WMSC has not fully met its ambitious objective but has nonetheless allowed for approximately 5,000 to 7,000 acres to be treated annually, and the 2011 White Mountains Stewardship Project Economic Assessment report credits the WMSC for supporting 445 full time equivalent (FTE) jobs tied directly or indirectly to twelve companies contributing \$18.7 million in 2011 to the White Mountains local economy.

The WMSC is widely credited for being instrumental in creating the conditions that allowed fire fighters to save several White Mountains communities such as Alpine or Greer from destruction by catastrophic wildfires during the 2011 Wallow Fire.

## **Issue**

The WMSC will expire with the expected award of the last task orders in August 2014. Treatments implemented with the last task orders can probably be expected to continue on the ground and to supply round wood and residual biomass to the local industry until the end of 2014, after which no mechanism currently exists to further the restoration work on the ground and to provide a predictable wood supply to the industry.

## **Strategic Objective**

EECO is committed to continue to support the WMSC and to participate in the development and implementation of a successor strategy to the WMSC, that insures that restoration treatments continue to be implemented in the White Mountains, and that the industry originally sustained by the WMSC continues to be supplied with round wood and residual biomass in an ecologically and economically viable and sustainable manner.

## **Execution Strategy**

Several models are conceivable to execute the strategic objective of insuring that restoration treatments continue to be implemented in the White Mountains, and that the industry originally sustained by the WMSC continues to be supplied with round wood and residual biomass in an ecologically and economically viable and sustainable manner:

- 1) Timely implementation of the Four Forest Restoration Initiative (4FRI) 2<sup>nd</sup> analysis area planning and contracting in the White Mountains; or
- 2) Development of a second large scale and long term White Mountains Stewardship Contract; or
- 3) Development of several smaller and shorter stewardship contracts in the White Mountains; or
- 4) Development of traditional timber sales in the White Mountains; or
- 5) A sequential or parallel combination of the above; or
- 6) Other solution(s).

Any of these solutions will entail considerable planning and contracting work and will require significant agency funding and political support.

It is the strategy of EECO to:

- raise the visibility of the issue;
- make it a priority item with the state and federal partners;
- provide technical and political support in the selection of an appropriate successor model;
- provide technical and political support for the timely development and implementation of an appropriate successor model.

EECO will provide this support and participation by:

- actively engaging in and if necessary initiating the appropriate work with the federal, state and local agency, community, university, industry and environmental constituency partners;
- attending, participating in, and if necessary hosting the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- providing economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- providing political advocacy for an appropriate successor strategy to the (WMSC) with local, state and federal executive and legislative elected officials and political appointees.

## Allocated Resources

EECO intends to expend 20% of its resources on Program 1: Continued Support for, and Participation in the Development and Implementation of a Successor Strategy to the White Mountains Stewardship Contract.

<b>EECO Budget FY 2013</b>	Share	Payroll	Taxes & Benefits	Travel	Others	Total
Program 1 (WMSC)	20%	\$16,350	\$4,905	\$2,300	\$2,245	\$25,800
Total	100%	\$81,750	\$24,525	\$11,500	\$11,225	\$129,000

<b>EECO Funding FY 2013</b>	EECO Funding	ECO Funding	Other Funding	Deficit Funding	Total	Match
Program 1 (WMSC)	\$15,000	\$6,000	\$0	\$4,800	\$25,800	72%
Total	\$75,000	\$30,000	\$0	\$24,000	\$129,000	72%

## Performance Measures

EECO intends to dedicate 20% of its activities to Program 1: Continued Support for, and Participation in the Development and Implementation of a Successor Strategy to the White Mountains Stewardship Contract.

<b>EECO Activities FY 2013</b>	Share	Northern Arizona Events	Other In State Events	Out of State Events	Research & Position Writings	Stakeholders Activities	Total Activities
Program 1 (WMSC)	20%	25	20	5	15	35	100
Total	100%	125	100	25	75	175	500

## Measurable Outcome

As a result of its engagement in Program 1 (WMSC), EECO seeks the following outcome:

- Contractual implementation prior to August 2014 of one or several US Forest Service stewardship contract(s) and/or timber sale(s) guaranteeing the term long term (10 years) and appropriate scale (minimum of 7,000 acres per year) continuation of restoration Treatments in the White Mountains, and supply of round wood and residual biomass to the White Mountains industry previously supported by the WMSC.

# Program 2: Continued Support for, and Participation in the Development and Implementation of an Effective Execution Strategy for the Four Forest Restoration Initiative

## **Background**

In June and July 2002, the Rodeo-Chediski Fire burned approximately half a million acres and 400 houses and structures in the White Mountains of northern and eastern Arizona. In August 2004 the U.S. Forest Service (USFS) initiated work under the White Mountains Stewardship Contract (WMSC) on the Apache–Sitgreaves National Forest. The stewardship authority allowed the USFS to exchange the value of the material harvested during the restoration treatments with the cost of the restoration services provided, and to subsidize the restoration costs when not fully offset by the valuation of the material. The WMSC allowed for the treatment of up to 15,000 acres per year over 10 years. However, as the WMSC contract proceeded, the USFS routinely had to subsidize the work at the rate of an average of \$500 to \$800 per acre, and budgetary constraints prevented the agency from funding the implementation of the full objectives of the contract. Instead of the 15,000 acres per year authorized, the WMSC implemented an average of 5,000 to 7,000 acres per year, and the model failed to demonstrate the ability to scale up from local to landscape scale.

From 2006 to 2008, collaborative work progressed in northern Arizona, under the auspices of the Arizona Governor’s Forest Health Council (GFHC) and local collaborative groups, to develop a new model of Accelerated, Landscape Scale, Consensus Based, Industry Supported Community Protection, Forest Restoration and Fire Management across Northern Arizona. The EECO Counties participated critically in the process, with all five Counties passing Board of Supervisors resolutions of support, and providing sustained and aggressive political support for the effort at the local, state, regional and federal levels.

In April 2009 the USFS and the GFHC co-hosted a Four Forests Initiative Forum that led to the creation of the USFS Four Forest Restoration Initiative (4FRI), the formalization of the collaborative effort in the 4FRI Stakeholders Group, and the beginning of the agency and stakeholders’ work on a 4FRI planning and a 4FRI contracting efforts. A Proposed Action (PA) was published under the National Environmental Protection Act (NEPA) in March 2011, and a contract Request for Proposal (RFP) was published under the Stewardship Authority of the Healthy Forest Restoration Act in June 2011.

In May 2012, the USFS awarded Pioneer Forest Products LLC the stewardship contract for the first analysis area of the Four Forest Restoration Initiative (“1<sup>st</sup> 4FRI contract”) on the Coconino,

Kaibab, and Apache-Sitgreaves national forests. This project is at the time of this writing the largest 10 year stewardship contract in the nation. The contract allows for the mechanical treatment of at least 30,000 acres per year or at least 300,000 acres over 10 years. The 1<sup>st</sup> 4FRI contract is intended to allow a multi hundreds of millions of dollars investment in the creation of a new appropriate scale utilization capacity of small diameter round wood and residual biomass in northern Arizona, and the creation of up to 1,000 jobs.

## **Issues**

Contract awarding is only one of the necessary conditions for the success of 4FRI. The other necessary conditions currently still to be met are:

- 1) The completion by the U.S. Forest Service of the necessary Environmental Impact Statement (EIS) and Record of Decision (ROD) under the National Environmental Policy Act (NEPA);
- 2) The continued collaboration by the USFS as required under law by the Collaborative Forest Landscape Restoration Act (CFLRA) and accomplished through the 4FRI Stakeholders Group;
- 3) The maintenance of the social license necessary to proceed with industry funded landscape scale restoration mechanical treatments on public lands;
- 4) The execution of the investment and business plans proposed by the winning bidder of the 1<sup>st</sup> 4FRI contract.

## **Strategic Objectives**

EECO is committed to continue to support 4FRI and to participate in its effective execution, in order to insure that:

- 1) The restoration treatments proposed in 4FRI are actually implemented at the contracted scale (30,000 acres annually) and per the contracted schedule (starting with 15,000 acres in 2013);
- 2) The multi hundreds of millions of dollars investment in the creation of a new appropriate scale utilization capacity of small diameter round wood and residual biomass in northern Arizona actually takes place per the contracted schedule (funding by December 2012, completion in 2014);
- 3) The economic impact expected from 4FRI (creation of 1,000 jobs) actually takes place in a timely manner (starting in 2013).

## **Execution Strategy**

To fulfill these objectives, it is the strategy of EECO to:

- continue its participation to the activities of the 4FRI Stakeholders Group;
- continue its work with the U.S. Forest Service and U.S. Department of Agriculture;
- continue its work with private industry representatives and investors;
- increase its bilateral work with the conservation and science constituencies in order to facilitate the identification and prioritization of areas of agreement between various organizational restoration perspectives;
- increase its role as a consensual leadership provider in the 4FRI NEPA process in order to facilitate a consensus agreement between the agency and stakeholders, and insure the timely completion of the Draft Environmental Impact Analysis (DEIS) by February 2013 and of the final Environmental Impact Analysis (EIS) and Record of Decision (ROD) by January 2014;
- emphasize the large area of consensus agreement over the narrow areas of technical disagreements in order to sustain the social license and further promote the non-confrontational implementation of 4FRI;
- provide technical support as requested by the winning bidder of the 1<sup>st</sup> 4FRI contract in order to facilitate the location, permitting and construction of the industrial facilities;
- enforce fairly but firmly accountability on all agency and non-agency stakeholders in the planning and contracting tracks as required for the successful and timely execution of 4FRI, defined as treatments being implemented on the ground per the contracted schedule.

EECO will implement this strategy by:

- actively engaging in and if necessary initiating the appropriate work with the federal, state and local agency, community, university, industry and environmental constituency partners;
- attending, participating in, and if necessary hosting the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- providing economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- providing political advocacy in support of the various aspects of 4FRI with local, state and federal executive and legislative elected officials and political appointees.

## **Allocated Resources**

EECO intends to expend 40% of its resources on Program 2: Continued Support for, and Participation in the Development and Implementation of an Effective Execution Strategy for the Four Forest Restoration Initiative.

<b>EECO Budget FY 2013</b>	Share	Payroll	Taxes & Benefits	Travel	Others	Total
Program 2 (4FRI)	40%	\$32,700	\$9,810	\$4,600	\$4,490	\$51,600
Total	100%	\$81,750	\$24,525	\$11,500	\$11,225	\$129,000

<b>EECO Funding FY 2013</b>	EECO Funding	ECO Funding	Other Funding	Deficit Funding	Total	Match
Program 2 (4FRI)	\$30,000	\$12,000	\$0	\$9,600	\$51,600	72%
Total	\$75,000	\$30,000	\$0	\$24,000	\$129,000	72%

## Performance Measures

EECO intends to dedicate 40% of its activities to Program 2: Continued Support for, and Participation in the Development and Implementation of an Effective Execution Strategy for the Four Forest Restoration Initiative.

<b>EECO Activities FY 2013</b>	Share	Northern Arizona Events	Other In State Events	Out of State Events	Research & Position Writings	Stakeholders Activities	Total Activities
Program 2 (4FRI)	40%	50	40	10	30	70	200
Total	100%	125	100	25	75	175	500

## Measurable Outcomes

As a result of its engagement in Program 2 (4FRI), EECO seeks the following outcomes:

- Funding of the 4FRI 1<sup>st</sup> contract investment by December 2012.
- Publication of the 4FRI DEIS by February 2013.
- Publication of the 4FRI EIS and ROD by January 2014.
- Implementation of the first 4FRI restoration treatments (15,000 acres) in 2013.
- Construction and operation of the first phase (defined to be a high efficiency small diameter sawmill by Pioneer LLC) of the 4FRI 1<sup>st</sup> contract industrial facilities by December 2014.

# Program 3: Continued Participation in the Mexican Gray Wolf Recovery Program, and Participation in the Dialog about Other Species Habitat Designation or Recovery Efforts

## **Background**

In March 1997, the Secretary of the Interior signed a Record of Decision (ROD) approving the release of captive-reared Mexican gray wolves into the Blue Range Wolf Recovery Area located in Greenlee County and an adjacent area of New Mexico. In January 1998 the U.S. Fish & Wildlife Service (USFWS) published the Final Rule, Establishment of a Nonessential Experimental Population of the Mexican Gray Wolf in Arizona and New Mexico, and in March 1998, Mexican gray wolves were released for the first time in the Blue Range Wolf Recovery Area. The Blue Range reintroduction project is managed by the USFWS in collaboration with the Arizona Game and Fish Department (AZGFD), the New Mexico Department of Game and Fish, the USFS, USDA-APHIS Wildlife Services, and the White Mountain Apache Tribe operating together under a formal Memorandum of Understanding which enables the signatories to develop a mutually-agreeable, long term, science based collaboration for the reintroduction of Mexican wolves in Arizona and New Mexico within the Mexican Wolf Experimental Population Area. The recovery program projected a population of 18 breeding pairs and 102 wolves by the end of 2006. The current population is believed to be six breeding pairs and 58 wolves presently in the wild. An adult male Mexican gray wolf is considered for release in mid-January 2013 in the Apache-Sitgreaves National Forest, adjacent to the Bluestem pack to replace the pack's alpha male found dead in July and determined to have been illegally killed.

In parallel to the American government recovery efforts, the Mexican government released five Mexican wolves, three females and two males, into the Sierra San Luis in the state of Sonora in October 2011. Although four of these wolves were illegally killed within months, the Mexican government conducted additional releases in 2012 and has informed the USFWS of their plans to continue releasing in 2013 Mexican wolves into the northern area in the Sierra Madre Occidental, and to potentially initiate releases in the Mexico state of Nuevo Leon. In December 2012, the USFWS released a Southwestern Gray Wolf Management Plan to address the management of wolves that naturally disperse into Arizona, New Mexico and western Texas.

Additionally, in April 2012 the USFWS and the Jaguar Recovery Team completed a Jaguar Recovery Outline to provide a preliminary strategy for jaguar conservation until a full recovery plan is completed in December 2013. In August 2012, the USFWS proposed to designate 838,232 acres in Pima, Santa Cruz, and Cochise Counties, AZ and Hidalgo County, NM as critical habitat for the jaguar under the Endangered Species Act (ESA).

In November 2012 a male jaguar was photographed in the northern Santa Ritas Mountains about 40 miles southeast of Tucson near the proposed Rosemont Mine site. Although the proposed designated critical habitat is outside the area of the five counties of EECO, in September 1963 the nation's last known female jaguar was legally killed near Big Lake in the White Mountains, prompting speculation that the counties of EECO could be concerned by a full jaguar recovery plan.

## **Issues**

Several recent events seem to indicate a renewed radicalization of the dialog about the Mexican Gray Wolf:

- 1) In September 2012 the Blue Range Wolf Reintroduction Project Interagency Field Team (IFT) circulated a Replacement Release Proposal designed to replace in 2013 wolves removed from the population by illegal and/or natural mortality. This decision, made over the objection of ECO, Greenlee, Graham, and Navajo counties and despite the non-completion of the revision of the 1982 Mexican Wolf Recovery Plan undertaken in December 2010 and not due until December 2013, raises concerns about the direction as well as the nature of the Mexican Gray Wolf Recovery Program.
- 2) In November 2012 a lawsuit was filed by an environmental group challenging the USFWS failure to respond to a 2004 petition calling for implementation of sweeping reforms in the management of the Mexican gray wolf population and urging an acceleration of the recovery efforts.
- 3) In December 2012 a notice of intent to sue was filed by an environmental group with the USFWS over the agency's decision to live-capture wolves that may enter Arizona and New Mexico from Mexico.

Additionally, the emergence of an effort to designate habitat for the Jaguar, possibly leading to efforts to seek its reintroduction, further stress the already complex and delicate social balance between the need for conservation and the need for responsible exploitation of Arizona's natural resources.

## **Strategic Objectives**

EECO is committed to continue to participate in the Mexican Gray Wolf Recovery Program, and to participate in the dialog about other species habitat designation or recovery efforts, in order to insure that the Mexican Gray Wolf Recovery Program, and other species management efforts do not create undue constraints to the custom, cultures and economic well-being of the Counties.

Specifically, EECO is committed to:

- 1) Continued work among the Mexican Wolf Cooperators MOU (“Wolf MOU”) signatories, among which are the USFWS, the AZGFD, Greenlee, Graham, and Navajo counties, to develop a mutually agreeable, long term, science based collaboration for the reintroduction of Mexican wolves within the Mexican Wolf Experimental Population Area.
- 2) The continued operation and full funding of the Mexican Wolf Interdiction Fund Stakeholder Council (“Interdiction Stakeholder Council”) as a vehicle to:
  - a. disburse funds to compensate livestock owners for eligible conservation activities in the form of interdiction and incentives, including activities that address Mexican wolf and livestock interaction management, grazing strategies, monitoring and other needs; conflict resolution; compensation for damages that include depredation; education; outreach activities; and similar undertaking;
  - b. draft positive coexistence plans that recognize the wolf-livestock nexus that is critical to a successful reintroduction program.
- 3) The subordination of additional wolves releases in the Blue Range Wolf Recovery Area to the completion by the USFWS of the revision of the 1982 Mexican Wolf Recovery Plan undertaken in December 2010 and due by December 2013;
- 4) The completion by December 2013 of the revision of the 1982 Mexican Wolf Recovery Plan undertaken in December 2010.

## **Execution Strategy**

To fulfill these objectives, it is the strategy of EECO to:

- continue its bilateral work with the Arizona Game and Fish Department;
- continue its bilateral work with the U.S. Fish and Wildlife Service;
- continue its work with the signatories of the Mexican Wolf Cooperators MOU;
- request that EECO becomes a signatory of the Mexican Wolf Cooperators MOU;
- actively engage in the appropriate work on the jaguar issue with the federal, state and local agency, community, university, livestock industry, and environmental constituency partners;
- attend and participate in the appropriate meetings, workgroups, field trips, and outreach efforts on the wolf and jaguar issues with said partners;
- increase its bilateral work with the conservation and livestock constituencies in order to facilitate the identification and prioritization of areas of agreement between various organizational species management perspectives;
- provide economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability and analysis and guidance as required;

- provide political advocacy in relation to the Mexican Gray Wolf Recovery Program and jaguar habitat designation efforts with local, state and federal executive and legislative elected officials and political appointees.

## Allocated Resources

EECO intends to expend 20% of its resources on Program 3: Continued Participation in the Mexican Gray Wolf Recovery Program, and Participation in the Dialog about Other Species Habitat Designation or Recovery Efforts.

<b>EECO Budget FY 2013</b>	Share	Payroll	Taxes & Benefits	Travel	Others	Total
Program 3 (Species)	20%	\$16,350	\$4,905	\$2,300	\$2,245	\$25,800
Total	100%	\$81,750	\$24,525	\$11,500	\$11,225	\$129,000

<b>EECO Funding FY 2013</b>	EECO Funding	ECO Funding	Other Funding	Deficit Funding	Total	Match
Program 3 (Species)	\$15,000	\$6,000	\$0	\$4,800	\$25,800	72%
Total	\$75,000	\$30,000	\$0	\$24,000	\$129,000	72%

## Performance Measures

EECO intends to dedicate 20% of its activities to Program 3: Continued Participation in the Mexican Gray Wolf Recovery Program, and Participation in the Dialog about Other Species Habitat Designation or Recovery Efforts.

<b>EECO Activities FY 2013</b>	Share	Northern Arizona Events	Other In State Events	Out of State Events	Research & Position Writings	Stakeholders Activities	Total Activities
Program 3 (Species)	20%	25	20	5	15	35	100
Total	100%	125	100	25	75	175	500

## **Measurable Outcomes**

As a result of its engagement in Program 3 (Species), EECO seeks the following outcomes:

- Satisfactory and timely resolution and disbursement by the Mexican Wolf Interdiction Fund Stakeholder Council of all FY 2013 compensation claims for grazing strategies constraints, interdiction, damage, and depredation.
- Full funding of the Mexican Wolf Interdiction Fund Stakeholder Council for FY 2013.
- EECO becoming a signatory of the Mexican Wolf Cooperators MOU in FY 2013.
- Completion by December 2013 of the revision of the 1982 Mexican Wolf Recovery Plan undertaken in December 2010.
- Subordination of additional wolves releases in the Blue Range Wolf Recovery Area to the completion by the USFWS of the revision of the 1982 Mexican Wolf Recovery Plan.
- Participation in the jaguar habitat designation dialog.

# Program 4: Support for, and Participation in the Development and Implementation of an Effective Planning and Execution Strategy for the Protection and Development of Northern Arizona Infrastructures

## **Background**

In addition to their threats to the communities and ecosystems, the continued risk of catastrophic wildfires in the forests of northern Arizona threatens the infrastructures delivering the electrical power generated in northern Arizona to the urban centers of central and south Arizona, the infrastructures collecting and delivering the water provided by the northern Arizona watersheds to the urban centers of central Arizona, and the transportation infrastructure necessary to the economic well-being of the EECO Counties.

Simultaneously, the long term progressive decrease and ultimately the virtual disappearance of the role of the logging and wood industry in northern Arizona over the last 30 years have affected the requirements for the rebuilding and maintenance of the transportation infrastructures in northern Arizona. As a result, several state highways and county roads necessary to the implementation of industry supported landscape scale restoration may not have been rebuilt or maintained to the specifications required by continuous commercial use for logging or wood industry traffic.

Conversely, the implementation of restoration efforts in northern Arizona creates new demands on the northern Arizona transportation infrastructures, and the acceleration of the restoration efforts to landscape scale, expected to result in the mechanical treatment of up to 50,000 acres annually for a period of 20 years, will result in the transportation on state highways and county roads of approximately 1.7 million tons of logs and 600,000 tons of residual biomass annually, which equates to approximately 90,000 annual truck runs, or approximately 360 daily truck runs. Such increased commercial traffic on state highways and county roads will thoroughly tax the financial ability of the Arizona Department of Transportation and the EECO Counties, as well as Coconino County, to provide the adequate transportation infrastructure and fund its adequate maintenance.

Further, the Arizona road transportation maximum gross weight of 80,000 lbs. is lower than the maximum weight allowed in several neighboring states such as New Mexico (86,400 lbs.), Colorado (85,000 lbs.), Nevada (129,000 lbs.), and other wood producing western states such as Wyoming (117,000 lbs.), Idaho (105,500 lbs.), or Washington (105,500 lbs.).

## **Issues**

Five infrastructure issues are of particular concern to the EECO Counties:

- 1) Several state highways (specifically Highway 273 and Highway 261) in the White Mountains, as well as possibly other state highways and county roads in the EECO Counties area, as well as in Coconino County, are not, or may not be, legally usable by commercial logging traffic. As a consequence, significant funding may be required to bring some portions of the northern Arizona transportation infrastructure to commercial specifications.
- 2) The expected imminent implementation of landscape scale restoration in northern Arizona will create constraints and wear and tear unprecedented in recent decades on some state highways and county roads. As a consequence, additional funding will be required to maintain some portions of the northern Arizona transportation infrastructure expected to be used intensively by the logging transportation fleet.
- 3) The lower maximum gross weight of 80,000 lbs. legally allowed on the Arizona road transportation infrastructure creates a competitive disadvantage for the Arizona wood industry compared to the wood industry operating in most of the western states.
- 4) Water collection and distribution infrastructures in northern Arizona continue to be put at existential or significant risk by the threat of additional catastrophic wildfires in the forests of northern Arizona.
- 5) Power infrastructure corridors in northern Arizona continue to be put at existential or significant risk by the threat of additional catastrophic wildfires in the forests of northern Arizona.

## **Strategic Objectives**

EECO is committed to participate in the development and implementation of an effective planning and execution strategy for the protection and development of northern Arizona infrastructures, in order to insure:

- 1) The systemic and systematic verification that all state highways and county roads necessary to the implementation of landscape scale restoration are certified for, or rebuilt to, commercial use specifications.
- 2) The funding by federal and state partners of the rebuilding (if necessary) and appropriate maintenance (as required) of all state highways and county roads necessary to the implementation of landscape scale restoration.

- 3) The prioritization of treatments in the power and water infrastructures corridors, after the direct protection of communities, in all the EECO Counties, as well as Coconino County.
- 4) The increase of the lower maximum gross weight of 80,000 lbs. legally allowed on the Arizona road transportation infrastructure to at least 85,000 lbs.

## Execution Strategy

To fulfill these objectives, it is the strategy of EECO to:

- raise the visibility of the issues;
- make them priority items with the state and federal partners;
- develop bilateral relationships with the utilities operators, especially the Salt River Project (SRP), Arizona Public Service (APS) and Tucson Electric Power (TEP);
- develop a bilateral relationship with the Arizona Department of Transportation (ADOT);
- continue and expand its bilateral work with the USFS and the Arizona State Forestry Division to promote the protection of power and watershed infrastructures, and the development and maintenance of the transportation infrastructure required by the implementation of landscape scale restoration;
- actively engage in and if necessary initiate the appropriate work with the federal, state and local agency, community, university, industry and environmental constituency partners;
- attend, participate in, and if necessary host the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- provide economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- provide political advocacy for the protection, development, and maintenance of the northern Arizona infrastructures with local, state and federal executive and legislative elected officials and political appointees.

## Allocated Resources

EECO intends to expend 20% of its resources on Program 4: Support for, and Participation in the Development and Implementation of an Effective Planning and Execution Strategy for the Protection and Development of Northern Arizona Infrastructures.

<b>EECO Budget FY 2013</b>	Share	Payroll	Taxes & Benefits	Travel	Others	Total
Program 4 (Infrastructures)	20%	\$16,350	\$4,905	\$2,300	\$2,245	\$25,800
Total	100%	\$81,750	\$24,525	\$11,500	\$11,225	\$129,000

<b>EECO Funding FY 2013</b>	EECO Funding	ECO Funding	Other Funding	Deficit Funding	Total	Match
Program 4 (Infrastructures)	\$15,000	\$6,000	\$0	\$4,800	\$25,800	72%
Total	\$75,000	\$30,000	\$0	\$24,000	\$129,000	72%

## Performance Measures

EECO intends to dedicate 20% of its activities to Program 4: Support for, and Participation in the Development and Implementation of an Effective Planning and Execution Strategy for the Protection and Development of Northern Arizona Infrastructures.

<b>EECO Activities FY 2013</b>	Share	Northern Arizona Events	Other In State Events	Out of State Events	Research & Position Writings	Stakeholders Activities	Total Activities
Program 4 (Infrastructures)	20%	25	20	5	15	35	100
Total	100%	125	100	25	75	175	500

## Measurable Outcomes

As a result of its engagement in Program 4 (Infrastructures), EECO seeks the following outcomes:

- The ADOT certification for commercial use of all the state highways and county roads necessary to the implementation of landscape scale restoration in northern Arizona, by December 2013.
- The establishment by the end of Fiscal Year 2014 of a budget by federal and state partners to fund the rebuilding (if necessary) and the appropriate maintenance (as required) of all state highways and county roads necessary to the implementation of landscape scale restoration in northern Arizona.
- Legislation signed into law for the increase of the maximum gross weight of 80,000 lbs. legally allowed on the Arizona road transportation infrastructure to at least 85,000 lbs. during the 2013 legislative session.
- The prioritization by USFS of treatments in the power and water infrastructures corridors, after the direct protection of communities, in all the EECO Counties, as well as Coconino County.

# Fiscal Year 2013 Budget

The EECO total operating budget for fiscal year 2013 identifies the expenditure of \$129,000 funded by \$75,000 of EECO appropriation; \$30,000 of Eastern Arizona Counties Organization (ECO) funding; and \$24,000 of deficit spending.

<b>EECO Budget FY 2013</b>	Share	Payroll	Taxes & Benefits	Travel	Others	Total
Program 1 (WMSC)	20%	\$16,350	\$4,905	\$2,300	\$2,245	\$25,800
Program 2 (4FRI)	40%	\$32,700	\$9,810	\$4,600	\$4,490	\$51,600
Program 3 (Species)	20%	\$16,350	\$4,905	\$2,300	\$2,245	\$25,800
Program 4 (Infrastructures)	20%	\$16,350	\$4,905	\$2,300	\$2,245	\$25,800
<b>Total</b>	<b>100%</b>	<b>\$81,750</b>	<b>\$24,525</b>	<b>\$11,500</b>	<b>\$11,225</b>	<b>\$129,000</b>

<b>EECO Funding FY 2013</b>	EECO Funding	ECO Funding	Other Funding	Deficit Funding	Total	Match
Program 1 (WMSC)	\$15,000	\$6,000	\$0	\$4,800	\$25,800	72%
Program 2 (4FRI)	\$30,000	\$12,000	\$0	\$9,600	\$51,600	72%
Program 3 (Species)	\$15,000	\$6,000	\$0	\$4,800	\$25,800	72%
Program 4 (Infrastructures)	\$15,000	\$6,000	\$0	\$4,800	\$25,800	72%
<b>Total</b>	<b>\$75,000</b>	<b>\$30,000</b>	<b>\$0</b>	<b>\$24,000</b>	<b>\$129,000</b>	<b>72%</b>

## Fiscal Year 2013 Performance Measures

The EECO total activities plan for fiscal year 2013 identifies 500 discrete activities, including 125 Northern Arizona Events, 100 other in-state events, 25 out-of-state events, 75 research and position writings, and 175 stakeholders activities.

<b>EECO Activities FY 2013</b>	Share	Northern Arizona Events	Other In State Events	Out of State Events	Research & Position Writings	Stakeholders Activities	Total Activities
Program 1 (WMSC)	20%	25	20	5	15	35	100
Program 2 (4FRI)	40%	50	40	10	30	70	200
Program 3 (Species)	20%	25	20	5	15	35	100
Program 4 (Infrastructures)	20%	25	20	5	15	35	100
<b>Total</b>	<b>100%</b>	<b>125</b>	<b>100</b>	<b>25</b>	<b>75</b>	<b>175</b>	<b>500</b>

# Conclusion

After years of efforts, the long term vision of EECO initiated in 1998 toward the planning and implementation of specific environmental programs impacting economic development has been vindicated in Fiscal Year 2012 by the significant progress of the Four Forest Restoration Initiative (4FRI) in both the planning and contracting tracks. Many credit the long term efforts of EECO and its county members over the last 15 years as being critically important to this progress.

- The awarding of the 4FRI contract in May 2012 is a major milestone toward actual implementation of the industry-supported landscape scale restoration model that EECO participated in defining and that EECO has been advocating and supporting relentlessly since 2006.
- The completion by December 2012 of the 4FRI Draft Environmental Impact Statement (DEIS) to be published by the USFS in February 2013 is a major milestone toward a socially supported Record of Decision (ROD) allowing the implementation by appropriately scaled industry of up to 50,000 acres of ecological restoration treatments in four national forest in northern Arizona.
- The passing and signing into law in May 2012 of the Healthy Forest Enterprise Incentives Extensions (Arizona HB 2332) is a major milestone toward insuring the proper conditions for the deployment of a multi hundreds of millions of dollars investment and the creation of upward of 1,000 new jobs in northern Arizona.

However, in the words of World War II British leader Churchill: “Now this is not the end, it is not even the beginning of the end, but it is, perhaps, the end of the beginning”. Much work remains to be done for the EECO vision of integrated and mutually supportive ecologic sustainability and economic sustainability, to become a vibrant reality. Chief among the objectives of EECO for Fiscal Year 2013 are:

- 1) Insuring that the 4FRI 1<sup>st</sup> analysis area DEIS indeed becomes a socially sustainable EIS and ROD, and insuring that the 4FRI contractor actually funds the investment and executes the contract.
- 2) Insuring that the 4FRI 2<sup>nd</sup> analysis area DEIS and contract provide successor mechanisms to the White Mountain Stewardship Contract.

In parallel to this effort, renewed radicalization of the dialog about the Mexican Wolf; the emergence of an effort to designate habitat for the Jaguar, possibly leading to efforts to seek its reintroduction; continued concerns for the protection and operation of the northern Arizona power infrastructures; and mounting concerns about the ability of the northern Arizona transportation infrastructure to withstand the implementation of landscape scale restoration

justify the full engagement of EECO. Chief among the objectives of EECO for Fiscal Year 2013 are also:

- 3) Insuring that the Mexican Gray Wolf Recovery Program, and other species management efforts do not create undue constraints to the custom, cultures and economic well-being of the EECO Counties.
- 4) Insuring that the northern Arizona infrastructure is capable to withstand the continued threat of additional catastrophic wildfires, as well as the commercial traffic created by the implementation of landscape scale restoration.

EECO's responsibility is increasing with these challenges, and so is its engagement and action, stressing even further the disconnection between its current and upcoming workload, and its current funding level. It is hoped that the results obtained by EECO's engagement in issues critical to the State of Arizona will justify resuming the funding of EECO's efforts at a higher level and, in time, at its former level as EECO \$24,000 deficit funding for fiscal year 2013 is unsustainable in the long term.