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Before
Senate Committee on Energy and Natural Resources
Subcommittee on Public Lands and Forests
Concerning
GAO Report – Wildland Fire Suppression – Cost Sharing between Federal and Nonfederal Entities
June 21, 2006

Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to appear before you to provide the Administration's view concerning the May 2006 Report by the Government Accountability Office (GAO) entitled "Wildland Fire Suppression: Lack of Clear Guidance Raises Concerns about Cost Sharing between Federal and Nonfederal Entities." As the Department of the Interior and the Department of Agriculture work closely together in fire management, the two Departments are providing a joint statement.

In our previous appearances this year before this Subcommittee, we have discussed fire preparedness, fire aviation, hazardous fuels reduction work, partnerships, and our efforts to contain the costs of large fires. Large fire events are costly and Congress has routinely expressed its concerns about rising fire suppression costs. We share those concerns and are working to address suppression costs.

Multiple factors contribute to the expense of fighting fires, including weather, fuel type, terrain, and location with respect to the wildland urban interface and other highly valued landscapes, as well as managerial decisions made before and during fire incidents. Over the last few years, we have reported regularly to Congress on the steps we have taken to address the hazardous fuels situation. Likewise, we have reported to you on the growth of the wildland urban interface. Forest Service and University research estimates that 9 percent of the land area and 39 percent of the homes in the United States are located in the wildland urban interface where jurisdictions overlap and fire suppression is more expensive. Programs such as FIREWISE help those who live in fire-prone areas learn how to protect their homes with a survivable, cleared space, and how to build their houses with fire resistant materials.

The Forest Service, the Department of the Interior agencies and our partners operate the largest wildland fire management program in the world. These agencies and partners pioneered the use of the Incident Command System in the 1970s in order to respond to wildland fires. Wildland firefighters realized that a standard organizational structure would help them to communicate, set priorities, and be more effective in rapidly changing situations. The Incident Command System has proved itself to be adaptable and has provided a common system to unify emergency responders from Federal, Tribal, State, and local organizations to fight fire or respond to other types of emergency situations. Incident command teams use their logistical, organizational, and adaptation skills to rapidly deploy people and resources form many areas and respond to a wide variety of tasks needed during emergencies. For many cases, the use of unified command is the most efficient means to facilitate communications and actions with all first responders. Jurisdictional responsibilities can be effectively combined within a unified command structure to address wildland fires, particularly within the wildland urban interface. This sharing of jurisdictional responsibility in conjunction with the increased incidence of wildland fire within the wildland urban interface, has added to the complexity for equitably sharing the costs of suppressing a wildland fire.

Over the past 15 to 20 years, the Federal wildland fire agencies have developed relationships with state cooperators. As time evolved, sharing of jurisdictional responsibilities continued to grow due to the proximity of resources from an agency, rather than each agency having to staff all areas of ownership.

This created the need for enhancing cooperative agreements. In the mid-1980s, the assistance of these cooperators on Federal fires grew, as well as the joint suppression of fires that crossed ownership boundaries. Local units developed individual cost sharing agreements for each incident, but referred back to the master cooperative agreement. The basis for cost sharing was typically acres burned in the end, or a combination of acres burned, and the first 24 hours of support. Since the mid-1990s, the complexity of responding to joint ownership fires, as well as the growth in the wildland urban interface, has prompted a different basis for cost sharing, but no standard has been established.

The GAO report on cost sharing between Federal and non-Federal entities accurately highlights the complexities associated with large, multi-jurisdictional fires, especially in those that occur in wildland urban interface areas. Given that safety is unequivocally the top priority, fires in areas populated by homes and citizens generate a larger, more aggressive response that includes the use of both structural and wildland engines, aircraft, and additional crews and equipment. Also, these lands tend to fall under a mix of ownership and jurisdictions that typically involve a response from Federal, State, county, and local departments. These factors increase the complexity and costs associated with incident response in wildland-urban interface areas.

The GAO report identifies the inconsistent application of cost-sharing, which has led to inequities in the proportion of costs borne by federal and nonfederal entities. Lack of guidance in determining responsibilities can lead to difficulties in reaching agreement for appropriate levels of sharing costs. The report highlighted the need to define the financial responsibilities for wildland fire suppression for federal and nonfederal entities particularly in the wildland urban interface. The definition of these responsibilities needs to occur prior to a wildfire incident, preferably prior to fire season.

The GAO report recommends that the Secretaries of the Interior and Agriculture, working with relevant state agencies, provide more specific guidance as to when particular cost share methods should be used and clarify financial responsibilities. Over the years, a number of cost containment reports have also noted the complexity of sharing costs for these multi-jurisdictional fires. The Departments agree with the GAO report that more guidance is needed as to when a particular cost sharing method should be used in order to clarify an entity’s financial responsibilities. We also agree that cost sharing should be equitable.

Experience suggests that the current framework for sharing costs, including the availability of funds from the Federal Emergency Management Agency (FEMA) to reimburse non-Federal entities in certain cases, results in additional costs to the Federal government.

We appreciate the GAO’s balanced and thorough examination of the issues surrounding cost sharing among Federal, State, and local entities. The Departments recognize the need to negotiate cost-sharing methods that will take into account the multitude of factors that occur in each incident. We have already begun crafting an interagency template to assist in addressing a number of cost sharing issues. In 2005, the National Fire and Aviation Executive Board, made up of fire managers from the Federal agencies, developed a template for cost sharing agreements. This template is currently being reviewed. We will continue to develop guidance to be used in negotiating cost share agreements among the Federal government and our various non-Federal partners.

The GAO report provides thoughtful recommendations that will help guide us in our efforts to ensure consistency and equity in cost sharing agreements among the Federal government and our various non-Federal partners. It is our intent to finalize this guidance before the beginning of the next fire season.

Thank you for the opportunity to discuss this issue. We would be happy to answer any questions you might have.