

**Statement of Gerald J. Gray  
Vice President for Policy, American Forests  
to the  
Committee on Natural Resources,  
U.S. House of Representatives  
on  
H.R. 5541, the FLAME Act, and  
H.R. 5648, the Emergency Wildland Fire Response Act of 2008**

**April 10, 2008**

Good morning Mr. Chairman and Members of the Committee. My name is Gerald Gray and I am the Vice President for Policy with American Forests. I thank you for the opportunity to testify today about H.R. 5541, the Federal Land Assistance, Management, and Enhancement Act (the FLAME Act), and H.R. 5648, the Emergency Wildland Fire Response Act of 2008 (EWFRA).

Founded in 1875, American Forests is the oldest national citizen conservation organization in the United States. We work to protect, restore and enhance the natural capital of trees and forests. We do this by partnering with diverse groups and organizations across the country, including local leaders and community groups, policymakers and agencies, researchers and students, small businesses, corporate sponsors, and foundations, to build understanding and encourage participation in forest conservation policies and projects.

American Forests is also a member of the Rural Voices for Conservation Coalition (RVCC). RVCC is a coalition 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.

Our testimony focuses on emergency wildfire suppression funding and the need for a budget solution that will help to address the many problems currently facing federal agencies, as well as communities around the nation, when funding for a wide range of federal land management programs is 'borrowed' to pay for emergency wildfire suppression.

I want to express appreciation to the Natural Resources Committee and to the Agriculture Committee for your leadership and thoughtfulness in developing legislation to move forward a solution and find a better way to fund wildfire suppression. Given the impact the suppression funding problem has on a variety of stakeholders, many of our partners have invested a great deal of effort into finding a solution over the past several years. We have worked in several

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diverse coalitions to address various aspects of the wildfire funding challenge and view the efforts by both Congressional Committees as an important step in moving these issues forward. Our testimony today is based on discussions and materials that we have developed with partners, particularly a recent RVCC issue paper on Wildland Fire Suppression Budget Reform.

**The wildfire suppression funding problem and impacts on the agency, federal land management programs, and community partners**

The U.S. Government needs a new way to pay for federal wildland fire suppression. The cost of suppressing wildfires has grown enormously in recent years and projections indicate that this trend will continue as a result of hazardous fuels build-up, climate change, and increasingly populated wildland-urban interface areas. Wildfire suppression costs for the US Forest Service (USFS) have exceeded \$1 billion in six of the last eight years. The proportion of the USFS budget devoted to wildland fire management has increased steadily from 13 percent of the total USFS budget in 1991 to 48 percent in the FY09 Administration request. These rising costs have resulted in a 35 percent decrease in non-fire programs (When adjusted for inflation, from FY2001 to the FY2009 request ) and USFS staffing has been reduced by 5900 positions during the same period.

These escalating costs have had a significant impact on the USFS and Department of the Interior (DOI), which are charged with wildland fire protection. Due to their budgets remaining essentially flat or declining from year-to-year, these agencies have increasingly drawn from their other programs in order to fund wildfire suppression at the 10-year rolling average—the level used to estimate suppression costs from year to year. In addition to this diversion of funds, when suppression funding has been exhausted, the agencies have been forced to transfer more funding from essential agency programs in an action known as ‘borrowing.’ While the agencies have requested, and Congress has passed supplemental spending bills to repay these transfers, these supplemental bills are typically passed after projects have been delayed or eliminated, and full repayment is never certain. Such borrowing, therefore, leads to program disruptions and project cancellations on an almost annual basis and strained relationships between agency and stakeholder partners.

Because the USFS has been directed to fund fire suppression at the 10-year rolling average level, the Administration’s FY09 budget request for suppression is \$939 million. This level is high enough that it has required the diversion of funding for other important non-fire programs to fund fire suppression. For example, the Administration’s budget proposes a 58 percent cut to USFS State and Private Forestry (S&PF) programs due to increasing fire suppression costs. Within S&PF, funding for Cooperative Forestry programs—which represent a core set of programs through which the USFS works collaboratively with state and local governments, tribes, private landowners, and for-profit and non-profit entities—has been cut by 81 percent. If this trend continues, the Administration’s budget for next fiscal year is expected to include cuts to even more USFS 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 federal agencies to carry out land management activities will be severely impacted unless action is taken to solve the problem.

As 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 Strategy Implementation Plan has decreased by over \$200 million since FY2001. Additionally, restoration and community assistance goals of the National Fire Plan are chronically under funded. Programs that build community capacity to address wildfires reduce the potential for large-scale, uncharacteristically severe fires. The investments made to restore the health of forests and to assist those that care for and maintain our forests will reduce impacts and fire suppression costs in the future. These 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, emphasizing once more just how important it is that we come up with solutions to the fire suppression funding crisis.

### **Our Solution—a new funding mechanism for unanticipated emergency wildfires**

Increasingly, researchers are finding that wildland fire can play a critical role in many ecosystems. When fires get out of control and become the devastatingly catastrophic events we have seen increasingly over the past several years, fire becomes a remarkably destructive force on both the landscape, as well as on Agency budgets. As the discussion above pointed to, we are at a critical point in the Agencies' budgets and without relief from Congress through identification of a new funding mechanism for emergency suppression activities, land management agencies will continue to become fire management entities, with landscape restoration and community capacity building increasingly falling by the wayside. With the massive budgetary pressure relieved through such a funding mechanism, Congress, in concert with the Agencies, will then need to take on many of the equally important aspects of wildland fire management, including examination and implementation of cost containment options. Additionally, programs that support broad forest health and community well-being will need reinvestment and reinvigoration, so that we may achieve comprehensive restoration of forests and move towards healthier and more sustainable communities. First however, we absolutely must get the suppression funding situation under control.

#### *Partitioning the Wildfire 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 determined based on large fires that escape initial attack -- the true cost-driver of most 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 – they are "emergencies." As such, they should be treated and paid for differently.

Three key complements to the creation of this separate account are necessary. First, the 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. Second, the agencies' normal, annually appropriated suppression budgets must remain robust, reflecting current suppression needs for the remainder of fires not in that "one percent." Third, 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, and others). These adjustments will reduce budgetary strain on the other agency accounts, allow better planning and predictability, and enable the agencies to fulfill their missions and mandates, including those management actions that will ultimately help to reduce suppression costs.

A partitioned account must, of course, be closely tied to appropriate sideboards. Requirements need to be put in place that the agencies need to meet before accessing the emergency suppression account. These requirements should include, for example, minimum criteria – i.e. size, severity, and values at risk. In addition, the agencies must be able to demonstrate that they remain committed to cost containment into the future. Measures should be put in place to limit the use of this account and incentives utilized to reward the agencies for not drawing down the account unnecessarily. 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 ongoing accountability.

### **Comments on the FLAME Act and the EWFR Act**

While our vision for addressing wildland fire management issues in the long term is comprehensive and follows the framework of the Ten-Year Implementation Strategy, we believe that the most pressing concern for Congress to address is the dramatically growing funding requirements for catastrophic wildfire suppression. Until this issue is addressed, other USFS and DOI federal land management budgets will continue to be held hostage by emergency wildfire suppression funding. Therefore, our strategy in reviewing these two bills has been to look at the manner in which the bills address the suppression funding issue and to consider the degree to which each bill fits with our suggested solution.

A major emphasis of both bills is the creation of an emergency federal fund to deal with catastrophic, emergency wildland fire events, and their approaches are quite similar. The EWFR Act, however, includes provisions that go far beyond the suppression funding issue, such as “Support for Fire-Ready Communities” and the “Good Neighbor Partnerships.” While we respect and appreciate this attempt to deal with additional issues and to move towards a comprehensive solution to wildland fire management, we believe it is more prudent to keep the focus of this legislation on the paramount issue of wildland fire suppression funding. The FLAME Act focuses primarily on creating a supplemental and separate funding source for catastrophic, emergency wildland fire suppression. While the FLAME Act includes requirements for the agencies to develop a “cohesive wildland fire management strategy,” it does not propose complex new program authorities, which will require substantial debate and development. In addition, it is clearer in the FLAME Act than the EWFR Act that the funding source is indeed supplemental and separate.

In closing, we are pleased to see that both bills address the key issue of wildfire suppression funding well and similarly. It is our hope that the House Natural Resources Committee and House Agriculture Committee work together to find a solution to this vital issue that can gain broad support and be enacted by Congress. We stand ready to help you with this challenge in any way we can.