

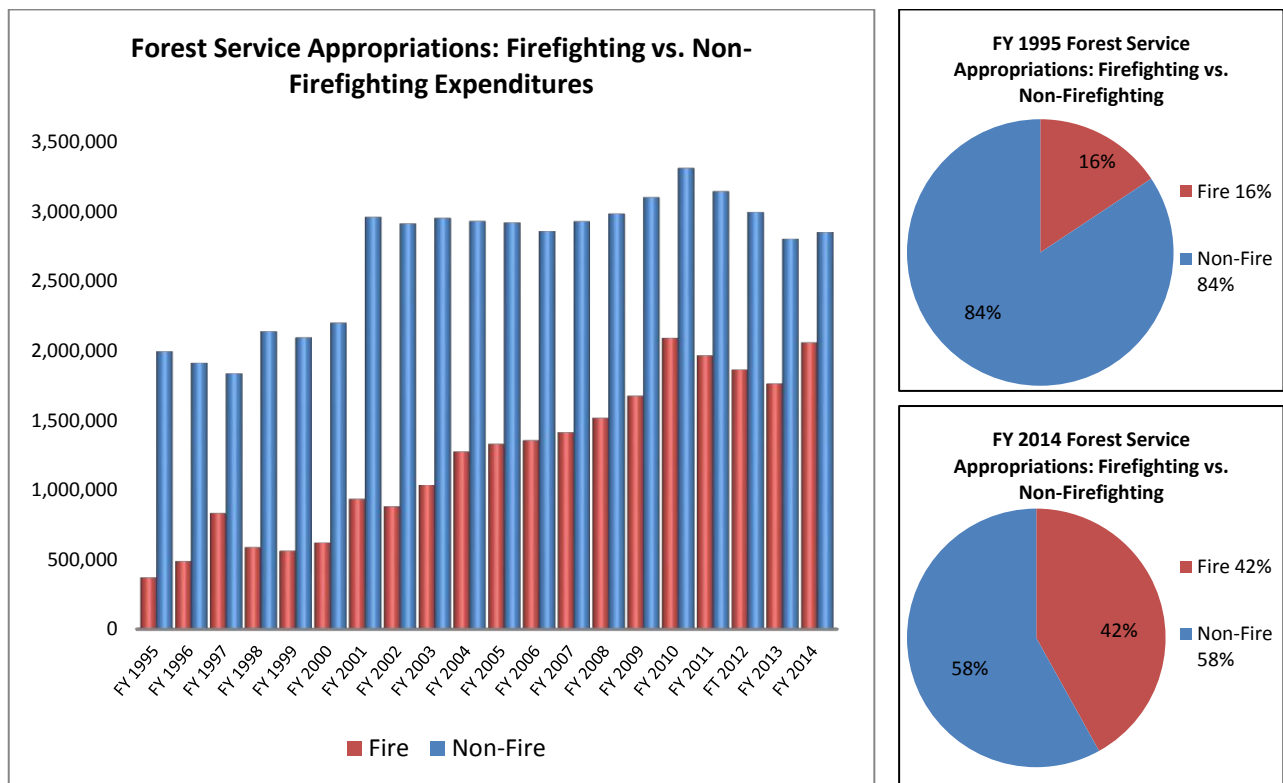
The Rising Cost of Fire Operations: Effects on the Forest Service's Non-Fire Work

The increasing cost of fighting wildland fire has had a negative and lasting impact on the Forest Service's non-fire, mission critical activities. In particular, the growth in fire expenditures has resulted in two significant and negative impacts on the Forest Service budget: (1) fire borrowing; and (2) a long-term shift of agency resources to fire expenditures. With respect to borrowing, in years when the base appropriation for suppression is insufficient to cover the cost of fighting wildland fire, the agency has the authority to transfer (or "borrow") funds from non-fire activities to suppression. However, those non-fire activities are often those that improve the health and resilience of our forested landscapes and thus mitigate the potential for fire in future years. These fire transfers, while they are generally reimbursed in subsequent appropriations, are highly disruptive to agency operations and hinder the Forest Service's capacity to effectively restore the Nation's forests and grasslands. Continued reliance on fire transfers to ensure sufficient funds for suppression within a highly constrained agency budget is unsustainable.

The second impact of rising fire expenditures has been to slowly shift agency financial resources away from forest management and restoration, research, recreation and other mission-critical objectives and towards firefighting and other expenses related to fire management. A few weeks ago, the Forest Service released a report detailing the types of projects that are delayed or cancelled as a result of fire borrowing. This report details the long-term shift of agency resources into the fire program and away from other mission critical programs.

Expenses for wildland firefighting, comprised of the costs of preparing for and fighting fire, have grown dramatically over the last two decades. The charts immediately below show how the agency’s appropriations in firefighting versus non-firefighting activities have changed from 1995 to 2014. Fire programs in the chart below include Preparedness, Suppression and FLAME¹ only (and, thereby, exclude such things as hazardous fuels management, fire research, joint fire science, state fire assistance and volunteer fire assistance). The funding level in just these three fire programs has increased from 16 percent of the Forest Service budget in 1995 to 42 percent of the budget in 2014.

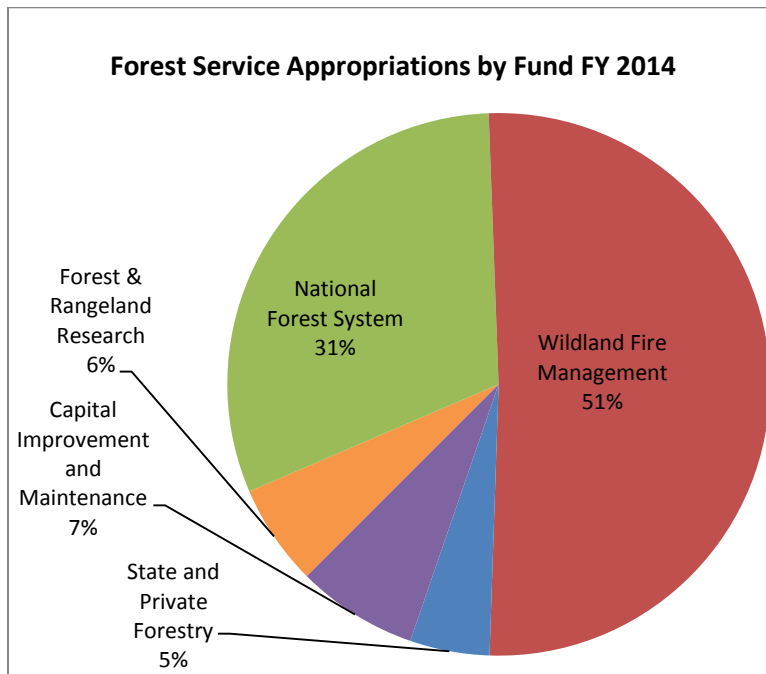
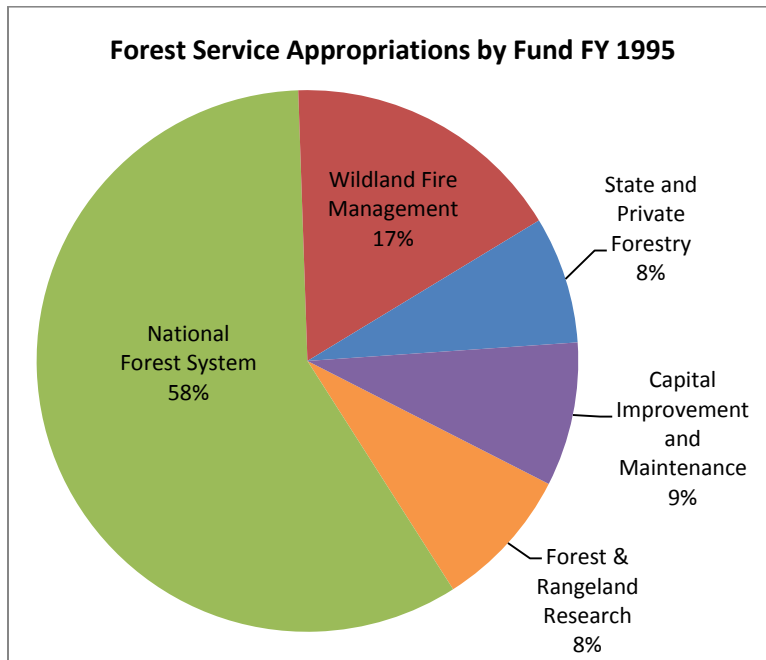
The appropriations in the charts below were adjusted for inflation to constant FY 2014 dollars. The deflators are from the Office of Budget and Management Fiscal Year 2015 Historical Tables, Table 10.1 — Gross Domestic Product and Deflators Used in the Historical Tables. Here is a link to that publication: <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2015/assets/hist.pdf>.



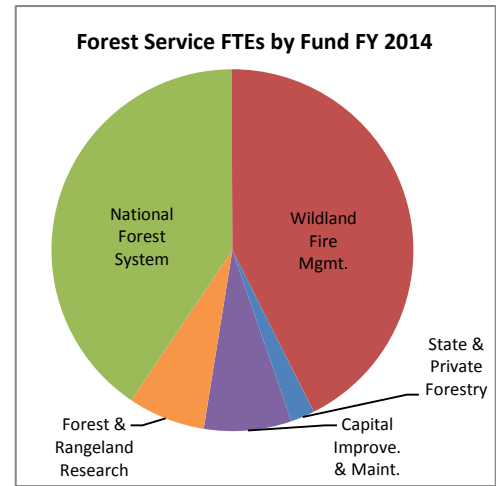
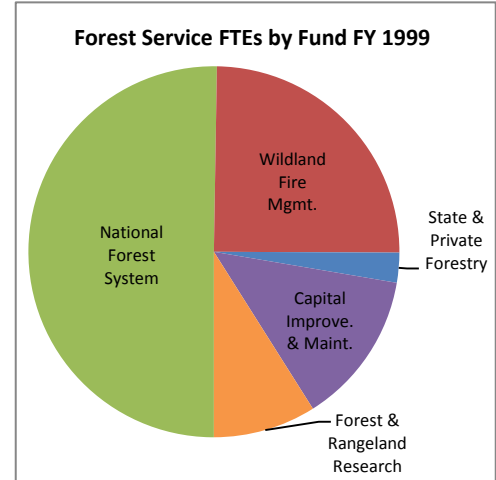
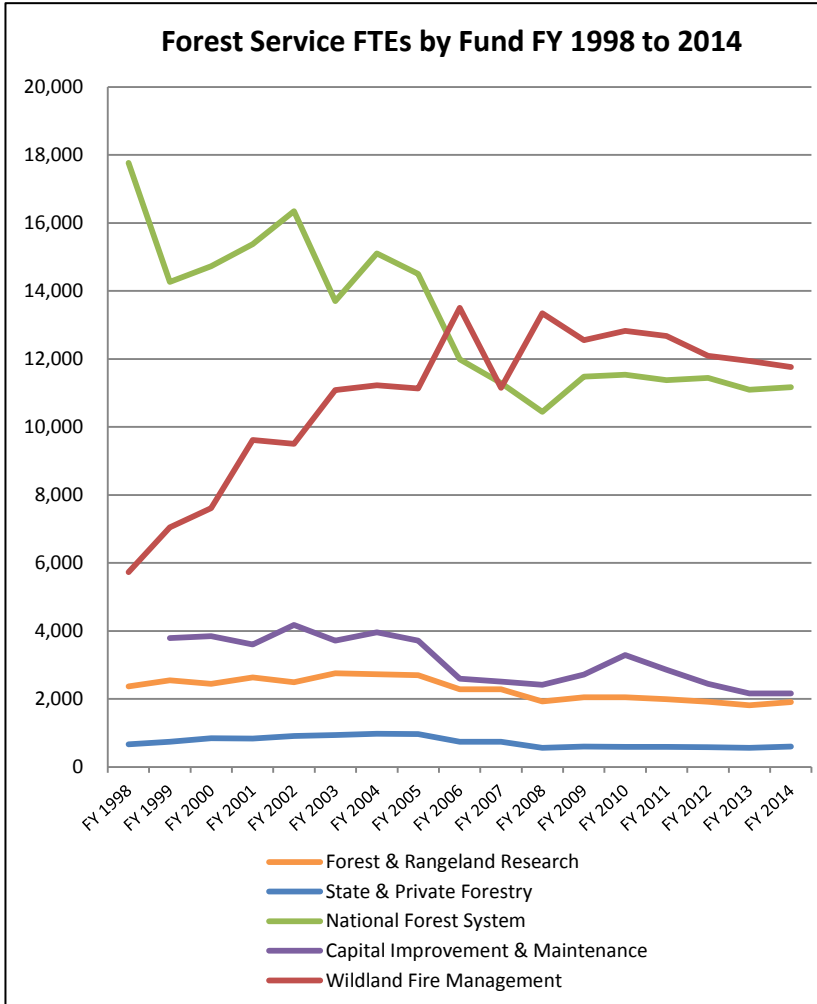
Note: The above charts compare Suppression + Preparedness + FLAME to the rest of the Forest Service Budget.

¹ FLAME: Federal Land Assistance, Management, and Enhancement Act

The charts on this page take a broader look at the impact of fire on the Forest Service budget by looking at the growth of not only firefighting expenditures (shown above) but also of other fire related expenses such as hazardous fuels management, fire research, joint fire science, state fire assistance and volunteer fire assistance (“Wildland Fire Management” in the charts below). The charts below show the significant shifts of funding and staff (i.e., Full-Time Equivalents [FTEs]) from the National Forest System and other accounts to the Wildland Fire Management account. From 1995 to 2014, the full Wildland Fire Management appropriation has tripled in its portion of the Forest Service budget from 17 percent to 51 percent.

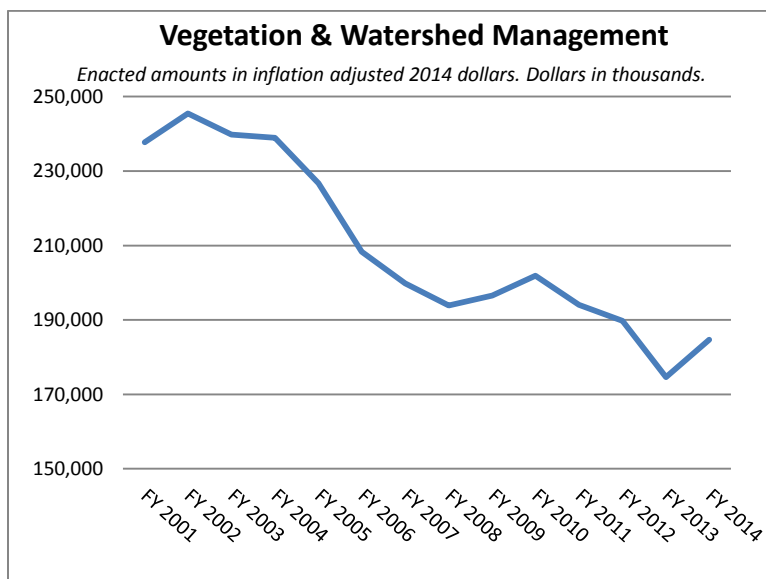


The charts on this page show that since 1998, fire staffing within the Forest Service has increased 110 percent from over 5,700 in 1998 to over 12,000 in 2012. Over the same period, staffing levels for those dedicated to managing National Forest System lands have decreased by 35 percent – from 17,000 in 1998 to over 11,000 in 2012.



Program Funding Trends in the National Forest System, 2001 – 2014

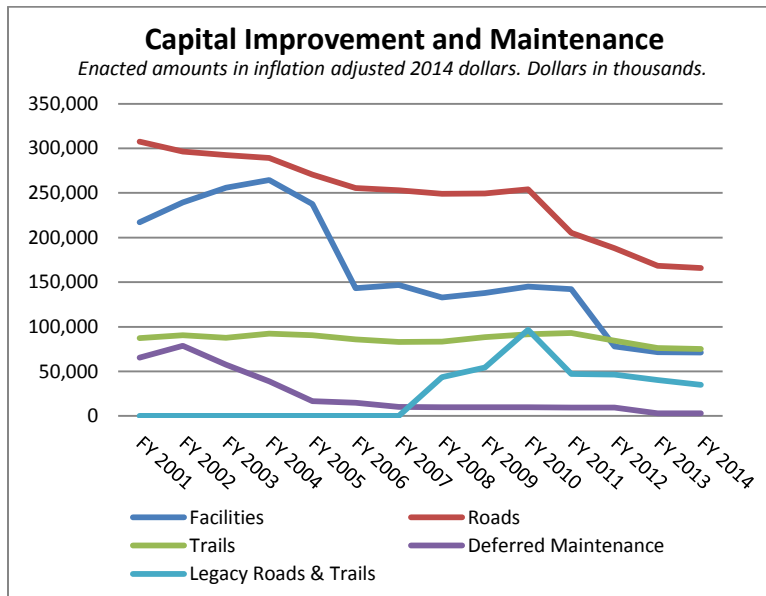
Program funding used to manage the National Forest System is shown below to describe the significant impacts that have occurred in the last 14 years for certain programs (Budget Line Items) within the agency's constrained budget.



Vegetation & Watershed Management - 22% Reduction

The Vegetation and Watershed Management Program is the cornerstone for forest, rangeland, soil and water restoration and enhancement activities on National Forest System (NFS) lands and plays a key role in post-fire restoration. The program accomplishes objectives through integrated and partnership opportunities. These programs are key for the agency to effectively achieve integrated resource objectives and to develop external partnerships to achieve healthy watersheds and ecological communities, and to provide an array of benefits for current and future generations. These benefits include: improved water quality and quantity; healthy forests and rangelands that provide a variety of products; a reduction of risks associated with wildfires; and, greater resistance to establishment and spread of invasive species.

Reduced funding since 2001 has decreased the rate of restoration that the agency could have achieved across all NFS landscapes had funding levels been maintained. The agency has been less able to engage in watershed improvement activities as well as overall restoration activities occurring within priority watersheds. The reductions have limited the agency's ability to prevent and limit the spread of invasive species; to decrease the backlog of deforestation and young stand management needs; and to lessen the severity and extent of insect, disease and fire prone forest stands.



Facilities- 67% Reduction

This program supports maintenance and capital improvement on approximately 21,600 recreation sites and 23,100 research and other administrative buildings. The condition of administrative facilities ranges from poor to good, with approximately 41 percent in poor condition needing major repairs or renovation, approximately 12 percent in fair condition needing some minor repair, and 47 percent of the facilities in good condition.

Due to the significant decrease in Facilities funding, the agency has had to scale down or defer most decommissioning and disposal projects that would reduce our square footage. Projects that implement sustainability best practices to conserve energy and water have been deferred. Reduced funding has jeopardized the agency’s ability to address basic facility operational and maintenance needs and many of our safety issues such as those associated with water and septic systems. The overall effect is an increase in public health and safety concerns, and liability for the federal government. The only action national forests can take to reduce the government liability is to close recreation facilities, thereby impacting the outdoor recreation opportunities that drive many rural tourism economies.

Opportunities for new office construction to replace administrative facilities at the end of their design life have been lost, resulting in office closure and moves into leased facilities. Deferred maintenance has increased resulting in more expensive future repairs or possible loss of facility investments. Projects to decommission buildings and reduce the square feet have been deferred. Projects that would have helped the agency make its buildings more sustainable and reduce the costs of maintaining recreation facilities have also been deferred.

Concurrently, additional fire facilities have been added to meet increased suppression needs. This has required a shift in spending from capital improvements for national priority projects to projects critical for fire readiness. For example, Air Tanker Bases need pavement improvements to handle the newer aircraft which are being added to the fleet, these projects will be phased in over several years, increasing costs.

Roads- 46% Reduction

The reduction in Roads funding has had a negative impact on the agency's ability to meet critical access, safety and restoration needs.

The National Forest Road System is an integral part of the rural transportation network. It provides access for recreational, administrative, resource management and commercial purposes. It also provides access to and between rural and gateway communities, contributing to community vitality and economic development. Maintaining this system is necessary to continue to provide this access, to meet Highway Safety Act requirements, emergency response, and to protect the quality of critical water supplies provided by NFS lands to communities.

We have reduced the miles of both passenger and high clearance roads since 2001, many by choice, but as our transportation infrastructure ages and/or is damaged by natural events, we have had to restrict traffic or close those roads and bridges that are no longer safe for public travel until funds are available for repairs. As we delay needed maintenance and improvements on many roads and bridges, access will become more restricted, environmental impacts will increase rapidly, and vulnerability to catastrophic failure from natural disasters will greatly increase. The ease of access to communities reached only by traveling through NFS lands, recreational areas, and other natural resource areas by the public and for administrative purposes will begin to sharply decline. Firefighting ability will likely decline significantly as road access restrictions increase.

The reduction in Roads funding has been compounded by changes to the law governing eligibility of roads for Emergency Repair of Federally Owned Roads (ERFO) funding that has resulted in many of our roads no longer qualifying for this program. This eligibility change has increased pressure on the Roads budget as a portion of our appropriated funds have been spent to mitigate some of the most severe environmental impacts from damaged or extremely deteriorated roads. Thirteen percent of our bridges are currently structurally deficient and the average age of all bridges is 50 years. Without needed replacement or repairs, structurally deficient bridges would first be load restricted and ultimately closed as deficiencies progress.

Road decommissioning has progressed but not at an accelerated pace as desired. Replacement of road/stream crossings for aquatic organism passage has resulted in improved aquatic habitat and resilience to catastrophic natural disasters; however, we have not kept pace with needs. Reduction of these activities increases the severity and frequency of environmental impacts, including the vulnerability of catastrophic failure from natural disasters, resulting in adverse impacts to water quality, and aquatic/terrestrial habitat. Our ability to support accelerated watershed restoration continues to be severely affected.

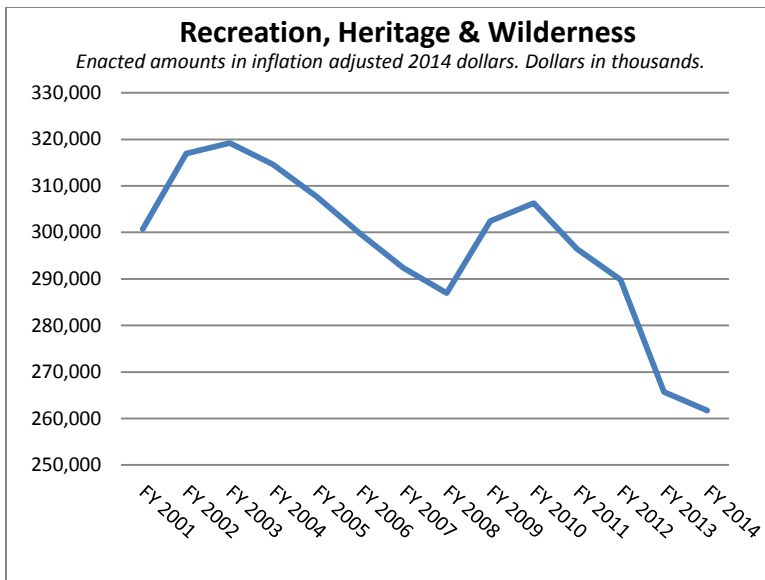
Trails- 14% Reduction

The Trails program ensures public safety and backcountry access through the operation, maintenance, rehabilitation, and improvement of NFS trails, serving a wide constituency of visitors at a relatively low cost, and provides many of the premier recreation opportunities in the NFS. The reduction in Trails funding due to increased fire suppression costs has reduced the agency's ability to provide the intended type and quality of experience expected by the public due to increased environmental impacts through uncontrolled erosion. Reduced funding for trail maintenance and improvement has resulted in fewer temporary employees being hired, increased deferred maintenance, more occurrences of illegal dispersed activity because of limited field employee presence, fewer partnership opportunities, more reclassification of trails to a lower class (which changes the recreation experience for visitors), fewer replacements of trail bridges, and reduced support of commercial activities that utilize NFS trails.

Deferred Maintenance - 95% Reduction

The Deferred Maintenance and Infrastructure Improvement program is critical for addressing serious public health and safety concerns associated with the agency's backlog in maintenance needs. This program funds high priority national projects, focusing in areas that are heavily used by the public and agency employees. These projects include critical maintenance and repairs to dams; correcting health and safety deficiencies in buildings, campgrounds, and water and wastewater systems; and renovation of recreation structures. Forest Service assets currently have a deferred maintenance backlog of over \$5.5 billion and many are 30-50+ years old. The near elimination of funding for this program has resulted in an inability to make a significant dent in this backlog and has forced the agency to shift more of the deferred maintenance work to other capital improvement programs, further reducing our ability to improve the long-term sustainability of our facilities, roads and trails.

In FY 2001, the Deferred Maintenance funding supported approximately 400 major projects. In FY 2014 the funding was able to support three major projects. In FY 2013 and FY 2014, 21 projects were deferred to future years, including sewer system repairs, air tanker base repairs, water system improvements, dam repairs and wastewater system rehabilitation.



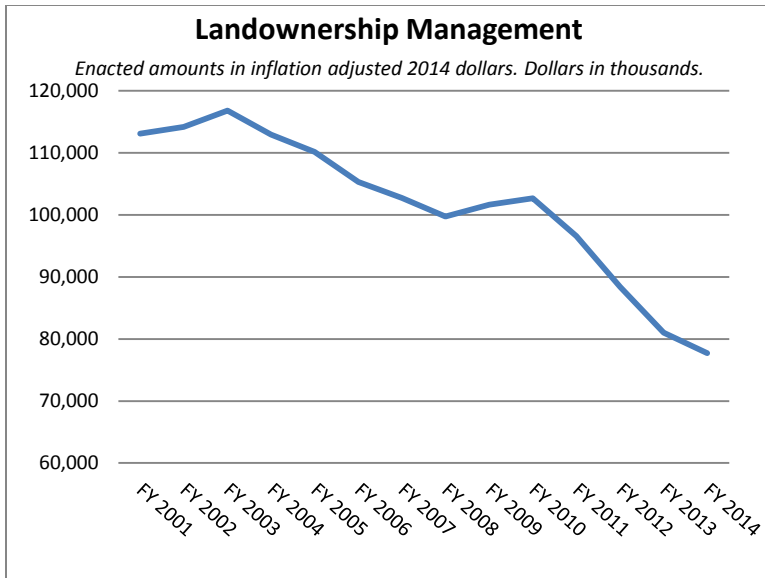
Recreation, Heritage and Wilderness - 13% Reduction

The Recreation, Heritage and Wilderness programs offer a diverse range of recreational opportunities across NFS lands, connecting people with nature in an unmatched variety of settings and activities. The decrease in funding resulting from increased fire costs has limited the agency’s ability to provide vital recreational opportunities on NFS lands and to support thousands of jobs that are part of a growing recreational economy.

The agency has been unable to more fully implement sustainable Recreation, Heritage, Volunteer Services and Wilderness and Wild & Scenic Rivers programs to provide consistent, quality recreation opportunities to the public. Reductions in recreation funding have a direct impact on local economies supported by these program activities, including many small outfitter and guide businesses that depend on recreation sites and programs on NFS lands. Additionally, we have been limited in our ability to leverage funds and implement projects with partners and volunteers, substantially affecting services on the ground.

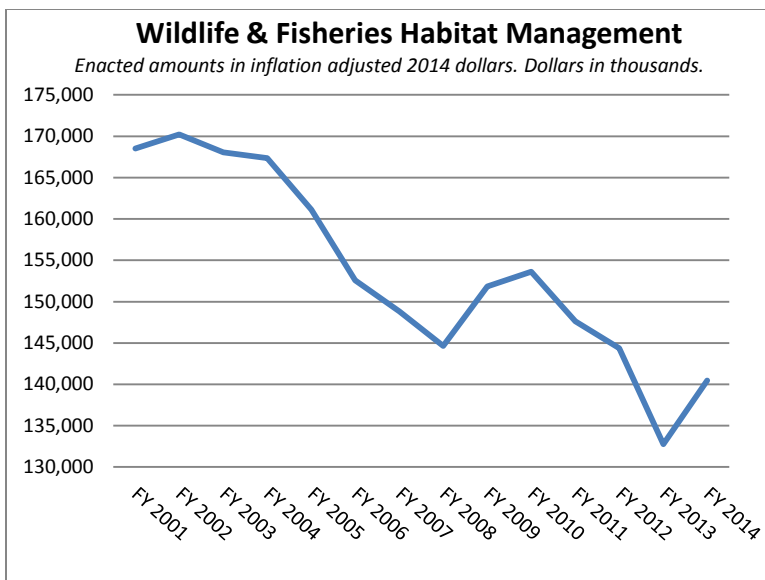
The reductions have also affected our capacity to manage special uses for recreation, resulting in reduced impact on the presence and stability of permittees and small business to create resilient, tourism-oriented identities for local communities.

A higher sustained level of funding would also increase the capability the Forest Service can have to engage youth in the outdoors and to support increased employment opportunities for youth and veterans through programs such as the 21st Century Conservation Service Corps.



Landownership Management - 31% Reduction

The decreased funding in Landownership Management has impaired the agency’s ability to respond to increasing demands and complexity of requests in the lands special use permits program, which supports critical projects involving energy pipelines, geothermal, electric transmission and hydropower. Also affected are the telecommunication infrastructure, including cellular towers and traditional line service and broadband facilities on NFS lands, considered to be an integral part of the nation’s telecommunications infrastructure. These special use projects also provide community development and growth that directly supports job creation.

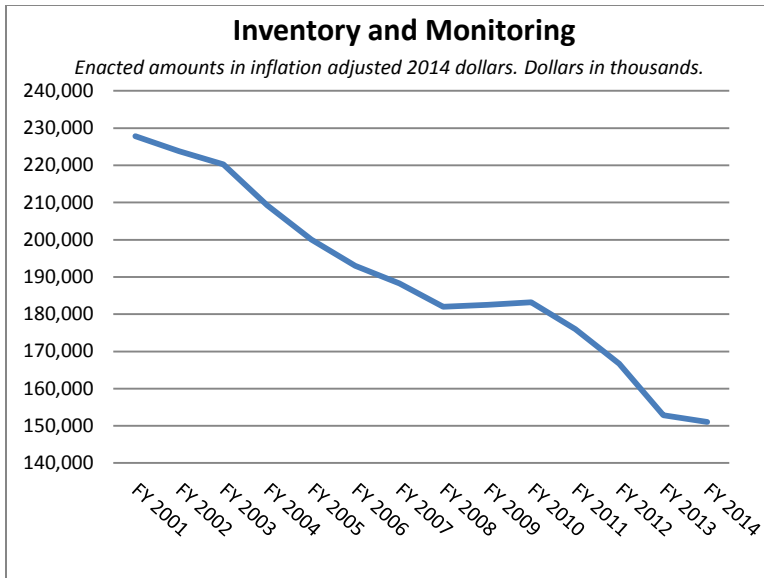


Wildlife & Fisheries Habitat Management - 17% Reduction

The reduction in Wildlife and Fisheries compromises recovery efforts for threatened and endangered species (TES). The required monitoring associated with previous Endangered Species Act (ESA) consultation commitments has been compromised, reducing the agency’s ability to implement projects in the future and jeopardizing the implementation of current projects because ESA consultation requirements cannot be met.

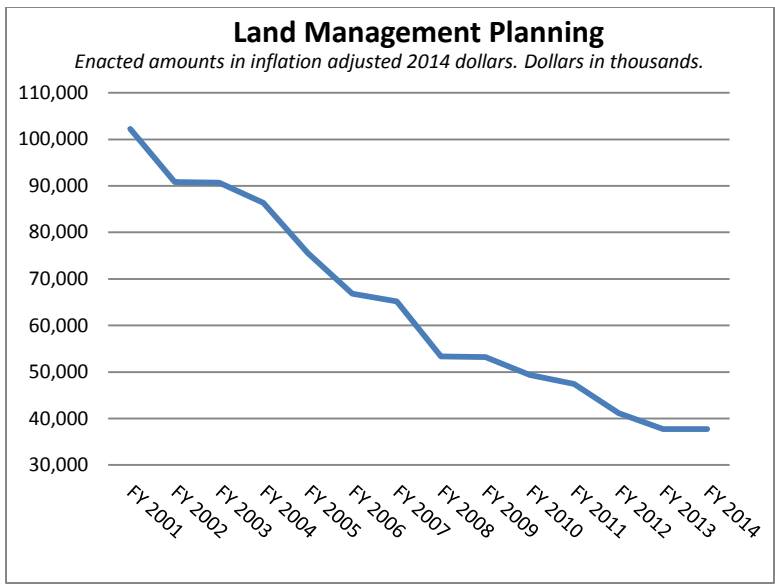
The reduction in operating funds has limited our ability to support existing partnerships. These partnerships often bring in as much as 4:1 return in partner contributions. This has resulted in the loss of significant dollars that could have been leveraged and has further reduced the agency’s impact on key restoration objectives.

We estimate there has been a 40 percent reduction in our annual performance accomplishments from what would have been possible with sustained funding – many of which were critical to TES recovery/conservation efforts and offsetting the impacts of climate change. Many of the watershed restoration projects and habitat improvement projects are completed through contracts associated with small businesses in often economically depressed rural communities. The reduction in project work impacts local businesses and further diminishes our ability to implement these types of projects in the future if those businesses cannot be sustained.



Inventory & Monitoring - 34% Reduction

Reductions in Inventory and Monitoring have reduced the agency’s ability to collect essential inventory and monitoring information which has further delayed our ability to revise forest plans. This reduced funding has hampered our ability to plan and execute projects for adapting and mitigating the effects of changing climate conditions. This includes, completing watershed condition assessments, developing strategies for addressing needs for specific wildlife species and Roadless area evaluations, as well as to ensuring abundant clean water, providing recreation opportunities, restoring and maintaining forest and rangeland ecosystems, and improving priority watersheds across larger landscapes. Without current and adequate planning and monitoring, our ability to effectively deliver restoration treatments, recreation and special use permitting, and other economic activities have been adversely affected on NFS lands.



Land Management Planning – 63% Reduction

Reductions in Land Management Planning have had a significant impact on our ability to reduce the backlog of forest plans requiring revision. The National Forest Management Act requires that each unit of the NFS have a Land Management Plan (LMP) that is formally revised every 10 to 15 years to address changing conditions and new information related to natural resources, management goals, and public use. The agency has only been able to meet this revision requirement on about 46 percent of its 125 LMPs.

The updated LMPs are essential for providing current, broad guidance for identifying, prioritizing, and implementing the programs and projects that move an NFS unit towards achieving desired conditions and achieve agency objectives. Reduced funding has had a significant effect on our ability to engage with the public and partners to address management issues and opportunities that have emerged since the original plans were developed. These efforts are essential for garnering public support and reducing appeals and litigations which impacts our ability to implement key restoration efforts and increases implementation costs.