

**STATEMENT OF  
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AND  
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U.S. DEPARTMENT OF THE INTERIOR  
BEFORE  
SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES  
CONCERNING  
FIRE PREPAREDNESS OF FEDERAL LAND MANAGEMENT AGENCIES FOR THE  
2007 WILDFIRE SEASON AND  
RECENT REPORTS ON THE AGENCIES' EFFORTS TO CONTAIN THE COSTS OF  
WILDFIRE MANAGEMENT ACTIVITIES**

**June 26, 2007**

**INTRODUCTION**

Mr. Chairman and Members of the Committee, thank you for the opportunity to testify on wildland fire preparedness for the 2007 fire season. Since the Department of the Interior and the Department of Agriculture work closely together in fire management, the two Departments are providing a joint statement.

**WEATHER, WILDLAND URBAN INTERFACE, AND WOOD**

Multiple factors contribute to wildland fire. These factors include weather, fuel type, terrain, location with respect to the wildland urban interface (WUI), and other highly valued landscapes, and managerial decisions made before and during fire incidents. In addition, changing temperatures and prolonged drought across many portions of the West and Southeast, an expansion of the WUI and an increase in the number of people living in the WUI, continued accumulation of wood fiber, and substantial increases in highly flammable invasive species, such as cheatgrass, are converging to increase the risk of catastrophic loss from wildland fires. In combination, these trends present continuing challenges in our efforts to decrease the number and cost of fire incidents.

Over the last few years, we have reported regularly to Congress on these challenges. The 2005 Quadrennial Fire and Fuels Review by DOI and USDA examined the growth of the WUI, the area where structures and other human developments meet or intermingle with undeveloped wildland. The review found that 8.4 million new homes were added to the WUI in the 1990s, representing 60 percent of the new homes constructed in the United States. The rate of growth is triple the rate of construction outside of the WUI. Also, the recent Audit Report by the Office of Inspector General "Forest Service Large Fire Suppression Costs" found that the majority of

Forest Service large fire suppression costs are directly linked to protecting property in the WUI. These reviews illustrate the challenge of addressing wildland fire in land areas such as locations in the WUI where fire suppression is inherently more expensive.

Another challenge is addressing the accumulation of flammable biomass on our public lands, a major cause of fire risk. The Departments have worked aggressively to reduce the amount of hazardous fuels on Federal lands and restore the health of our public forests and rangelands, utilizing the authorities provided under the President's Healthy Forests Initiative and the Healthy Forests Restoration Act to expedite action. In 2006, more than half of the total acres treated were inside the WUI. We will maintain this emphasis with a goal to treat approximately 2 million acres in high-risk wildland urban interface areas through the hazardous fuels reduction program in 2007.

## **2006 FIRE SEASON**

Fire activity in 2006 was above normal by nearly every standard. The transition from the end of the 2005 fire season to the beginning of the 2006 fire season was uncharacteristic in that it lacked the typical slowdown during the winter months. Extremely low humidity, persistent drought conditions and winds contributed to fire ignitions and rapid spreads from November 2005 through April 2006 in Texas and Oklahoma as well as Colorado, Missouri and New Mexico.

2006 included the second warmest summer on record nationally and the hottest on record from January through August. The summer saw an unprecedented quantity of acreage burned, with 14 fires topping 100,000 acres in size, in Washington, Nevada, California, Montana, Oregon, Texas, Idaho and Alaska with five located on National Forests, seven in Bureau of Land Management Districts, and two in State jurisdictions. Across all jurisdictions, wildland fires totaled more than 96,000 incidents burning nearly 10 million acres.

Last year, the U.S. Forest Service spent over \$1.5 billion on all fire suppression and over \$400 million on 20 of the largest fires while DOI spent approximately \$424 million on all fire suppression. We are pleased, that even in the face of such a long and severe fire year; we achieved nearly 97 percent initial attack success on all fires, a rate comparable to less severe years. We will strive to maintain that level. Although the 2006 fire season had an unprecedented number of fire starts in a single day (548), an extraordinary number of lightning caused fires (over 14,000), and the most number of large fires at one time (59 fires over 500 acres being managed in 9 geographic areas), it also resulted in significantly fewer dwellings and other structures destroyed - 750 homes lost in 2006 (240 homes during the March fires in Texas and Oklahoma) compared with 835 homes lost in 2002 and over 4500 homes lost in 2003.

## **2007 WILDLAND FIRE SEASON OUTLOOK**

Most of the eastern, central and northwestern U.S. has a normal outlook for significant wildland fire in potential 2007. A portion of the Southwest is predicted to have a below-normal wildland fire season. This area includes northeastern New Mexico, and small parts of southeastern

Colorado, western Oklahoma, and northern Texas, where it borders New Mexico. Wildland fire potential is expected to be higher than normal across much of the Southwest, California, portions of the Great Basin, the Northern Rockies, a small portion of the Northwest, Alaska, and the Southeast. The amount of precipitation many areas receive in the early summer periods is an important factor in the severity of the fire season.

The critical conditions influencing the 2007 wildland fire outlook are:

- Drought conditions are expanding and intensifying across large portions of the West and Southeast, and drought relief is not expected in these areas through the season.
- Low snow pack, warmer-than-normal forecast temperatures, and early snow melt over most of the West will likely dry out timber fuels and could cause an early onset of fire season in some areas.
- Abundant new and carry over fine fuels are expected to green-up and cure early, leading to an active and prolonged grassland fire season.
- Another hotter than normal summer is projected for the West. Depending on heat levels and timing of higher temperatures, higher elevation fuels could dry quickly and be susceptible to ignitions.

The fire season is already producing incidents that are evidence of our concern about the 2007 fire season. Drought and high temperatures have resulted in the burning of over 1.1 million acres in the Southern Area, including the Big Turnaround, Sweat Farm Road, Bugaboo Scrub and Florida Bugaboo fire complex in Northern Florida and Southeastern Georgia. More than 161,000 acres have burned in the Eastern Area, including the Ham Lake fire in Northern Minnesota and in Canada which burned for over eighteen days, due to drought conditions and high winds.

## **WILDLAND FIRE PREPAREDNESS**

To prepare for these natural conditions anticipated in the 2007 Fire Season, USDA and DOI are working to improve the efficiency and effectiveness of our firefighting resources. New management efforts are allowing for increased mobility of firefighting forces and aviation assets.

### ***Firefighting Forces***

For the 2007 fire season, we have secured firefighting forces – firefighters, equipment, and aircraft – comparable to those available in 2006. As has already been demonstrated during the fires in the Southeast, we leverage our firefighting ability by shifting our firefighters and equipment as the fire season progresses. Fire managers assign local, regional, and national firefighting personnel and equipment based on anticipated fire starts, actual fire occurrence, fire spread, and severity with the help of information from Predictive Services.

More than 18,000 firefighters will be available, including permanent and seasonal Federal and State employees, crews from Tribal and local governments, contract crews, and emergency/temporary hires. This figure includes 92 highly-trained Hotshot firefighting crews and about 400 smokejumpers nationwide. There are 17 Type 1 national interagency incident

management teams (the most experienced and skilled teams) available for complex fires or incidents. Thirty-eight Type 2 incident management teams are available for geographical or national incidents.

Initial attack of a fire is handled by the closest available local resource regardless of agency jurisdiction. Generally this means that the agency with management jurisdiction and protection responsibility for the location of the fire, such as a national forest, Tribal lands, Bureau of Land Management unit, wildlife refuge, or national park, will handle initial attack. Often, our partners at the local community or county level are the first to respond.

Two interagency National Incident Management Organization (NIMO) teams were staffed in 2006, and are operational with two seven-member full-time Type I Incident Management Teams that are ready to respond to wildland fire incidents. The teams are headquartered in Atlanta, Georgia and Boise, Idaho and will help wildland fire agencies improve future fire management programs. Currently, the Atlanta NIMO team is assisting the Florida State incident management team on the Florida Bugaboo fire. The Boise NIMO team recently concluded nearly 40 days of assisting FEMA in its tornado disaster response operation in Greensburg, Kansas. Both teams will be called to assist in wildland fire incidents this season, and when they are not on assignments, they will implement the NIMO Implementation Plan, which calls for improvements in wildland fire program management in the areas of training, fuels management, cost containment, and leadership development, among others.

The National Interagency Coordination Center, located at the National Interagency Fire Center in Boise, coordinates critical firefighting needs throughout the nation. In the event of multiple, simultaneous fires, firefighting resources are prioritized and allocated by the National Multi-Agency Coordinating group, composed of national fire directors headquartered at NIFC. Prioritization ensures firefighting forces are positioned where they are needed most. Fire managers dispatch and track personnel, equipment, aircraft, vehicles, and supplies through an integrated national system. If conditions become extreme, assistance from the Department of Defense is available under our standing agreements, as well as firefighting forces from Canada, Mexico, Australia, and New Zealand using established agreements and protocols.

### ***Aviation***

The wildland firefighting agencies continue to employ a mix of fixed and rotor wing aircraft. Key components of our 2007 aviation assets include 16 civilian large air tankers on federal contracts, along with 41 Type 1 and Type 2, or heavy and medium, helicopters on national use exclusive-use contracts; and 84 Type 2 and 3 helicopters on local or regional contracts. Additionally, there are nearly 300 call-when-needed Type 1, 2 and 3 helicopters available for fire management support as conditions and activity dictate.

Although both the large and single-engine air tanker programs have evolved in recent years, we are confident that we have appropriate and cost-effective assets in place or available to respond to the air support needs in the field. Twenty three Single Engine Air Tankers (SEATs) will be on exclusive-use contracts for the 2007 fire season and about 80 available on a call-when-needed basis. Some states and local areas also contract their own SEATs.

In addition, there will be two water-scooper airtankers on exclusive-use contracts and an additional one available on a call-when-needed basis for the 2007 fire season. Additional water-scooper aircraft will be available through agreements with state and county firefighting agencies. As in the past, military C-130 aircraft equipped with Modular Airborne Fire Fighting Systems (MAFFS) will be available to supplement our large air tanker fleet as needed. Six MAFFS are available this year.

## **WILDLAND FIRE SAFETY**

The complexity of the wildland fire management environment places many expectations upon our wildland firefighters. Above all else, human safety is our first priority. The Forest Service has adopted a foundational doctrine - principles guiding operations of fire suppression activities and actions. Currently, the Forest Service and the DOI are reviewing guidance for dealing with the parts of fire suppression that rely on interpretation, judgment, and agility.

DOI agencies and the Forest Service continue to require annual fire line safety refresher courses for all firefighting personnel. Additionally, the “6 Minutes for Safety,” an interagency safety initiative, is issued daily during fire season and alerts firefighters to high-risk situations. It is distributed throughout the fire community.

Within the Incident Command System, the agency is reevaluating training and soliciting support from other wildland fire agencies to streamline training through a competency based system. This will provide the knowledge and skills necessary to continue to build capacity quickly while upholding a strong standard of accountability. Over the past few years the wildland fire agencies have redirected the focus of training to provide a series of fire leadership courses which has been incorporated in the standard training curriculum, as well as long-range development and planning for fire personnel within the agency.

## **MITIGATING WILDLAND FIRE RISK TO COMMUNITIES AND THE IMPACTS OF FIRE ON THE ENVIRONMENT**

We have dangerous fire and fuels conditions in areas in the United States and the situation is becoming increasingly complex. However, we now treat more fuels than ever, and we collaborate with our local, state and tribal partners more than ever before. Our focused effort to remove accumulation of hazardous fuels in our forests and grasslands is having a positive effect on the land and is helping to reduce wildland fire risk to communities.

Some of our specific accomplishments in reducing hazardous fuels include:

- Despite an unprecedented wildfire suppression workload, the Forest Service and DOI improved fuel conditions and ecosystem health on more than 4 million acres of land in 2006, of which 2.6 million acres were treated through hazardous fuels reduction programs and 1.4 million acres of land restoration accomplished through other land management activities.

- The Federal land management agencies project that they will have treated nearly 25 million acres from FY 2000 through 2007, including approximately 20 million acres treated through the hazardous fuels reduction programs and about 5 million acres of landscape restoration accomplished through other land management activities.
- In 2006, the Administration treated many overstocked Federal forests. Hazardous fuels treatments resulted in qualitative improvements of at least 994,000 acres in fire regimes classes 1, 2, or 3 that moved to a better condition class. In addition, the Administration has begun measuring the percentage of total National Forest System land for which fire risk is reduced through movement to a better condition. The Administration is continuing to work on metrics for forest health changes that will help demonstrate the outcomes of projects that remove fuels.
- USDA and DOI, in collaboration with our non-federal partners, continue to increase the community protection emphasis of the hazardous fuels program. Community Wildfire Protection Plans are essential for localities to reduce risk and set priorities. Over 1100 CWPPs covering 3,000 communities have been completed nationally and an additional 450 plans are progressing toward completion.
- The LANDFIRE project has now been completed for the western third of the mainland United States. The data are being used in setting hazardous fuel treatment priorities by local field units and regionally, and are used in managing large, long duration wildfires burning across landscapes. USDA and DOI are also testing methods of modeling fire risk with LANDFIRE data to help better inform hazardous fuel treatment prioritization.
- USDA and DOI are developing methods for effectively allocating fuels reduction funds and measuring the effectiveness of those treatments in terms of community risk reduction. The agencies will identify national priorities within the fuels program and focus funding on those priorities, develop more effective measures of risk reduction through the introduction of systematic risk analysis tools for fire hazard analysis and fuels treatment implementation, and strengthen the project criteria for WUI fuels treatments.
- The “Implementation Plan” of the “10 Year Comprehensive Strategy” was updated and released in December of 2006. The goals and guiding principles from the 2001 document are constant, but performance measures and implementation tasks have been updated to reflect the progress made toward National Fire Plan goals in the past five years and build upon our success.

Collaboration among communities and local Forest Service and DOI agencies’ offices has resulted in highly effective and successful hazardous fuels reduction projects. One example is the New Harmony (Utah) Community Fire Plan that called for coordinated treatments on forested lands managed by the State of Utah, the Bureau of Land Management, Dixie National Forest and individual property owners. Between 2002 and 2004 the agencies and landowners completed fuel treatments that reduced fire intensity in the treated areas helping fire fighters to more safely protect the community during the 2005 Blue Spring Fire. In another example, the

use of Healthy Forests Restoration Act (HFRA) authorities enabled federal agencies and local communities to quickly begin clean-up and fuels reduction in the wake of hurricanes that devastated Gulf Coast communities and surrounding forests in 2005. The Forest Service and DOI worked closely, using HFRA authorities, to facilitate the National Forests of Mississippi to successfully remove over 1.3 million tons of hazardous fuel from over 100,000 acres, salvaging over 240 million board feet of timber. Nearly 1000 miles of fuel breaks were constructed and another 500 miles will be completed this year to protect homes in the WUI.

In this challenging fire season, citizens who live or vacation in fire-prone areas must take personal responsibility to protect their individual homes. Valuable information about how to increase their safety and protect their homes and property is available through the FIREWISE program. Homeowners can learn how to protect their homes with a survivable, cleared space and how to build their houses and landscape their yard with fire resistant materials. Information about the FIREWISE program can be found at [www.firewise.org](http://www.firewise.org), sponsored by a consortium of wildland fire agencies that includes the Forest Service, the Department of the Interior, the National Fire Protection Association, and the National Association of State Foresters.

The agencies are working to improve procedures for allocating hazardous fuels reduction funds by assessing the risks from wildland fires and determining the benefits of fuels treatment and restoration projects by priority. By using tools such as the Landfire Rapid Assessment, the Forest Service will address recommendations contained in relevant Government Accountability Office and Office of Inspector General to ensure that the most important and highest priority projects are funded first. The Forest Service will also undertake other such actions as necessary to implement the desired outcomes of this plan.

## **MANAGING THE COST OF FIGHTING WILDLAND FIRE**

Suppression costs have escalated in recent years, as wildfire seasons have generally lasted longer and the acreage figures have grown. The external factors noted earlier in this testimony influence the number and severity of incidents. While safety is our primary concern, our Departments do share concerns about the cost of fires and are committed to doing all we can to contain these costs.

Over the last several years, various studies and assessments dedicated to fire suppression costs have been conducted by the National Academy of Public Administration, the Wildland Fire Leadership Council, the Brookings Institution, and the Government Accountability Office (GAO), including the report they are releasing today. As a result of the reviews, more than 300 recommendations have been documented to suggest approaches to trim the costs of wildland fire suppression. The agencies have taken these reviews seriously, and the overall awareness and personal responsibility for cost-containment among the federal fire agencies has never been more acute.

In 2006, TriData, a Division of System Planning Corporation, under contract with the Forest Service, completed a review and analysis of 22 past cost containment reports and made recommendations regarding those which would yield the greatest savings. The TriData report determined there were 203 unique recommendations directed at improving wildfire suppression

cost containment. Of those, the report identified 71 recommendations that represented potentially high to extremely high cost savings if implemented. As of August 2006, we have taken or are in the process of taking action on 57 of these recommendations. We have not implemented corrective actions on the remaining recommendations for various reasons, including that the recommendation involves actions beyond agency authority, the action must be deferred due to pending court decisions, or that recommendations were directed at isolated events. Both the Forest Service and DOI are working on a comprehensive report on recommendations for large fire cost reviews. We expect that report to be available later this year.

### ***Management Efficiencies***

On January 30, 2007 we testified before this Committee on a set of “management efficiencies.” These cost control measures focus on leadership, operations, aviation and general management practices. Both agencies are moving forward to implement management efficiencies. As we stated then, some of these measures will be implemented in 2007, while others will be implemented over the long-term. An update on the key items reported in January includes:

#### **1. Policy Transition to Risk-Informed Management**

Appropriate Management Response (AMR) is an important approach for agencies to use to manage wildland fire. This approach provides a risk informed, performance-based system for fire protection by managing wildland fire in relationship to the risk that the incident poses. If a wildland fire has potential benefits to natural resources and poses a relatively low risk to impact other valued assets, the fire would receive a lower intensity suppression effort. Conversely, if a fire incident is determined to pose high risk to property or community, high suppression efforts would be applied. The use of this approach has grown over the last several years and we expect to continue expansion of this approach in the 2007 fire season. The Forest Service developed a draft guidebook that presents a coherent strategy to implement this approach. DOI has reviewed this guidebook, and will work with the Forest Service to ensure that the final product recognizes there are multiple strategies for wildland fire fighting, ranging from monitoring to full suppression, that can be used on a single fire depending on factors such as fire management and land-use plans in place, values at risk, cost-containment efforts, and resources available.

#### **2. Forest Service Chief’s Principal Representative (CPR)**

The Chief’s Principal Representative will provide risk sharing and decision support for Regional Foresters on large fires expected to exceed \$10 million in cost. The Chief’s Principal Representative will bring a national perspective when conferring with regional line officers. Regional Foresters will notify the chair of an inter-deputy group, a decision-making group that includes the Deputy Chief for State & Private Forestry (chair), Deputy Chief for National Forest System, the Chief Financial Officer, the Director of Budget, and the Director of Fire and Aviation Management, when the cost for an individual large fire is expected to exceed \$10 million. The inter-deputy fire group will coordinate the appointment and preparation of the Chief’s Principal Representative and support group. The Chief’s Principal Representative will report to the chair of the inter-deputy group.

### **3. Line Officer Certification**

All line officers will meet enhanced qualifications prior to being designated as the responsible official for an incident. The certification process has been developed and is designed to improve decision-making and risk management on large fires. Certification will be at three levels – Working; Journeyman; and Expert. In addition, a mentoring network has been established of experienced line officers to provide training and share experience to enhance performance and skills.

### **4. National Shared Resources**

National resources such as smoke jumpers, hot shot crews, helicopters and heavy airtankers are now all being treated as national agency assets, are managed in a centralized fashion and are moved to areas and incidents based on Predictive Services and Planning Levels. The goals are to enhance responsiveness of the assignment of resources and to eliminate concentration of resources in a geographic area.

### **5. Aviation Resource Cost Management**

A full-time National helicopter coordinator is in place to provide, in an interagency capacity during fire season, national oversight for the assignment and positioning of helicopters. Helicopter management is now centralized as a national resource. The Forest Service has shifted to more “exclusive use” versus “call when needed” contracts for helicopters. This will increase preparedness costs initially, but is expected to greatly reduce large fire suppression costs with potential savings of tens of millions of dollars per year. The agencies are pursuing longer term aviation contracts for all aviation resources with increased performance-based contracting. DOI also is pursuing strategies to reduce its aviation costs.

### **6. Severity Authorization Limitations**

Efforts will be made to maintain our initial attack success while reducing the dependence on severity funding. The Forest Service has placed a cap (\$35 million) and an individual limit on each Region for severity, and Interior has capped severity funding at \$32 million. However, funding fire fighters is the first priority. The Forest Service and DOI agencies will continue to submit a coordinated severity request so as to not duplicate effort or expense.

### **7. Fire Suppression Decision Support**

We are committed to continue the investment and expansion of system technologies such as Wildland Fire Decision Support System (WFDSS) and use of the Stratified Cost Index (SCI) to improve strategy selection in wildfire suppression. The SCI determines average suppression costs based on fire characteristics, such as fuel types, fire intensity, topography, region, and values at risk. In a given year, actual expenditures on each large fire (more than 300 acres) are compared to their anticipated costs as calculated by the SCI based on factors such as size, fuel type, or proximity to towns. Fires with high or low expenditures compared to the average suppression cost for fires with similar characteristics are then identified for review. Historical data were analyzed to determine the average cost/acre and cost/fire for categories of similar fires and an acceptable range of costs around the average. The actual expenditures are compared to their “expected” costs as calculated by the SCI. This metric is being applied this season and will be used in fire reviews, evaluations, planning and reporting.

The Departments are taking the issue of large fire cost containment very seriously and are actively moving forward to implement these important changes. The comprehensive list of management efficiencies has been developed to guide action over the short, intermediate and long-term and to produce results. The Forest Service and DOI are working together in collaboration and our staff is committed to action.

### ***Collaborative Efforts to Meet Community Expectations***

Both the Forest Service and the Department of the Interior realize the importance of collaboration with State and local fire managers. One recent example of such a successful collaboration is the approach used at the wildfire on the Okefenokee National Wildlife Refuge, which has burned over much of this 400,000-acre swamp. These fires are being driven by an unprecedented regional drought.

Fire is a natural component of the Okefenokee ecosystem which for thousands of years has shaped the vegetation communities here. Over 300 fires have been recorded since 1937, burning thousands of acres.

The Refuge and the Greater Okefenokee Landowners Association (GOAL) have worked closely in recent years to improve coordination of wildfire response. These ongoing efforts include sharing of firefighting resources and prescribed burning to reduce hazardous fuels.

Fire managers are coordinating suppression efforts with the Georgia Forestry Commission, Florida Division of Forestry, U.S. Forest Service and Greater Okefenokee Association of Landowners (GOAL) representing industry and private landowners. These partners support the chosen containment strategy of confining the fire to the swamp as the appropriate management response.

## **RECENT STUDIES**

### ***Government Accountability Office Draft Report: Wildland Fire Management: Lack of Clear Goals and Strategy Hinders Federal Agencies' Efforts to Contain the Costs of Fighting Fires***

In May 2007, the Government Accountability Office (GAO) issued a draft report entitled, "Wildland Fire Management: Lack of Clear Goals and Strategy Hinders Federal Agencies' Efforts to Contain the Costs of Fighting Fires." The findings indicated the agencies had not clearly defined objectives and policies as a means for reducing the costs of fighting wildland fires. In general, the agencies disagree with the characterization of many of the findings in the report and believe that GAO has not accurately portrayed some of the significant actions the agencies have taken to address large fire suppression costs and management efficiencies.

In that response, we articulate our views to the opinions expressed by GAO and provide facts to clarify some areas where the report could be improved (our response is attached). As we continue to strive aggressively to contain the costs of wildland fire suppression, our primary goal will continue to be the protection of life, property and resources.

We share the GAO's interest in increasing accountability for cost containment and have taken many steps forward. We are hopeful that GAO and this Committee are able to ascertain from the actions that have been taken and planned, that the agencies indeed have established strategies, goals and objectives for reducing costs of large wildfire suppression and improving hazardous fuels reduction. We believe that the 10-Year Strategy Implementation Plan, Office of Management and Budget PART Improvement Plan, Forest Service Strategic Plan, and new DOI Strategic Plan, along with the Management Efficiencies initiatives underway, demonstrate a commitment to constantly improve performance, efficiency and accountability.

***Secretary of Agriculture's Independent Panel – Brookings Institution***

On May 22, 2007 the Brookings Institution released a report "Towards a Collaborative Cost Management Strategy – 2006 U.S. Forest Service Large Wildfire Cost Review Recommendations." This report is by an independent panel that assessed agency performance on 20 large fires that burned 1.1 million acres across 17 national forests, five regions and six states that exceeded \$10 million in cost. The Brookings Institution's Project Director acted as facilitator of the process and author of the report. The purpose was to determine if the agency exercised fiscal due diligence in managing specific incident suppression activities. The panel found that the Forest Service exercised appropriate and adequate fiscal diligence in suppressing wildfires in the record breaking 2006 season. The panel report also makes a series of recommendations for improvement that the agency will begin to act on immediately. The report is available at the USDA website <http://www.usda.gov/wps/portal>.

**CONCLUSION**

In conclusion, Mr. Chairman and members of the Committee, we are prepared for the 2007 fire season. Where local areas experience severe fire risk, firefighters, equipment and teams will be assigned. We have a long-term and complex fuels and fire situation that will continue to need to be addressed by communities, tribes, states, and federal agencies. We appreciate your continued support and work as we move forward on these challenges. We are happy to answer any questions you might have.



THE DEPARTMENT OF AGRICULTURE

WASHINGTON



THE DEPARTMENT OF THE INTERIOR

May 24, 2007

Robin M. Nazzaro, Director  
Natural Resources and Environment  
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Dear Ms. Nazzaro:

We appreciate the opportunity to review and comment on the draft Government Accountability Office (GAO) report, GAO-07-655, "Wildland Fire Management: Lack of Clear Goals and Strategy Hinders Federal Agencies' Efforts to Contain the Costs of Fighting Fires." As we discussed with you recently, the fire community has found GAO reports and recommendations to be constructive in addressing issues related to the fire program. However, the agencies generally disagree with the characterization of many of the findings in this report and believe that GAO has not accurately portrayed some of the significant actions the agencies have taken to address large fire suppression costs and management efficiencies.

Our goal continues to be the protection of life, property and resources. While accomplishing our goal of protection, we continue to strive aggressively to contain the costs of fire suppression.

GAO concludes the steps the Forest Service and Interior agencies have taken to contain costs are unknown because these steps are not complete, and recommends we establish clearly defined goals and objectives, a strategy to achieve them, and corresponding performance measures. We do have objectives and clearly defined goals that make up our strategy for better managing large fire suppression costs. The Federal Wildland Fire Policy, the Healthy Forests Initiative, Healthy Forests Restoration Act, and the 10-Year Strategy Implementation Plan provide overarching interagency goals and objectives.

When we discussed our concerns with GAO regarding this report, we provided numerous, important clarifying comments on the draft. We did not see significant

acknowledgment of these clarifications in the subsequent draft, and are concerned that important miscommunications remain. GAO presents an incomplete view on four key areas we discuss below that we believe will help us better manage and contain costs: Appropriate Management Response (AMR), Fire Program Analysis (FPA), LANDFIRE and the stratified cost index (SCI).

GAO failed to recognize, and include in their report, a major component of our cost containment management strategy which we believe to be a significant improvement over past suppression strategies. AMR moves the agencies from aggressively attacking wildfires of all sizes to a more risk-informed, performance-based strategy that will reduce costs by increasing flexibility in wildland firefighting decisions. The transition to AMR has been underway for some time, and improvements have been made in using Wildland Fire Use as a tool for achieving desirable environmental outcomes with reasonable cost expenditures. Further use of AMR is expected in 2007 and 2008 as the agencies aggressively apply AMR more widely.

GAO takes exception to recent FPA design modifications that they say may compromise the agencies' ability to fully achieve key goals. GAO goes on to say it is unclear whether this method will identify the most cost-effective allocation of resources, and that it is also unclear how budgets for local units will be meaningfully aggregated on a national basis. We strongly disagree. Additional information was supplied by the FPA project manager, although it was not incorporated or acknowledged. To restate:

*In December 2006, the Wildland Fire Leadership Council called for development of a revised analytical system for FPA. The revised system will be used to systematically evaluate alternative investment strategies and identify options that best reduce wildland fire losses, improve ecological conditions, and minimize cost. The system is designed to explicitly address uncertainty and risk in predicting future wildland fires. A combination of simulation models, GIS analyses, and sophisticated decision analysis tools array alternatives using quantitative performance measures that readily display inherent risks and trade-offs at both FPU and national levels. This approach provides a more robust basis for modeling real-world complexities than the linear optimization approach used in Phase 1, while maintaining the ability to compare the performance and effectiveness of alternative funding decisions.*

GAO views LANDFIRE as an unproven work in progress and they question our ability to complete and maintain LANDFIRE but offer no explanation. We strongly disagree with this characterization. LANDFIRE is an important tool to prioritize our fuels work through geospatial data and modeling that will help identify fuel accumulations and fire hazards across the nation, set nationwide priorities for fuel reduction projects, and assist in identifying the appropriate response when wildland fires do occur. Two of the four milestones are complete, the third milestone is 1/3 complete and work has begun on the fourth milestone. In addition, it was utilized during FY 2006 on more than 60 wildland fire incidents to assist in maximizing firefighting safety, pre-position resources and evaluate wildland fire behavior under a variety of fire weather conditions. GAO also questions our ability to maintain the system but then acknowledges that the agencies are

submitting a maintenance plan to the Wildland Fire Leadership Council in June 2007. Development of this plan has been underway for some time now and clearly indicates that we have planned for the necessity of routinely updating the data to reflect changing landscape conditions.

Regarding the stratified cost index performance measure, GAO expresses concerns about cost data for fire complexes, the ability to precisely estimate suppression costs and that, to date, the data are based solely on Forest Service managed fires. The report also says that the agencies have not identified the goals we are trying to achieve with this measure. The agencies have openly, freely and frequently acknowledged that the SCI will continue to be refined and improved in the coming years as data is added to the model. However, in its current form, the SCI still provides very useful information that was not previously available and assists field managers in better managing their large fire suppression costs. Furthermore, the SCI is not meant, nor was it ever intended to, "precisely" estimate suppression expenditures. Instead, it was developed to provide managers with an acceptable expenditure range based on historic data. With the multitude of unknowns that occur daily on every large fire suppression incident, it is naïve to believe that anything has the ability to "precisely" estimate expenditures.

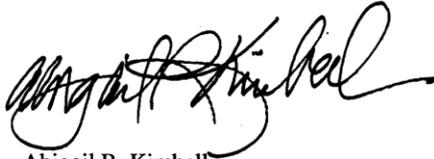
We disagree with GAO's conclusion that the agencies have not identified goals for this measure. SCI was adopted under Goal 1 of the 10-Year Strategy Implementation Plan which is to improve fire prevention and suppression. In addition, specific targets have already been set for the Forest Service. We first stated our goals for future years for this measure in the OMB PART reassessment in July 2006. We established the baseline in 2005 and subsequently established future year targets. These targets are also in the revised Forest Service Strategic Plan. GAO also says Interior has not adopted any performance measures related to containing wildland fire costs in its strategic plan and that it will be several years at the earliest before enough data have been collected for DOI for the SCI model to be useful. This is inaccurate. DOI adopted the stratified cost index measure in its new Strategic Plan (2008-2012) and expects to have the research results this summer. We expect 2006 data to be reported as baseline data and plan to report on the SCI in FY 2007.

GAO also states in the report that agencies have updated guidance for sharing suppression costs with nonfederal entities, but have no clear plan for ensuring that appropriate cost-sharing methods are used. Clarifying the guidance was recommended in an earlier GAO report. We clarified the guidance as GAO recommended. As our formal responses to the earlier report stated, the guidance will serve as a place to begin negotiations with our partners, but the final cost-sharing method will be based on a multitude of factors that will be determined at the incident. The agencies work in partnership with our cooperators, so we cannot guarantee or ensure that our preferred cost-sharing method will be the one selected on an incident.

Finally, GAO says that the agencies need to establish a framework to ensure that officials are held accountable for achieving cost containment goals and objectives. We have established a framework to hold officials accountable for achieving cost containment

goals. The Forest Service has already adopted significant elements this year, and Interior is also addressing these on an interagency basis as appropriate. These include a line officer certification process, a competency in their annual performance appraisals, and oversight on significant incidents by a "Chief's Principle Representative". Both agencies continue interagency large fire cost reviews that require regions to respond to and implement recommendations made by the review teams.

If you have any additional questions or concerns, please contact Sandy T. Coleman, Forest Service Assistant Director for GAO/OIG Audit Liaison staff, at 703-605-4699, or Deborah Williams, DOI/GAO Liaison at 202 208-3963.



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