

**Testimony of Leah MacSwords
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Representing the
Partner Caucus on Fire Suppression Funding Solutions**

**Before the Senate Energy and Natural Resources Committee on the Federal Land
Assistance, Management and Enhancement (FLAME) Act
July 21, 2009**

On behalf of the Partner Caucus on Fire Suppression Funding Solutions, I thank Chairman Bingaman and Ranking Member Murkowski and the rest of the Committee members for the opportunity to appear before you today. My testimony is focused solely on the section of the FLAME Act that establishes the FLAME fund for emergency fire suppression.

I am president of the National Association of State Foresters, representing the directors of state forestry agencies in all 50 states, eight U.S. territories and associated states, and the District of Columbia. I am proud to be representing the Partner Caucus – a unique and diverse group of organizations dedicated to finding a new mechanism for funding emergency fire suppression activities for the U.S. Forest Service and the Department of the Interior land management agencies. Assembled by NASF, The Wilderness Society and American Forests in early 2009, the Partner Caucus includes leading industry, environmental, outdoor recreation, and forestry organizations that all recognize the urgency of this problem. Attached to this testimony is the Partner Caucus’ principles and recommendations document that includes a complete list of supportive organizations. The Partner Caucus was created to bring attention to the imperative need to release the stranglehold that emergency suppression costs are having on the agencies’ budget and programs, and the resulting negative economic and environmental impacts.

The Challenge

All of the nation’s forests face numerous threats, including insects and disease, development pressures, changing climate, and catastrophic wildfire – meaning those wildfires that unduly jeopardize people and property or are uncharacteristic in nature. An ongoing lack of sustainable funding is yet another pressure on America’s forests prohibiting agencies from accomplishing their management goals. On behalf of the Partner Caucus, I will address the combined effect of these last two threats: the financial impact of catastrophic fire on the Forest Service and Interior and the need for a comprehensive solution to this escalating problem.

A Diverse Coalition of Partners

One of the major factors behind the diverse nature of the Partner Caucus is how broadly the challenges of fire suppression funding impacts the agencies’ critical partners, including national and local environmental organizations, state forestry agencies, outdoor and recreation industry, land owners, hunters/anglers, timber industry, local governments, fire services and other groups interested in land management.

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We stand ready to assist Congress in identifying a new mechanism for funding emergency fire suppression activities.

The Impact of Wildland Fire Suppression Costs

The cost of suppressing fires has grown enormously in recent years and projections indicate that this trend will only increase as a result of hazardous fuels build-up, a changing climate (and thus, ecology), and increasingly populated wildland-urban interface areas. For example, the Forest Service has spent over \$1 billion per year in five of the last seven years to extinguish fires. Fire suppression, the largest component of agency wildland fire management activities, rose from 13% of the agency's budget in fiscal year 1991 to close to 50% in 2009. Extraordinary emergency wildland fire suppression activities account for over 95% of all burned acres and consume 85% of all suppression costs. These are not average wildfires; they should be treated the same way as other natural disasters to avoid severe depletion of the agency's constrained budget.

As the primary agencies responsible for wildland fire protection, these escalating fire suppression costs have had a detrimental effect on program implementation within the Forest Service and Department of the Interior. Due to their budgets remaining essentially flat or declining from year-to-year, core program budgets have been drained in order to sufficiently fund fire suppression at the required 10-year rolling average level. Although no federal law requires that the agencies budget for the 10-year average of fire suppression costs within their budget, it has become an unchallenged method of calculating yearly suppression costs. This is not a mandated practice; instead it is just a tradition, and one that is out of date and no longer the best way to predict future suppression costs. Most other agency programs are not accounted for in this way. Even with the diversion of funds, agencies are regularly compelled to request supplemental funding from Congress and are forced to transfer already limited dollars from other essential agency programs. Such transfers further reduce program budgets, leading to program disruptions, project cancellations and strained relationships with partners.

All Forest Service programs are subject to transfers including funds from State and Private Forestry, Capital Improvement and Maintenance, National Forest System, and Wildland Fire Management. In fact, the very programs that could reduce the risk of uncharacteristic fires, ease the impact of fire suppression costs and more effectively protect people and property are also the ones that suffer two-fold; they are both reduced on the front end of the budgeting process as money is diverted to fund the 10-year average for suppression, and are subject to transfers of funds later in the fire season as fire suppression costs increase.

Recommended Solutions

The Partner Caucus has developed two recommendations towards a solution. The first recommendation is to create a partitioned wildfire suppression account to fund emergency fires. This is for those truly emergency fires that consume most suppression appropriations—fires that have significantly increased the cost of suppression over the

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last 10 years, led to decreases in appropriations for other agency programs, and on a yearly basis require Congress to supplement appropriations for increased suppression.

Our second recommendation is to replace the 10-year rolling average with a more predictive and statistical modeling approach. One that utilizes current weather conditions, drought and fuel loads as well as fire history and other data in order to accurately estimate non-emergency fire suppression costs. This will project the extent of wildland fire on the landscape and use economic modeling to predict funding needs. The Senate FLAME Act (S. 561) addresses both of these recommendations and many of the Partner Caucus organizations support the FLAME Act (S. 561) as introduced.

The Act will establish a new federal fund specifically for suppression of catastrophic emergency wildland fires, which will move the nation towards a more sustainable suppression funding mechanism. This FLAME Fund will reduce depletion of the other agency programs to pay for suppression and provide a more established funding source than the current emergency supplemental funding. The Act will institute clear guidelines for funding emergency fire suppression by establishing specific accounting requirements on how that money can be spent and for agencies to budget for emergency and non-emergency fire in future years.

These two recommendations are essential to solving this problem in a holistic manner. The Partner Caucus also advocates for investment of funds into the range of agency programs that have been impacted by increasing suppression costs. This must occur in order for agencies to accomplish their overall missions. Second, we advocate for the continued development and implementation of a rigorous set of measures to achieve cost containment; thus linking fire management activities to resulting fire costs. We contend that these recommendations and principles will move us towards a more common-sense budgeting approach for both the Forest Service and Department of the Interior.

The Partner Caucus is supportive of the establishment of the FLAME Fund as described in the FLAME Act as introduced in the Senate (S. 561).

Maintaining the Focus of the FLAME Act

The FLAME Act as passed in the House of Representatives (H.R. 1404) was significantly amended on the floor. Eleven amendments were adopted into the Act and several of them change the intent of the bill. One amendment allows accessing the FLAME Fund for containment activities in response to crisis insect infestations to reduce the likelihood of wildfires. This means that the emergency partitioned account could be used for projects on insect-affected areas before the fire season even begins. The approved amendment also expands the definition of suppression to include activities such as hazardous fuel reduction, mechanical thinning, controlled burn, and a suite of non-suppression activities. While fire-risk reduction is critical, it is not the purpose of the FLAME Fund. This, and other amendments, will have significant ramifications not just on the FLAME Fund but also on other wildland fire management activities. The Partner Caucus supports the

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FLAME Act as introduced (S. 561) and advocates that the Senate bill move forward in a more streamlined fashion focusing on the need for the partitioned account.

Contingency Reserve Fund

In order to ensure a good government approach to funding emergency fire suppression activities we need rely on dedicated funding sources that will not limit or impact the funding or resources of other important agency programs. In the President's FY10 Budget Proposal, a Contingency Reserve Fund for fire suppression activities is outlined that commits funding over and above the suppression funding included in the Forest Service and Department of the Interior budgets. The Contingency Reserve Fund is available for agency use once their suppression budgets have been spent and after notifying Congress of their need to use the fund.

The President's budget also includes annual suppression funding at the 10-year level for the Forest Service and Interior, noting that the annual funding and contingency fund should not impact other important agency programs. In order to fund suppression (which currently consists of initial attack and emergency suppression activities) at the 10-year average, the agencies must pull funds from other programs to meet the ever-increasing average. Requiring an agency to budget for emergency events within the discretionary appropriations process is a recipe for failure. No other federal agencies have to pull funding from their core programs in order to fund emergency events like floods and tornadoes. A more predictive modeling approach that balances actual conditions with average costs would better serve how much funding the agencies will need for non-emergency fires.

The FLAME Fund would still use an average that calculates the amount of money needed for emergency fire suppression activities in any given year, but when dealing with true emergencies an average is probably the best approach. This is not new money. Every year, Congress appropriates emergency funds to address the sky-rocketing costs of fire suppression. FLAME would provide Congress the means to fund emergency suppression *before* agencies have to take the drastic measure of transferring funds from other programs.

Complimentary Approaches to a Solution

The Partner Caucus believes that the FLAME Fund and the Contingency Reserve Fund are complementary ideas. The FLAME Fund will provide the requirements for how the Contingency Reserve Fund monies are spent, allowing the public to see how much of the Forest Service and Interior budgets are actually being spent on emergency events. Congress can take action by providing funds via the annual appropriations process, the emergency supplemental process or use other funding sources to provide funding for the FLAME Fund. Both the Administration and Congress have demonstrated their willingness to provide funds necessary for both initial attack and emergency fire suppression events. This is an efficient and fiscally responsible mechanism to the budgeting and authorization process.

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Closing Remarks

I thank you for the opportunity to speak with you about this important issue. Representing this group of unique organizations that have banded together in a groundbreaking way has been an honor. The National Association of State Foresters and all of the organizations represented by the Partner Caucus on Fire Spending Solutions look forward to working with this committee to ensure the passage of S. 561 in this Congress. Your attention and action toward creating a change in the way we pay for catastrophic wildland fires and recognizing the effect this has on the agencies' abilities to protect our natural resources and serve our public is greatly appreciated. I am happy to answer any questions and/or provide any further information you may request.

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