

# **Wildland Fire Suppression Budget Reform Issue Paper**

The U.S. government needs a new way to pay for federal wildland fire suppression. Escalating suppression costs are having a devastating impact on the land management agencies, particularly the Forest Service (USFS). Fire management costs for the USFS have exceeded \$1 billion in six of the last eight years. The proportion of the USFS budget devoted to fire increased steadily from 13% of the total budget in 1991 to 48% in the FY2009 President's request. These rising costs have resulted in a 35% reduction in funding for non-fire programs<sup>1</sup> and USFS staffing has been reduced by 5,900 positions during the same period. In addition, when suppression funding is exhausted, the agencies borrow funds from other programs, disrupting ongoing projects. In past years, Congress passed supplemental spending bills to repay these transfers, but these bills are often passed after projects have been delayed or eliminated, and full repayment is never certain.

The USFS must fund suppression within the agency budget at the 10-year average of fire suppression costs (\$939 million for FY2009). This means that funding for other important non-fire programs is diverted to fund fire suppression. This year the President proposed a 58% cut to the USFS State and Private Forestry Programs due to the increasing fire suppression costs. Next fiscal year, the budget proposal will include cuts to other Agency priorities such as Research and National Forest System programs. With the 10-year average cost of fire suppression increasing by about \$80 million per year, the ability of the agencies to carry out land management activities will be severely impacted unless action is taken to solve this problem.

Additionally, while suppression costs have escalated and regular USFS programs have been dramatically reduced, funding for the other restoration and prevention-oriented functions outlined in the Ten-Year Comprehensive Strategy Implementation Plan of the National Fire Plan has decreased by over \$200 million

<sup>1</sup> When adjusted for inflation, from FY2001 to the FY2009 request.

## **KEY RECOMMENDATIONS**

1. Establish a flexible spending account for emergency wildfire suppression. Authorizing legislation should include appropriate requirements for use, cost containment controls and incentives, and accountability measures.
2. Restore funding for comprehensive restoration and long term stewardship of federal lands.
3. Enhance funding for community fire assistance programs.

since FY2001.<sup>2</sup> The restoration and community assistance goals of the National Fire Plan are chronically under funded. Investments in community capacity to address wildfires reduces the potential for large-scale, uncharacteristically severe fires. Investing now to restore the health of forests will reduce impacts and fire suppression costs in the future. Prevention-oriented programs must be fully implemented and funded if we are to solve our current forest health crises, and the associated threats to communities.

## **FIRE COST CONTAINMENT**

Many factors contribute to rising fire suppression costs, including past suppression policies that resulted in a build-up of fuels, prolonged drought, a changing climate, and increasing wildland-urban interface complexity. While cost containment will not alleviate all of these problems, the federal agencies still can, should, and are undertaking measures to bring fire suppression costs down. The agencies have acted on many cost-containment recommendations, leading to a number of successes, including using "risk-based suppression" or "Appropriate Management Response" to manage fires, as well as numerous other strategies. For example, despite more fires than in 2006, and a 49% increase in Forest Service acres burned,

<sup>2</sup> Includes Community Fire Assistance, Hazardous Fuels and FS Restoration and Rehabilitation.

## **WHO WE ARE**

The Rural Voices for Conservation Coalition is comprised of western rural and local, regional, and national organizations that have joined together to promote balanced conservation-based approaches to the ecological and economic problems facing the West. We are committed to finding and promoting solutions through collaborative, place-based work that recognizes the inextricable link between the long-term health of the land and well being of rural communities. We come from California, Oregon, Washington, Idaho, New Mexico, Montana, Arizona and Colorado.

the cost of suppressing Forest Service fires was \$127 million lower in 2007 due to aggressive implementation of Appropriate Management Response and other cost containment measures.<sup>3</sup> With suppression costs forecasted to exceed \$1.3 billion for the Forest Service and the Department of the Interior in FY2009, even a 5-10% decrease in costs makes an enormous difference. The agencies' focus on cost containment also provides assurances to Congress, the Administration, and the public that the agencies will not freely or haphazardly spend increased fire suppression funding, and demonstrates that they are committed to accountability and management controls.<sup>4</sup>

Unfortunately, cost control measures alone will not be enough to solve the problem of extraordinary suppression costs. When wildfires reach large sizes, there is enormous social and political pressure to use every available resource, regardless of cost, to control the fire.<sup>5</sup> A changing climate has already led to a longer fire season in many parts of the West and this is unlikely to change in the foreseeable future. As such, Congress must also increase investment: 1) To assist counties and municipalities in managing demographic trends which indicate that more people will continue to build homes in the wildland urban interface; 2) To accelerate forest restoration and long-term stewardship; and 3) To support programs related to community assistance, and utilization and marketing of small diameter material and underutilized species, which are often removed during hazardous fuel reduction and restoration activities.

## RECOMMENDATIONS

RVCC recommends that Congress identify a new funding mechanism for emergency suppression activities, and restore funding to adequate levels for both wildland fire accounts and non-fire programs that fund comprehensive restoration, long-term stewardship and community assistance.

### 1. *Partitioning the Suppression Budget.*

A new suppression funding structure that creates a separate (or "partitioned") flexible suppression spending account for unanticipated large fire events is critical. The partition should be based on large fires that escape initial attack, the

true cost-driver of suppression expenditures. In general, only about one percent of wildfires burn 95% of all burned acres, consuming 85% of total suppression funds. These "one percent" of fires are truly above and beyond normal budgeting processes – true "emergencies". As such, they should be paid for differently.

The creation of this separate account must be complemented by the following three actions: 1) Funding for this partitioned account must not come from already depleted agency budgets and should be designated as "emergency" so as not to count against agency budget caps; 2) The agencies' normal suppression budgets must remain robust, reflecting current suppression needs for the remainder of fires not in that "one percent;" 3) Funds must be redistributed back into those agency programs that have been reduced severely because of increasing suppression costs (programs such as, recreation and wilderness, vegetation and watersheds, wildlife and fisheries, roads and trails, land acquisition, and others). These three adjustments will reduce budgetary pressures on the other agency accounts, allow better planning and predictability, and enable the agencies to fulfill their missions and mandates, including management actions that reduce suppression expenditures.

We also recommend that the partitioned account be closely tied to appropriate sideboards, cost containment controls, and line officer incentives to ensure that the agencies continue to streamline costs and better manage fire. Requirements should be put in place that the agencies must meet before accessing the emergency suppression account. These requirements should include, for example, minimum criteria – such as size, severity, and values at risk. In addition, the agencies must be able to demonstrate that they remain committed to cost containment. Incentives should be put in place to limit the use of this account, and to reward the agencies for not drawing down the account. Lastly, the agencies should report to Congress on how they spend the funds in this separate account at the end of each fiscal year to ensure accountability.

### 2. *Funding for Restoration and Stewardship*

Continued and enhanced funding for restoration and long-term stewardship is critical to improving and maintaining forest health, reducing the risk of uncharacteristic wildfire, and curbing the spread of insect and disease outbreaks. Federal programs that support restoration and stewardship

<sup>3</sup> Statement of Under Secretary Mark Rey, United States Department of Agriculture Before the Senate Committee on Energy and Natural Resources concerning the Forest Service FY2009 Budget; *February 14, 2008.*

<sup>4</sup> It should be noted that while cost containment measures are important, the number one priority of the agencies is, and should continue to be, the safety of both the fire fighters and the public.

<sup>5</sup> The Brookings Institution, *Towards a Collaborative Cost Management Strategy: 2006 U. S. Forest Service Large Wildfire Cost Review Recommendations* (May 1, 2007). A Report on 2006 Wildland Fires by the Independent Large Wildfire Cost Panel Chartered by the U. S. Secretary of Agriculture.

on public lands should continue to emphasize and hold agencies accountable for ensuring that communities have an opportunity to collaborate with the federal agencies; that community benefits are adequately considered in how the agency designs and offers their projects; and provision of technical assistance related to the marketing and utilization of restoration by-products is supported. Community benefit, and marketing and utilization were critical, and effective, components during the initial years of the National Fire Plan. Renewed investment and commitment to these components is needed to ensure we can achieve landscape-scale restoration and long-term stewardship goals.

### **3. Funding for Community Fire Assistance**

Rural and volunteer firefighters are the front lines on many wildland fires. Financial support for training, equipment, and other fire department needs is critical to successful initial attack, protecting homes, and stopping fire starts before they become large. In addition, since the establishment of the National Fire Plan in 2000, numerous policies and programs, including the Community Wildfire Protection Plans (CWPPs) established by the Healthy Forests Restoration Act, have set a path for communities across the nation to work collaboratively with public agencies to identify and reduce wildfire risk. The federal government must fully fund community fire assistance programs that support rural and volunteer firefighters, help with the development and implementation of CWPPs and community-based hazardous fuels reduction programs, and fund education programs like Firewise, as well as develop guidance and models to assist communities in implementing zoning and building codes in the Wildland Urban Interface.

### **4. Agency Support for Fire Use**

The agencies must also continue their movement towards a robust fire management strategy that includes incorporating fire back into its natural place on the landscape, as is required by the USDA and USDOJ Federal Fire Policy. That means fully implementing the 1995 Federal Fire Policy and its 2001 Update, which include a recognition that fire is important in maintaining our natural ecosystems and that natural fire, through the Wildland Fire Use tool, should be used to protect, maintain, and enhance resources and, as nearly as possible, be allowed to function in its natural ecological role.

## **CONCLUSION**

A new mechanism for emergency fire suppression funding, coupled with restoring needed funding to comprehensive restoration, long-term stewardship, and community assistance programs within the agency budgets will start the agencies on a path toward comprehensive restoration and stewardship that will reduce uncharacteristically severe wildfires. Communities and forests will benefit from better protection and climate change impacts from catastrophic fire will be reduced. The Rural Voices for Conservation Coalition is prepared to serve as a resource for ideas and strategies to implement these recommendations. We look forward to working with the Administration and Congress to solve these problems and to move forward with the comprehensive restoration and long-term stewardship of our nation's forests.

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