

The NATIONAL ASSOCIATION of STATE FORESTERS ISSUE PAPER

FEDERAL WILDLAND FIRE SUPPRESSION COSTS: BUDGET REFORM

Wildfires continue to increase in number, size and intensity, and we need to change existing federal budget practices to better prepare for the reality of increasing suppression costs. Our nation's forests and communities need wildland fire protection delivered in a reliable, consistent and cost effective manner.

SOLUTION: Partition the federal suppression budget by introducing a budget set-aside for a flexible suppression spending account that would be linked to rigorous cost containment management controls and agency line officer incentives.

INTRODUCTION: Fire suppression costs for the USDA Forest Service and the Department of Interior have exceeded \$1 billion every year since 2000. In two of those years, costs exceeded \$2 billion. In 2007, the Forest Service will spend 45% of its budget on wildland fire suppression compared to 13% in 1991. This increase has had effects on other programs, which is limiting our capacity to manage the wildland fire problem and hampering landscape-scale sustainable forest management efforts on both public and private lands.

In addition, higher temperatures combined with drought conditions, increasing hazardous fuel build-up in forests, and more homes located in or near fire-prone forests add complexity to wildfire suppression efforts and frustrate cost containment efforts. The noticeable results of these program cuts are the agencies inability to adequately address the threats to forestlands. Threats to forests are not being reduced fast enough, allowing the public benefits of forests, such as water quality, carbon sequestration, wildlife habitat, and air quality, to be compromised.

The result of the diminishing capacity to deliver core agency duties and programs is actually harmful to long-term prospects for reducing wildfire costs. Forest health management and community assistance which reduce wildfire threats are actually long-term investments that don't provide immediate payoff in reducing wildfire suppression costs.

SOLUTIONS: There is an urgent and dire need to reform federal wildfire suppression budgeting.

- **Partitioning the wildfire suppression budget** will provide a new financial mechanism that must be closely tied to cost containment management controls. This partition should be based on the true cost-driver of suppression expenditures, large fires. The fact is that only 1% of the wildfires burn 95% of all burned acres, consuming 85% of total suppression costs. These 1% of escaped fires are

truly above and beyond normal budgeting processes, and should be partitioned into a flexible suppression spending account, accessible only if certain cost containment measures are undertaken and normal suppression appropriated dollars have been expended.

- **Incentives:** If in any one year the agencies do not spend their normal suppression budget, the remainder should be made available to the agencies to be spent on other fire management related programs/activities, but only if strict cost containment controls are followed. If the cost control incentive structure is applied and left over suppression monies are invested in proactive fire management actions, wildfire threats will be reduced and simultaneously wildfire costs in the long run.
- **Full implementation and funding of the National Fire Plan and 10-year Comprehensive Strategy Implementation Plan** will enable the country to get out from underneath the current perpetuating cycle of increasing federal fire suppression costs. This would focus more attention to hazardous fuel reduction, forest restoration and most importantly community fire assistance aspects.
- **Increase the ability of local-level planning authorities to implement zoning and building codes in the Wildland Urban Interface** (WUI) by monitoring and supporting efforts, such as those outlined in the 10-year strategy.
- **Improving our initial attack capabilities.** Our collective wildfire response efficacy is highly dependent on the readiness of state and local wildfire responders. And no one entity can do it all alone. Federal support to strengthen state and local preparedness will go a long way in improving initial attack success, especially considering the efficiency of state and local departments.
- **Provide a system whereby incentives are provided to foster creative and effective cost control measures** that ensure wise expenditure of taxpayer dollars. Most of our wildfire cost drivers are based on decisions by line officers making field level decisions. These are cultural and behavioral decisions, and we believe the best way to influence behavior is to provide incentives.

SUMMARY; Wildfire management is a collaboration of federal, state, local and other resources, involving human capital, equipment, and materials. Current budget and wildfire management systems limit capacity to prevent, prepare and suppress wildland fire. This exacerbates not only current fiscal challenges, but also diminishes the environmental, economic and social values derived from our vital forest resource. To provide critical investments in forest health, fuels management and community preparedness that make our forests safer, a new federal wildfire suppression funding financial mechanism is needed.