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Statement of
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United States Department of Agriculture
Before the
Committee on Agriculture

U.S. House of Representatives
Concerning
2003 Firefighting Expenses for the U.S. Forest Service

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Mr. Chairman and members of the Committee, thank you for the opportunity to discuss the 2003 firefighting expenses for the U.S. Forest Service and the efforts that we are undertaking to effect our future costs for firefighting through fuel hazard reduction, cost containment and fire management planning.

The Forest Service is responsible for the protection of over 192 million acres of National Forest System lands and deeply involved with protecting other Federal and adjacent state and private lands across this nation. Our firefighting force, in coordination with other wildland firefighting agencies, is second to none in experience and expertise in meeting the challenges of the large scale mobilization and response required to manage wildfire in this country. I am proud of the efforts of our firefighters on the ground and we support them wholeheartedly.

There is no doubt that managing wildland fire on the scale that we work at is expensive. The Forest Service and other land management agencies are taking a closer look at how we manage wildland fire and what long term strategies we may employ to reduce the cost and occurrence of catastrophic wildfire in the future. We will become more efficient in our operations, but the real reduction on costs of fire suppression will be felt when we realize the effects of our commitment to improving forest health and restoring fire to its natural role.

Today, I will focus on three areas in which the committee has expressed an interest: our 2003 firefighting expenses, our efforts to contain firefighting costs and restore healthy ecosystems, and how our fire suppression efforts are funded.

2003 Fire Season

Mr. Chairman, the 2003 firefighting season presented us with another challenging year in meeting our obligation to protect forests, grasslands and communities from the effects of wildfire. To date this year on National Forest lands, we have had 9678 wildfires. We had approximately the same number of large fires that we had last year. A total of 1,114,313 acres have burned and we expended $1.008 Billion in fire suppression funds. To fund the suppression effort we transferred $695 million from other programs in the Forest Service to supplement the amount appropriated for wildland fire suppression.

Across the Pacific Northwest, Idaho and Northwest Montana fire danger indices exceeded previous maximum observed values from early July through early September. This was a result of long-term drought, which kept large diameter dead/downed fuel moistures at record low levels. At one point, Energy Release Component values exceeded historic maximums by 30%. Several of our larger fires occurred within these areas.

Many of the fires that burned this year were within the wildland urban interface. The number of structures burned remained the same as last year which is an indicator of the urban interface problem we are faced with as more and more people locate homes in forested settings. Generally when we have fires within the urban interface we make a greater effort to limit the extent of the increase in the fire perimeter which increases costs.

We managed to keep more than 99% of all fires that started from becoming large fires. Once fires reach the large fire stage they become very expensive. Large fires are more complex to suppress today than even twenty years ago and they are more dangerous. The drought cycle that we are in combined with the buildup in hazardous fuels creates this situation.

We know that wildfires are expensive and that costs need to be contained. How do we make better use of our resources and how do we measure success in meeting our responsibilities to protect forests, grasslands and communities while containing costs? Determining success by comparing the expense of fires to the number of acres burned does not appear to address the question. One quick way to look good under this scenario would be to allow more acres to burn. That may be a solution in some uninhabited parts of the country but it would certainly not be a popular option in most areas in which we engage wildfire. We think the answer is in implementing both short and long term strategies to meet the challenge of addressing wildfire suppression costs, reducing hazardous fuels and looking for ways to measure positive outcomes.

Cost Containment - Long Term Strategy

Before we can fully return fire as an active and natural part of maintaining forest and grassland ecosystems, we need to embark on efforts such as implementation of the President's Healthy Forest Initiative, for which your committee was very helpful in providing legislation to assist us. The few wildfires that become the most costly

invariably occur in dense, dry forests choked with over-accumulated fuels. The extreme fire behavior that defines these incidents commonly occurs in response to record setting fire dangers, compounded by drought. Under these conditions initial attack efforts are much more difficult and large firefighting costs can be incurred.

We agree with the 2002 Report by the panel of the National Academy of Public Administration (NAPA) recommendations for containing costs that states a more strategic approach to joint efforts between federal and non-federal cooperators including a comprehensive fuels reduction strategy is where we will have a real effect on future fire costs. The National Fire Plan provides the framework and you will see in the coming years a continuing significant effort to address hazardous fuels on the National Forests and Grasslands.

The NAPA Report also identifies the process delays the Forest Service experiences. We have taken steps administratively to reduce our process delays and we have an ongoing program to review each of process steps to see where we can gain efficiencies. These efforts combined with legislation such as Healthy Forest Restoration Act, will help us meet our goals.

We are improving how we prioritize hazardous fuels project areas with our local and state partners and providing uniform guidance so that we can have consistent identification of community priorities across the country. Reducing hazardous fuels, increasing the amount of wildland fire use, and mitigating fire hazard at the wildland urban interface are efforts that will have a significant impact on future fire costs.

Many natural resource values can be enhanced by allowing fire to play its natural role if private property and social values can be protected. Wildland fire use allows for naturally ignited fires to achieve resource benefits, where fire is a major component of the ecosystem. This year we more than quadrupled the amount of acres from last year of wildland fire managed as fire use. To increase the opportunity to manage fire as a benefit to resources we are updating fire management plans on our National Forests. Although we recently had a court ruling that may require us to do additional process steps in developing fire management plans, we are committed to having all of our updated fire management plans in place by October of 2004.

These methods of managing fire in the ecosystem do not come without controversy or challenges. A recent managed fire in Colorado has been challenged by some as being inappropriate because of the smoke effects on local communities. A prescribed fire in Utah that accomplished several resource objectives but burned more acreage than was anticipated was roundly criticized in the press and by local officials. As we embark on these strategy changes, we need to be clear in our message and policy that the natural role of fire, even with its consequences, is far superior to the catastrophic effects of uncontrolled wildfire.

Cost Containment - Near Term Strategy

This past year the Forest Service has taken significant steps in addressing the issue of cost containment for firefighting efforts. Various reports and analysis have identified areas in which we can have an impact on containing costs for wildland fire. The Chief has issued policy that states, "Fires are suppressed at minimum cost, considering firefighter and public safety, benefits, and values to be protected, consistent with resource objectives."

One area that has been highlighted in our reviews is the costs incurred with large fires. Large fires have over the last few decades represented 1-2% of the total number of fires but accounted for more than 85% of the total suppression budget. Clearly, reducing the number, the extent and the way we manage large fire complexes will lead to lower costs. The Forest Service and Department of the Interior have formed national interagency incident review teams to review the suppression costs of large fires. Based on the NAPA's 2002 recommendation to improve cost reviews, national interagency review teams were formed and trained to evaluate the efficiency of large fire suppression on a case-by-case basis. These review team looked at five large fire complexes in 2003.

The review did not uncover any examples of violation of policy, or disregard for direction, or extravagant over-spending. What we did find were several areas that could have a significant impact on cost containment. These included clarifying cost share agreements with other levels of government involved in fire suppression activities, improving our Wildland Fire Situation Analysis (WFSA) process, making technical improvements to the resource ordering and status system (ROSS), reevaluating the length of incident management team assignments to determine if they should be extended from 14 days to 21 days, making available a larger cadre of trained incident business advisors and contract officer' representatives for fire incidents and taking a closer look at costs for contract services, particularly contract crews. We also found that our costs are going up for contract crews, aviation contracts, logistics, all the things that it takes to staff and supply a large fire complex.

To increase accountability, the Chief directed line officers from across the country have attended training to actively participate in fire management decisions and to be responsible for financial oversight. Line officer involvement includes participating in the review of the Wildland Fire Situation Analysis (WFSA), as fire complexity and costs go up. Approval must now be sought for suppression costs over $2 million which require approval of the Forest Supervisor. Suppression costs over $10 million require Regional Forester approval and costs exceeding $50 million require Chief's office. All WFSA's are required to include a least-suppression cost option. If this option is not chosen, a written rationale is required for not choosing it. Incident suppression cost objectives are now included as a performance measure in incident management team evaluations.

Cost Sharing

During the past decade, frequent and prolonged wildland fire suppression operations in the Wildland Urban Interface (WUI) have become increasingly common. As we employ extraordinary efforts to protect communities and associated structures our costs increase. The question of who pays for these suppression costs has become an issue. Federal cost apportionment responsibilities for cross-jurisdictional fires and property protection are unclear. Our reviews have found that, in several cases, suppression actions on federal lands were undertaken for the benefit of adjacent State or private property values at risk. In the absence of a commonly accepted method for cost-share agreements among federal, State, and private property owners in the wildland areas, suppression costs generally fall to the federal government. States are reluctant to change the current system out of concern that they will incur more costs. We need to address equitable cost sharing, roles and responsibilities with all entities that have jurisdiction within the Wildland Urban Interface. This will require a conscientious and thorough examination of the legal, political and economic implications of this situation.

Aviation Costs

Today, large aircraft (air tankers and helicopters), are the most visible symbol of our fire suppression efforts. They are also the most expensive resource on a large wildland fire. On large wildland fires in recent years, large aircraft costs accounted for more than one-third of total suppression costs. Our contract fleet is aging and we need to modernize these aircraft. The trend is to go towards more use of helicopters to diversify our fleet to give us greater flexibility and efficiency. To control costs in aviation we are looking at creative ways to lease aircraft. More importantly we have included into our operating plans for fire management a policy to emphasize the use of aviation resources for initial attack and reduce the use of aircraft for extended attack and mop up operations. This strategy comes at a price of not seeing these visible symbols in action during the height of many large fires. We have an educational challenge ahead of us to inform the public of how ineffective these resources may be during extended attack periods

The interagency Wildland Fire Leadership Council has just agreed to convene a Blue Ribbon Panel comprised of state, local, and federal representatives, tribes and incident team members representing on-the-ground and policy expertise to examine broader, strategic cost containment issues collaboratively. This effort will no doubt lead to identifying additional cost containment actions.

Fire Transfers

The transfer of funds from other Forest Service programs to pay for additional suppression costs over and beyond what was allocated in our appropriation is the method we use to cover our fire suppression efforts. This practice is the prescribed way in which we meet our emergency obligations. In FY 2003 we transferred $695 million in funds from other programs into the Wildland Fire Operations Account. Of this amount, $334 million was withdrawn from the Regions, Stations and Northeast Area of the Forest

Service. The Forest Service transferred an additional $369 million out of accounts managed at the Washington Office level of the agency. The greatest dollar amount impacts were to the Knutson-Vandenberg (KV) fund ($154 million) and the National Forest System ($125 million). Other operational arms of the agency such as State and Private Forestry were impacted by fire transfers. State and Private Forestry provided $34 million from operational funds as well as $50 million from the Forest Land Enhancement Program.

While many of these programs may be reimbursed to some extent the following fiscal year, the practice of fire transfers does not come without a price in disruption to other programs. Many important projects and cooperative partnerships were either canceled or delayed due to the need to prioritize funding our wildfire management program. In FY2002 we transferred $919 million dollars and received $636 million in reimbursement.

The bottom line in all of this is that our annual appropriations do not meet the needs of our regular program of work and the costs of managing wildfire on National Forest lands. Our ten year average for fire suppression costs has doubled since fiscal year 1999, increasing over $300 million. To keep up with this increase we have had to impact other programs. The Chief has suggested in previous testimony various procedures to improve on the existing fire transfer situation. We would be pleased to work with the committee to develop solutions.

We will do our best to get fire management costs contained, we will look at better ways to utilize fire in its natural role and we will work towards providing healthier forests for the American public. Thank you for the opportunity to discuss our fire management program and the efforts underway to control costs. I would be happy to answer any questions that you may have.