

THE PRICE OF FLAME

**DRAFT REPORT
OF THE
FIRE SUPPRESSION INTERIM COMMITTEE**

SEPTEMBER 2008

NOTICE OF DRAFT STATUS

The following is the first draft of the report the Fire Suppression Committee (FSC) is required to prepare for the 61st Legislature. This document contains background information about the committee, observations, predictions, conclusions, and recommendations, as well as an outline of the various study topics the committee and its subcommittees explored.

Sources of potential recommendations include meeting agenda items, public testimony, individual committee members, and committee member and staff research. FSC members have not committed to the recommendations in part or as a whole; recommendations and the balance of the report will be formally discussed by the committee in a public forum in September and the committee will determine which items remain in the report and how they are worded.

Interested parties may disagree with some of the recommendations as they currently read, as may some or all of the committee members. The committee has come to realize during its months of study, however, that despite this season's comparatively mild fire activity, the legislature and the citizens of Montana are faced with the real prospect that it is just a matter of time before hundreds of people are killed or injured, thousands of homes are burned, millions of dollars worth of property is destroyed, and hundreds of millions of dollars are spent by state and local taxpayers as a result of an extreme wildfire season.

The committee requests that any interested party who dislikes or disagrees with the statements or recommendations contained in this report voice that concern and offer the committee viable alternatives to deal with these significant threats to fellow Montanans' life, property, and finances.

Working Title: "The Price of Flame"

Final Report of the Fire Suppression Interim Committee

INTRODUCTION

It's inevitable, unavoidable, fated. Wildfire in Montana could be included with death and taxes as the only sure things in life. It is, as fire historian and author Stephen Pyne writes, "a natural phenomenon [that is] at once as common as sunflowers and as powerful as tornadoes, an ecological element only partly tamed and partly captive and, like a trained grizzly, ever ready to turn feral."¹ Whether ignited by lightning, a campfire left smoldering, or a spark from a vehicle driven in the tall grass, fires will occur and change the landscapes--the physical, social, and political landscapes--left in their wake. By all accounts, the 2007 fire season was one for the books in terms of fire occurrence, fire behavior, and the costs associated with suppression. Ahorn, Black Cat, Jocko Lakes, Fool Creek, Chippy Creek, Meriwether, to name a few-- all large project fires that drained resources, prompted evacuations, and forced residents, fire professionals, and elected officials to think about fire in a new way. There will be off years in the state's future when the right combination of moisture and storm frequency, with a little luck thrown in, result in fewer and more manageable fires. But on balance, the signs point to longer fire seasons and extreme events like those for which the years 1910, 1988, 2000, 2004, and 2007 are infamous. Fire year 2007, in all its dry, hot, smoky glory, may just be the shape of things to come.

CREATION AND STRUCTURE OF THE FIRE SUPPRESSION COMMITTEE

It was still dry, hot, and smoky on August 27, 2007, when Governor Brian Schweitzer called the 60th Legislature into special session to "appropriate money and provide spending authority to pay for the actual and anticipated costs of fire suppression, disaster response, and recovery activities for the 2007 and 2008 fire seasons."²

When the special session convened on September 5, costs for the 2007 season amounted to \$80 million and were climbing. Once cost negotiations among all involved agencies had concluded, the state faced a liability of over \$40 million, more than twice the average amount calculated over a 7-year period.

Although the primary intent of the special session was to ante up the state's share of costs associated with the year's fire suppression activity and to set aside some money for 2008, as stewards of taxpayer dollars, lawmakers sought not simply to throw money at the problem but to investigate why costs are escalating and what, if anything, might be done to avoid future such hits to the state's budget. The legislature recognized that the state's general fund has not maintained and would not consistently carry the amount of surplus money that would enable expenditures to the degree that the 2007 fire season warranted.

HB 1 (Appendix A) appropriated \$39 million from the state general fund to the Department of Natural Resources and Conservation (DNRC) "for wildfire suppression and for wildfire disaster

¹ Stephen J. Pyne, *Year of the Fires: the Story of the Great Fires of 1910*, (New York: Viking, 2001), 4.

² Call to the 60th Legislature for a Special Session; Aug. 27, 2007; Gov. Brian Schweitzer.

response and recovery activities in Montana", and \$3 million from the general fund to the Department of Military Affairs for the same purpose. The bill also created the Fire Suppression Committee and directed it to:

1. investigate firefighting operations in Montana and the management policies affecting the success of those operations;
2. investigate the efficient use of fire suppression resources;
3. investigate the impacts of operations on private land and on the effective use of private resources to fight fires; and
4. investigate state and federal forest management policies and how those policies may contribute to an increased number of wildfires, greater safety risk to firefighters, or compromised effectiveness of fire suppression efforts.

HB 1 included a requirement that the committee travel to five specific locations around the state during the course of its study, and FSC added two communities to the list. Between April and August, the committee met and held public hearings in Hamilton, Lewistown, Miles City, Seeley Lake, Thompson Falls, Libby, and Choteau.

Committee's Approach and Structure -- Subcommittees, Public Comment, Field Hearings

FSC members quickly realized that they faced a steep learning curve when it came to the myriad aspects of wildfire and wildfire suppression in Montana. In order to be effective and conclude the interim with realistic, viable recommendations, they would have to understand the jurisdictional complexities and the roles and responsibilities of the multiple local, state, and federal agencies that are involved.

FSC's first two meetings consisted of panel discussions and instruction on the policies of and the relationship, coordination, and communication among the various entities that list land management and wildfire suppression among their duties. Those entities include the U.S. Forest Service (USFS), the Bureau of Land Management (BLM), the U.S. Fish and Wildlife Service (USFWS), the Bureau of Indian Affairs (BIA), the National Park Service (NPS), DNRC, the state Department of Military Affairs (DMA), local fire departments, county commissions, and county law enforcement.

With this background information in hand, the committee formed three subcommittees-- Wildland-Urban Interface, Infrastructure, and Contracting--intending that the smaller groups could more deftly focus on specific subjects and ultimately develop recommendations to present to the full committee. The subcommittee recommendations then would serve as the basis on which public comment would be collected as the committee traveled around the state.

The subcommittees met monthly in Helena during the winter and reached agreement on three sets of recommendations which were approved by the committee as items on which the members wanted to hear public and agency reaction.

Public Comment Blitz

As the subcommittees were beginning their deliberations, FSC launched a campaign to collect as much public input as possible by mail, email, and the committee's website. Notice soliciting

comment was sent to all potential interested individuals and organizations and requested that submissions focus on the following:

1. The committee would like specific recommendations on any of the study items listed above as well any other recommendations you may have for fighting fires, suppression of fires or other wildland fire-related issues in Montana.
2. What do you think will happen in this state with regard to firefighting and suppression in the next ten years if no changes in policy, practice, or funding are made?
3. The committee would like to know what can be done by you or others (agencies, local governments, homeowners, private industry) by next spring and early summer to prepare for the fire season.
4. If you provide fire suppression-related contract services during the fire season, please provide us with specific suggestions that may improve the contracting process.

The committee received hundreds of letters, emails, and contributions to a comment form on the website. Staff copied the documents for committee members, scanned all of the documents, and posted them to FSC's website, notifying agency management and staff of the files' location. The input received was summarized, categorized (Appendix X), and also placed on the website. Some of the comments prompted further research and some ideas made their way into the recommendations that the committee considered including in its final report.

OBSERVATIONS, PREDICTIONS, CONCLUSIONS *(Formerly known as The Outlook of Fire or the Bleak Report. Some of the agency and committee member comments and suggestions have been integrated and some staff edits have been made. These are draft only, subject to final approval by the committee)*

Observations

1. The west is prone to wildland fire and Montana is no exception. As wildland fires increase in severity and size, so does the cost of suppression in terms of real dollars and loss of property and natural resources. The professional forestry community has produced a number of documents detailing the reasons behind the increasing severity and costs of fire. They include:
 - a. extended drought in the west;
 - b. increased residential development in the wildland-urban interface, which is defined as the "line, area, or zone where structures and other human development meet or intermingle with undeveloped wildland or vegetative fuels";
 - c. an increase in the fuel load in the forest from drought, disease, insect infestation, lack of funding for fuels management, and legal gridlock over management of federal forest land;

- d. an inability--for various reasons--of the U.S. Forest Service to adequately deal with fuel load in the agency's forests resulting from drought, disease, insect infestation, and logging inactivity; and
 - e. lack of adequate resources for local, state, and federal agencies.
2. The items listed in #1 may explain why fires are increasing in severity and cost, but on the Montana landscape there are other factors that add to the complexity of fire suppression. These include:
- a. diverging fire suppression policies and strategies--such as wildland fire use and mechanized treatment, assessment of values to protect, and approach to structure protection--among federal, state, and local agencies;
 - b. less federal funding for land management activities, due in part to increases in spending on fire suppression;
 - c. lack of resources to fully fund DNRC initial attack operations;
 - d. increasing gas and diesel fuel costs;
 - e. uncertainty over the future of industrial and other private forest lands;
 - f. increasing, and often unfunded, use of local government resources;
 - g. more large project fires, more extreme fire behavior, and expanding wildland-urban interface;
 - h. more competition for national firefighting resources;
 - i. succession planning for fire management personnel due to difficulty hiring and retaining firefighters who serve long enough to gain the experience needed to perform in leadership roles such as incident commander;
 - j. widespread effects of poor air quality;
 - k. inconsistent rehabilitation of burned areas and watersheds;
 - l. stress on state, federal, and local wildland firefighters, managers, and resources;
 - m. increased budget pressures on federal agencies to control fire suppression costs, which limits the agencies' ability to manage the forests and reduce the risk to firefighters;
 - n. heightened public expectations of wildland fire agencies for rapid fire suppression and real time information about fire progress and suppression strategies; and

ecosystems, some fires cannot be extinguished, no matter what suppression strategy may be employed. However, if nothing changes in the wildland fire arena with respect to funding, priorities, climate trends, demographic trends, and policy, the following may be expected to occur.

1. With limited resources and fuel and climactic conditions, it is likely that communities will burn and firefighters and members of the public will be seriously injured or killed.
2. Stress associated with longer wildland fire seasons will continue to rise, affecting landowners, firefighters, business owners, and local, state, and federal agency staff, as well as other members of the public.
3. With limited resources to fight fires, the costs of fire suppression and the damage to property and natural resources will continue to grow.
4. Small businesses from the tourism industry to the agricultural industry will continue to be impacted as they are unable to be compensated for business losses due to fires.
5. Increasing spending on fire suppression at the federal, state, and local levels will continue to divert funds away from potential fuels reduction projects.
6. Declining dedication of funds for fuels reduction projects and lack of landowner incentives to treat fuels on private land will ensure continued risk of complex wildland-urban interface fires.
7. Development in the wildland-urban interface will continue to increase without adequate controls on land development.
8. The ineffective management of the accumulation of forest fuels on federal lands--due largely to resources being tied up in litigation--will continue to perpetuate a forest health crisis, putting many communities in imminent danger of catastrophic wildfires.
9. While cooperation among local, state, and federal wildland fire agencies has by most accounts been excellent, greater divergence in fire management policies, strategies, and interpretation of values in need of protection may erode that cooperation and negatively impact suppression efforts in the state.
10. Without a concerted and coordinated effort from insurers to educate policyholders about their wildfire risks and offer incentives for properly mitigating their risks, many homeowners will continue to ignore the advisability of survivable space, placing themselves and firefighters at risk.
11. If market conditions do not improve and other factors do not change, Montana's wood products infrastructure will be defunct within two years and the state will lose the people with the expertise to conduct fuels reduction and hazard mitigation projects.
12. Declining federal assistance and an aging population will contribute to additional state funding of \$_____ to continue to actively engage in fire suppression.

13. This amount will grow by \$_____ each year as ____ additional homes are built in the WUI.
14. Local agencies will need \$_____ each year for fire suppression and structure protection as the WUI expands, there are more fuels to burn, and evacuations are warranted.

Conclusions

The FSC has concluded the following:

1. The forests in Montana are growing more fuel, more trees are dying, and the state is headed toward larger fires. Either we do more logging, more prescribed burns, or other fuel reduction or we have more dangerous fires.
2. Firefighters use all available resources to suppress fires and the only thing that keeps the state budget from going broke is the lack of resource availability.
3. A large number of homeowners do little to protect their homes.
4. The state and local governments cannot conduct evacuations on a scale that would be necessary in the event of a fire year similar to 1910.
5. There will be another fire year similar to 1910 and the state is not prepared for fires of that scale.
6. Even after large burns, the forests still need to be managed (through logging, fuels reduction, prescribed fires, and appropriate wildland fire use fires) long-term to reduce the risk of large and devastating 400-year fires.
7. We are looking at \$200 million fire year liability for the state budget sooner or later. We may have reduced costs incurred by the state if there are fast-moving, large fires that simply burn us out before resources are available. Other than that limitation, costs will continue to grow.
8. The state fire suppression agency is going to have to grow by ____ in the coming years, as local government and volunteer firefighters dwindle in number due to an aging population and other demographic factors and as federal government involvement in fighting fires declines.
9. A significant amount of money should not be dedicated to hazardous fuels reduction unless private property owners are compelled to manage their property to reduce wildfire risk either through enhanced incentives or required measures.

RECOMMENDATIONS (These are draft only, subject to final approval of the committee)

For Immediate Implementation

The Fire Suppression Committee is convinced of the potential for catastrophic wildfires to occur in Montana in the near future. Its members therefore recommend the following be implemented as soon as possible.

1. The state and local governments in Montana should prioritize fuels reduction in the wildland-urban interface and implement as many projects as possible with current levels of funding. These entities should also be planning to apply for federal grants and to request fuels reduction funding from the 2009 Legislature
2. The state's federal landowners should spend \$X per year to conduct wildland-urban interface fuels reduction.
3. A moratorium should be placed on approval of large subdivisions in areas where wildfire hazard exists until the fuels reduction projects have been completed to the satisfaction of the local approving authority.
4. Steps need to be taken to preserve the state's wood products industry. The industry, the executive branch, legislators, and other interested parties should be discussing strategies to accomplish this.
5. Insurance companies operating in Montana need to explore offering insurance products for grass and other resources that are destroyed by fire and that are necessary for farming, ranching, and other businesses.
6. Additional suggestions made by FSC to the Office of Budget and Program Planning (Appendix X) for use of a portion of the \$40 million appropriated during the 2007 special session should be implemented.
7. State and local fire and law enforcement officials should review evacuation capabilities and procedures in the event of a catastrophic fire endangering large communities.

Implementation Over Time

The tables on pages 9 through 36 contain recommendations that rely on legislation, funding, budget authority, or finalization of FSC's report for implementation or they are not appropriate for immediate implementation. Recommendations are divided into subject matter categories. Some recommendations are relevant to more than one category and those are noted in the tables.

A. Wildland-Urban Interface: Land Use Planning, Insurance, Building Standards

| | Recommendation | Form | Source | FSC Member Comment, Other Notes |
|--|--|-----------------------------------|--|---|
| 1. | Local agencies and state agencies should move toward the Australian concept of evacuations and protection of properties within regions of this state over the next 3 years. | FSC report statement | Cobb | |
| <u>Staff Comment:</u> In Australia, residents in fire safe homes who do not choose to evacuate early are encouraged to stay and shelter in place as the fire front moves over the home. See Appendix X. | | | | |
| 2. | Create and fund pilot project for fuels reduction on state land in the wildland-urban interface -- use private contractors who then can be shifted to fire suppression when needed. | Bill draft and HB 2 appropriation | Keane, Ripley | |
| <u>Staff Comment:</u> An appropriation of \$3 in HB 2 would be needed to implement the program. | | | | |
| 3. | Require insurance providers to offer discounts for insureds who maintain their homes and property to certain standards within a designated WUI. | Bill draft | Laible, WUI Subcommittee, public comment | Sen. Laible: <i>The WUI isn't clearly defined, but some good faith effort by the insurance companies to provide a discount for good behavior sounds reasonable. This will probably in fact require the insurance companies to better evaluate the risks, and in fact raise premiums for those who don't make a good faith effort.</i> |
| <u>Staff Comment:</u> The standards under development in the rulemaking required to be completed by DNRC and DLI under 76-3-104(8) and 50-60-901, respectively, could be the standards for which incentives must be offered under this proposal. | | | | |
| 4. | Give the State Auditor the authority to review all property insurance policies to make sure that insurance companies have in place an ongoing education, training, or premium incentives aimed at protection of homeowners' properties from wildland fires. This may include educational material, home inspections, or discounts for proper hazard mitigation and fire protection activities. | Bill draft | Cobb | |
| 5. | Require insurance companies to notify their insureds of the best practices developed during DNRC rulemaking pursuant to | Bill draft | FSC | |

| | Recommendation | Form | Source | FSC Member Comment, Other Notes |
|---|--|-----------------------------------|---|---------------------------------|
| | 76-13-104(8) and encourage their implementation. | | | |
| <p><u>Staff Comment:</u> Use of best management practices for timber sales and logging are the inspiration for this proposal. Section 76-13-101(2) states: "To achieve the conservation of natural and watershed resources, the legislature encourages the use of best management practices in timber sale planning, associated road construction and reconstruction, timber harvesting, site preparation, and related activities and establishes a process to ensure that information on best management practices is provided to owners and operators engaged in forest practices on private land."</p> | | | | |
| 6. | <p>Create a Montana Fire Management Easement Program to create an incentive-based voluntary way for landowners who take a series of defined actions to reduce the risk of catastrophic fire and to be compensated for taking those actions.</p> <p>To comply, a landowner must live within a wildland-urban interface area described or identified through a Community Wildfire Protection Plan. To qualify for the program, the landowner must:</p> <p>(a) agree to limit further residential development on the property to a maximum of one additional residence;</p> <p>(b) agree to work with a land trust and a professional forester or designated local fire official to site any new residence based on conservation values and fire protection priorities;</p> <p>(c) participate in a Montana Extension Forestry Forest Stewardship Workshop or work with a professional forester to create a Forest Stewardship Plan for the property;</p> <p>(d) comply with defensible space standards spelled out in the DNRC "Fire Protection Guidelines for Wildland Residential Interface Development";</p> <p>(e) build any new structures using firewise construction materials as adopted by the Montana Department of Labor and Industry. Structures must comply with Uniform Building Codes and Uniform Fire Codes.</p> | Bill draft and HB 2 appropriation | public comment (Montana Association of Land Trusts) | |

| | Recommendation | Form | Source | FSC Member Comment, Other Notes |
|--|--|------------|--------|---|
| | <p>The enforcement of these construction/residential measures would be initially addressed by DNRC, the Montana Department of Labor and Industry and local fire officials. Land trusts would be responsible for annual monitoring and enforcement duties.</p> <p>A qualifying landowner would be eligible to receive an income tax credit.</p> | | | |
| <p><u>Staff Comment:</u> There may be a need for FTE at DNRC and DLI to provide the enforcement and inspection. Local fire entities may also need funding to assist with these duties.</p> | | | | |
| 7. | <p>Require the Department of Labor and Industry to craft building standards for houses built within the WUI.</p> <p>The standards would include fuels reductions around structures, thinning of trees around structures, fire retardant materials.</p> <p>DLI would have the inspection authority.</p> | Bill draft | Laible | <p>Sen. Laible: <i>Standards will only apply to new construction and can be triggered by electrical permits, since we have an inspector that goes to every new house.</i></p> |
| <p><u>Staff Comment:</u> (1) There needs to be a distinction made between building standards and vegetation management standards. A DLI inspector trained in building codes and standards may not be the appropriate person to determine compliance with vegetation management standards.</p> <p>(2) The committee may want to consider vegetation management inspection by a local fire entity, which may require funding to do so.</p> <p>(3) The rules being developed under 50-60-901 will provide a list of items for local governments to consider during subdivision review when determining whether wildfire hazards in a proposed subdivision can be overcome by construction techniques.</p> <p>(4) This proposal would also need to identify which entity would be responsible for delineating the WUI and require that delineation so everyone knows where this law is effective. The committee may want to consider the proposal applying to "high fire hazard areas" rather than the WUI, however, some entity will still need to be responsible for identifying those areas.</p> <p>(5) The committee may want to consider requiring modification and adoption of the International Urban Wildland Interface Code by DLI. This was among the original proposals considered by the WUI Subcommittee.</p> | | | | |
| 8. | Require definition of the WUI on a statewide level so that it is | Bill draft | Laible | Sen. Laible: <i>The definition must be</i> |

| | Recommendation | Form | Source | FSC Member Comment, Other Notes |
|-----|--|----------------------------------|---------------|---|
| | clear to all communities what constitutes a threat. | | | <i>based on good science, not just conjecture. An example would be basal density of trees within the platted land, or proximity to Forest Service Lands, proximity to steep upslope grades, etc. DNRC should be able to come up with a simple definition which covers 90% of the lands.</i> |
| 9. | Change the state fire policy statute (76-13-115) to make it clear that homeowners are responsible for their own home protection from wildland fires; that the state is not under any obligation regardless of taxes paid to the state for wildland fire protection to protect one's house; and what the purpose is of fire protection taxes. | Bill draft | Cobb | |
| 10. | Give counties the authority to require classes by all new homeowners and landowners on the proper protection of homes from wildland fires before any title of land or home transfer is allowed. | Bill draft | Cobb | |
| 11. | Authorize counties to require that in all transfers of land dealing with a real estate agent the agent shall give to the new owner a manual for protecting homes from wildland fires and require that the new owner certify at the time of sale that the home meets any local requirements for protection from wildland fires. | Bill draft | Cobb | <i>Sen. Cobb: This bill need not be drafted if the real estate industry can show this committee or the legislature another voluntary approach that has similar results.</i> |
| 12. | The committee opposes any further Plum Creek land sales for residential development and recommends that the legislature facilitate county zoning against this type of development until affected local entities are satisfied that subdivisions on Plum Creek lands will be adequate for small fire protection. | Bill draft, FSC report statement | Cobb | <i>Sen. Cobb: The committee received a letter from Plum Creek concerning fees to help pay for fire costs (Appendix X) and we have not received any specific response to our letter (Appendix X) asking for specific ways to pay for those costs.</i> |

| | Recommendation | Form | Source | FSC Member Comment, Other Notes |
|-----|---|----------------------|----------------------------------|---------------------------------|
| | <p><u>Staff Comment:</u> (1) The committee staff received from Plum Creek on Aug. 28 a packet of information containing the fire covenants that Plum Creek uses for any development project the company undertakes and an excerpt from the "Code of the New West", which is also part of covenants for new projects. The information was forwarded to committee members.</p> <p>(2) A bill to "facilitate county zoning" would likely amend section 76-2-205(6), the protest provisions for county zoning, which provides that : "if 40% of the freeholders within the [proposed zoning] district whose names appear on the last-completed assessment roll or if freeholders representing 50% of the titled property ownership whose property is taxed for agricultural purposes under 15-7-202 or whose property is taxed as forest land under Title 15, chapter 44, part 1, have protested the establishment of the district or adoption of the regulations, the board of county commissioners may not adopt the resolution and a further zoning resolution may not be proposed for the district for a period of 1 year."</p> | | | |
| 13. | The state fire units and local fire units need to make clear what their capabilities are to fight fires and types of fires to homeowners and landowners. Unless they do so, no more money will be allocated to them by the legislature. | Bill draft | Cobb | |
| 14. | No new legislation is necessary. The statutory tools and programs already exist to assist homeowners, local governments, and fire agencies to handle growth and development in the WUI. | FSC report statement | WUI Subcommittee | |
| 15. | <p>Allow local regulation/enforcement of mitigation measures in the WUI.</p> <p>(a) Authorize a local government to regulate and enforce fire mitigation measures such as vegetation management, use of fire resistant building materials.</p> <p>(b) It would be discretionary for local governments.</p> <p>(c) If a local government chooses to implement this authority, it would be required to designate the area where these regulations would be in effect.</p> <p>(d) There would be no protest provision, but an appeals process and possible variance opportunity.</p> <p>(e) Incentives may encourage local governments to "opt in".</p> | Bill draft | WUI Subcommittee, public comment | |

| | Recommendation | Form | Source | FSC Member Comment, Other Notes |
|---|--|---------------------|----------------------------------|---------------------------------|
| <p><u>Staff Comment:</u> Standards required could be those implemented in rule under 76-13-104(8) and under 50-60-901 and 50-60-902, pursuant to SB 51(2007).</p> | | | | |
| 16. | <p>Grant funding for local prevention and mitigation programs.</p> <p>Appropriate money to DNRC from the general fund to use for a grant program. Local governments could apply for funding programs to:</p> <ul style="list-style-type: none"> (a) help planning offices delineate the WUI; (b) target WUI homeowners with mitigation efforts; (c) establish and maintain prevention programs. | Bill draft and HB 2 | WUI Subcommittee, public comment | |
| <p><u>Staff Comment:</u> The Western Wildland Urban Interface Grant Program, administered by DNRC, uses State Fire Assistance funding provided by the federal government as part of the National Fire Plan to assist people and communities in mitigating wildfire risk in the WUI. This proposal would use state funds for similar purposes.</p> | | | | |
| 17. | <p>Offer tax incentives for forest property owners who manage their lands for reduced wildfire hazards, using the Montana Tree Farm System database or Forest Stewardship Program.</p> <p>Owner must have a recognized and approved forest management plan.</p> | Bill draft | WUI Subcommittee, public comment | |
| <p><u>Staff Comment:</u> The committee may want to set an acreage threshold, such as 10 acres, needed to qualify.</p> <p>The committee should consider that the incentive be an income tax incentive rather than property tax. An income tax incentive will impact the general fund; property tax would impact local governments and schools.</p> | | | | |
| 18. | <p>Require national Firewise certification or certification that a development meets the best practices standards established by DNRC/DLI under 76-13-104(8) and under 50-60-901 and 50-60-902 (SB 51) prior to subdivision final plat approval if proposed subdivision is in a WUI area as designated by the county.</p> | Bill draft | WUI Subcommittee, public comment | |
| 19. | <p>Authorize local governments to form a taxing jurisdiction to pay for fuel reduction projects and tax either through sales or property tax to protect their homes. Authorize local governments to use the revenue from an existing sales tax or</p> | Bill draft | Cobb | |

| | Recommendation | Form | Source | FSC Member Comment, Other Notes |
|-----|---|------------|--------|---------------------------------|
| | any new local option tax for fuel reduction projects around communities. | | | |
| 20. | Require regular updates of the list of communities at risk for wildfire (Appendix X) and identification of the top 10 highest-risk communities. | Bill draft | FSC | |

B. Funding for Fire Protection, Suppression, Fuel Treatment

| | Recommendation | Form | Source | FSC Member Comment, Other Notes |
|---|---|------------------|-------------------------------------|---|
| 1. | Statewide mill levy to replace assessments for protection -OR- to pay for suppression. | Bill draft | Laible, public comment | Sen. Laible: <i>The amount would be enough to fund X% of DNRC's fire program if it is to be used for fire protection [as assessments currently are]; if used for fire suppression, the suggestion is for a 3 mill statewide levy which would provide approximately \$ 6.3 million, which means the state general fund would have to contribute less than \$ 19.0 million to the fire suppression fund per year.</i> |
| <u>Staff Comment:</u> Assessments pay for fire protection -- for preparation, resources and readiness; the general fund pays for suppression. | | | | |
| 2. | In addition to #1 above, Montana should have in statute and biennium funding for Fire Suppression Fund in the amount of \$ 25.0 million per year, funded out of the general fund and the rainy day fund (see #3). | Bill draft, HB 2 | Laible | Sen. Laible: <i>Any amounts required over \$ 25.0 million per year would be handled as a supplemental.</i> |
| 3. | Create a rainy day fund similar to legislation Sen. Laible carried during the 2005 session. | Bill draft | Laible, Infrastructure Subcommittee | Sen. Laible: <i>There were two funds within the bill: one was for setting money aside for a rainy day, and the other was for an emergency fund,</i> |

| | Recommendation | Form | Source | FSC Member Comment, Other Notes |
|--|---|------------------|----------------|--|
| | | | | <i>which could now be called an emergency fire suppression fund.</i> |
| Staff Comment: The Infrastructure Subcommittee recommendation was to develop legislation that would set aside a portion of the ending fund balance for fire costs. That funding could be deposited into the current suppression fund. | | | | |
| 4. | Request the Board of Regents to increase funding within the two year college system for fire suppression training and a two-year certificate. | Bill draft, HB 2 | Laible | |
| 5. | Do not allow the state fire agency any new funding until the legislature is assured that the agency has reviewed and responded to any relevant public comments made to the FSC. | Bill draft, HB 2 | Cobb | |
| Staff Comment: Relevant comments would need to be identified. | | | | |
| 6. | Do not allow state agencies that own or manage land to receive funding until they have a management plan to manage all high risk fire lands on their properties. | Bill draft, HB 2 | Cobb | |
| Staff Comment: An entity would need to be identified that would review/approve the management plan. | | | | |
| 7. | Establish a fire fund of \$10 million per year for fire suppression through a statutory appropriation and allow the legislature to determine how those funds will be disbursed. | Bill draft | Cobb | |
| 8. | Establish a fire fund of \$10 million per year for fire suppression through a statutory appropriation and authorize DNRC to use any unexpended funds for: (a) additional county co-op equipment; (b) DNRC equipment; (c) fuels mitigation grant programs; (d) Rural Fire Assistance matching grants for counties. | Bill draft | public comment | |

| | Recommendation | Form | Source | FSC Member Comment, Other Notes |
|---|--|------------------|-----------------------------------|--|
| 9. | Remove the sunset provisions for the suppression fund. | Bill draft | Cobb, Infrastructure Subcommittee | |
| <u>Staff Comment:</u> The Infrastructure Subcommittee also recommended reducing the upper limit in the account from \$40 million to \$25 million. | | | | |
| 10. | Require a statutory appropriation each biennium of \$20 million to the fire suppression fund or a rolling average based on a percentage of the costs of fires to the state over a period of years. | Bill draft | Cobb | |
| 11. | Reduce the Governor's Emergency Fund to \$10 million, provide the other \$6 million to the fire fund, then transfer the amount needed to establish the fund balance at the seven year rolling average (less high and low years), and cap the fund at \$20 million. | Bill draft | Infrastructure Subcommittee | |
| <u>Staff Comment:</u> This would be implemented by removing the sunset on the fire suppression fund and changing the statutory funding structure. | | | | |
| 12. | If there is any money left over from the \$40 million fund, it be put back into the statutory appropriation for the next two years and then the statutory \$10 million to come into effect each year after that. | Bill draft | Cobb | |
| 13. | If there is any other money left of the \$40 million appropriation after the statutory appropriation for suppression is made, the money should be used immediately for fuel reduction around communities. Fuel reduction funds are only for fuel reductions and not for education or other projects. Local in-kind contributions of some amount or percentage are required for any fuel reduction funds. | Bill draft | Cobb | |
| 14. | Fire protection funds be allocated to a new account for fuel reductions around communities and the fire protection funds be that were being used for the fire agency be backfilled by the general fund. | Bill draft, HB 2 | Cobb | |

| | Recommendation | Form | Source | FSC Member Comment, Other Notes |
|---|--|------------------|---------------|--|
| 15. | There is a need for money now to handle the backlog of fuel reduction around communities in this state. Either the legislature should put that money up, take left over money from the \$40 million fire protection left over from above, or allocate a percentage each year above the general fund ending fund balance for the next 5 years to reduce fuel reduction loads to a more manageable amount. | Bill draft, HB 2 | Cobb | |
| <p><u>Staff Comment:</u> It costs an estimated \$1,000 per acre to treat fuels. There are 3 million acres of nonindustrial forest land in the wildland-urban interface.</p> <p>According to DNRC, a realistic scenario is \$10 million could treat 20,000 acres per year assuming a 50-50 share with the landowner. In 10 years, 200,000 acres could be treated at a total cost of \$100 million.</p> | | | | |
| 16. | The state fire agency should be fully funded for its equipment. That is enough personnel for helicopters and fire engines. An additional number of helicopters and fire engines are needed each year in the next 4 years. | HB 2 | Cobb | See DNRC Critical Resource Needs |
| <p><u>Staff Comment:</u> See DNRC Budget Recommendations (p. x)</p> | | | | |
| 17. | Collection of fire protection funds should be made simpler and the collection problems associated with condominiums should be fixed. If the money is not going to be applied to fuel reduction, it should be raised each year by X% of costs of fires each year based on 5-year average. | Bill draft | Cobb | |
| 18. | Any legislative funding reviews must include the use of new fire techniques including use of heavy equipment. | Bill draft | Cobb | |
| 19. | The fire protection tax should be doubled to \$90 per year for 5 years to get a handle on the backlog of fuel reduction projects around communities to then allow it to go back to same price as before to then be a sustainable amount. | Bill draft | Cobb | |
| 20. | The legislature should appropriate \$2 million each year general fund to be used as match money at no less than 50% up to 75% for lower income Montanans to purchase wood | Bill draft, HB 2 | Cobb | See also Logging/Milling Infrastructure recommendations. |

| | Recommendation | Form | Source | FSC Member Comment, Other Notes |
|--|--|----------------------------|-------------------------------------|---------------------------------|
| | stoves and wood furnaces under terms set by state standards for pollution. This is for the next 2 years budget only. This money could come from the money left over from the \$40 million if not used elsewhere. If used elsewhere then from the general fund. | | | |
| <u>Staff Comment:</u> See Wood Products Industry Recommendations (p. x). | | | | |
| 21. | DNRC needs equipment and staff to grow or simply maintain its activity each year if conditions and policies don't change or as demographic trends continue. | FSC report statement, HB 2 | Cobb | See DNRC Critical Resource List |
| <u>Staff Comment:</u> See DNRC Budget Recommendations (p. x). | | | | |
| 22. | Maintain general fund as main suppression funding source but shift a portion of preparedness and suppression to those groups responsible for increased suppression costs. | Bill draft | Infrastructure Subcommittee | |
| <p><u>Staff Comment:</u> (1) The proposal would implement the following funding structure: 60% from the general fund; 15% per acre fee on at-risk land; 15% fee on structures on at-risk land; and 10% from other entities.</p> <p>(2) A determination would need to be made on the definition of "at-risk land" and on what other entities would need to be involved.</p> | | | | |
| 23. | Deposit FEMA reimbursements into state federal special revenue fund to be used for fuels reduction. | Bill draft | Ripley, Infrastructure Subcommittee | |
| <u>Staff Comment:</u> The proposed bill would create the fund and require that FEMA reimbursements to the state are to be deposited there. | | | | |
| 24. | Remove the requirement in 76-13-207 that the total amount of assessments received by DNRC from landowners not exceed one-third of the amount specified in the appropriation for fire protection costs. | Bill draft | public comment | |
| <u>Staff Comment:</u> Revenue generated from assessments would continue to rise with increased parceling of forest land. | | | | |

| | Recommendation | Form | Source | FSC Member Comment, Other Notes |
|---|--|------------------|-----------------------|--|
| 25. | Raise the cap on costs for protection from fire provided in 76-13-201 from \$45 per landowner and not more than an additional \$.25 per acre per year for each acre in excess of 20 acres to \$50 per landowner and not more than an additional \$.30 per acre per year for each acre in excess of 20 acres. | Bill draft | public comment | |
| 26. | Create separate line item in HB 2 for county co-op program that is equal to one-third of DNRC's fire program. | HB 2 | public comment | |
| <u>Staff Comment:</u> Based on FY 10-11, that would be about \$800,000. | | | | |
| 27. | More frequent replacement of wildland fire engines | Bill draft, HB 2 | Keane, public comment | |
| <u>Staff Comment:</u> See DNRC Budget Recommendations (p. x). | | | | |

C. Federal Forest and Wildfire Policy; State/Federal/Local Relations

| | Recommendation | Form | Source | FSC Member Comment, Other Notes |
|--|--|-------------|-------------------------|--|
| 1. | State initial attack on all lands, regardless of jurisdiction, if a fire threatens to move onto state or private land. | Bill draft | Laible, Ripley, Cobb | |
| <u>Staff Comment:</u> DNRC does have an agreement with federal agencies that allow for IA under certain circumstances. However, it does not provide the broad authority that this proposal envisions. | | | | |
| 2. | Require DNRC to apply for NEPA cooperating agency status | Bill draft | Vincent, public comment | |
| <u>Staff Comment:</u> DNRC may need FTEs and funding to implement. SB 293 (2007), sponsored by Sen. Laible, provided that DNRC shall "represent the state's interest in the federal forest management planning and policy process, including establishing cooperative agency status with federal agencies." This is codified in section 76-13-702. | | | | |

| | Recommendation | Form | Source | FSC Member Comment, Other Notes |
|--|--|-------------------------|---------------|--|
| 3. | <p>Resolution in support of the following NACo resolution:</p> <p>"Adopted policy: The National Association of Counties calls on Congress to enact legislation granting a Governor authority to declare a crisis when the severity of fire danger from fuels on identified federal lands within that state pose a significant threat to public health and safety, or there would be a probable loss of homes and property if wildfires occur.</p> <p>Upon the declaration of a crisis, responsible federal agencies would fast-track a mitigation plan to reduce forest fuels. The mitigation planning would be excluded under the NEPA appeal process. Any claimant filing a court action against the plan would be required to post a damage bond of ten (10) percent of the value of the property that would be protected under the mitigation plan."</p> | Bill draft - resolution | Vincent | |
| <p><u>Staff Comment:</u> (1) The Environmental Quality Council approved the drafting of a resolution in support of the NACo resolution for the purposes of gathering public comment. EQC's final decision on whether to formally request the draft will in September.</p> <p>(2) NACo has since amended the adopted policy to read: The National Association of Counties calls on Congress to grant a Governor authority to declare a state of emergency when the severity of fire danger from fuels on identified federal lands within that state pose a significant threat to public health and safety."</p> | | | | |
| 4. | Amend provisions of 76-13-701 and 76-13-702 to allow the state to intervene on any fuel loading conditions that it considers to be a significant threat to public health and safety and appropriate some level of funding for implementation. | Bill draft | Vincent | |
| 5. | Amend the provisions of 77-5-216 to increase the percentage DNRC may exceed sustained yield on trust lands for forest health concerns from 5% to 10%. | Bill draft | Vincent | |
| 6. | Enact a bill that requires all landowners (including federal landowners) to be responsible for fires and fire protection on their own lands. | Bill draft | Cobb | |
| 7. | Require DEQ to fine federal agencies for air pollution violations for all fires that were not immediately suppressed as | Bill draft | Cobb | |

| | Recommendation | Form | Source | FSC Member Comment, Other Notes |
|--|---|-------------------------|----------------|--|
| | the state does and provide that there be no double standards for air pollution laws in this state. | | | |
| <u>Staff Comment:</u> Air pollution is discussed in a memo from Todd Everts to Sen. Cobb, Appendix X. | | | | |
| 8. | The legislature should pass a bill to allow no transfer of direct protection lands from the federal agencies to state agencies. | Bill draft | Cobb | |
| 9. | The legislature should pass a bill that prohibits transfer of direct protection land from federal agencies for Plum Creek lands or the lands near Big Sky without legislative permission. | Bill draft | Cobb | |
| 10. | The legislature should pass a bill that allows state agencies and local agencies to enter federal lands without consent of the landowning agency to do fuel reduction during and before fire seasons in order to protect wildland-urban interface areas. | Bill draft | Cobb | |
| 11. | An amount of \$500,000 should be set aside as a line item in HB 2 each biennium for the state to participate in lawsuits brought against federal agencies for forest management. This does not mean every lawsuit, but where the state's interest should be involved in said lawsuit. | HB 2 | Cobb | |
| <u>Staff Comment:</u> SB 293 (2007), sponsored by Sen. Laible, gave DNRC the authority to intervene in litigation or appeals on federal forest management projects that comply with forest management policy and in which local and state interests are clearly involved. This is codified in section 76-13-702. | | | | |
| 12. | <p>Joint legislative resolution to be forwarded to Montana's congressional delegation that the legislature intends federal fire policy be modified so that:</p> <p>(a) there is safe and aggressive initial attack on all federal lands where there is a potential for the fire to move to state or private land;</p> <p>(b) there be active engagement of the state, local government, and landowners in land and fire management operations; and</p> <p>(c) the federal government be responsible for costs and</p> | Bill draft - resolution | public comment | |

| | Recommendation | Form | Source | FSC Member Comment, Other Notes |
|--|--|-------------------------|----------------|---------------------------------|
| | resource losses for large fires for which no direct suppression action was taken or where the federal government shifts control actions onto state or private land. | | | |
| 13. | <p>Joint legislative resolution to be forwarded to Montana's congressional delegation that:</p> <p>(a) the Montana Legislature expects five landscape-level (5,000 acres or more) forest management projects on the nine national forests in Montana to be completed within the year;</p> <p>(b) stewardship contracts be the preferred, but not exclusive, tool to implement the projects;</p> <p>(c) the legislature expects support for rural economies in the production of logs to feed mills; and</p> <p>(d) the legislature urges the congressional delegation to sponsor legislation for a pilot project in which DNRC trust lands would lease 1 million acres of federal forest land and that the terms of the lease dictate that state laws and policy would supercede federal laws and policy on those acres.</p> | Bill draft - resolution | public comment | |
| 14. | When state costs reach \$5 million in a fire season, DNRC is required to reassess and possibly amend the Wildland Fire Situation Analyses (WFSAs) for the incidents. | Bill draft | FSC | |
| <p><u>Staff Comment:</u> According to the USFS website (http://www.fs.fed.us/fire/wfsa/wildland_situation%20analysis.htm), a WFSAs " is required when the documentation of suppression decisions needs to occur – because one the following conditions have taken place... :</p> <p>Wildland fire escapes initial actions or is expected to exceed initial action. A wildland fire being managed for resource benefits exceeds prescription parameters in the fire management plan. A prescribed fire exceeds its prescription and is declared a wildland fire."</p> <p>"The purpose for completing a WFSAs is to convey to an Incident Management Team (IMT) the critical objectives and priorities as defined by an Agency Administrator for a given incident."</p> | | | | |

D. Local Government; Volunteer Firefighters

| | Recommendation | Form | Source | FSC Member Comment, Other Notes |
|---|--|--------------------------|---------------|--|
| 1. | Similar to LCS5-1, license plates and tax credits, being drafted for the CFHHS Committee. Adapt this draft for volunteer fire fighters. | Bill draft | Laible | |
| <u>Staff Comment:</u> The Montana State Council of Professional Firefighters and the Montana State Fire Chiefs' Association have license plate designs under the Generic Specialty License Plate act. | | | | |
| 2. | Similar to LCS5-4, tax incentives, being drafted for the CFHHS Committee. Adapt this draft for volunteer fire fighters. This would also allow business some tax relief for having volunteer fire fighters. | Bill draft | Laible | |
| 3. | Similar to LCS5-5 being drafted for the CFHHS Committee, creation of a grant program-\$1 million volunteer fire districts -check with fiscal staff and LAD for a funding source. | Bill draft | Laible | |
| 4. | Amend 7-33-2001 regarding the liability of the fire chiefs for volunteer districts. Make consistency with national and other appropriate standards a goal and not a requirement. | Bill draft | Laible | |
| <u>Staff Comment:</u> The bill has been requested. It is LC 164. | | | | |
| 5. | Governors will consult with local line officers of federal agencies, their own fire specialists and local fire departments, as well as local elected officials to determine the severity of fire danger from fuels on federal lands. If the fire danger from said fuels poses a significant threat to public health and safety, as well as homes, and private lands, the Governor may declare a state of emergency. Basic provisions include: (a) Governors of states with federal land ownership that have threats of catastrophic wildfires have the authority to trigger special actions. (b) Grant authority to the governor to declare a state of | Bill draft -- resolution | Laible | |

| | Recommendation | Form | Source | FSC Member Comment, Other Notes |
|--|---|---------------------------------|--------|---|
| | <p>emergency if he/she determines that any community is at risk of a catastrophic fire event as a result of over fueling within the national forest systems or lands within our state.</p> <p>(c) The responsible federal official will have six months from the date of the declaration to develop a plan of action to reduce the fuels to an agreed upon level, conduct fast track public involvement, complete an expedited NEPA analysis and document the analysis and decision.</p> <p>(d) As a result of this declaration the administrative reviews process (appeals) will be suspended.</p> | | | |
| <u>Staff Comment:</u> This would need congressional action to implement. | | | | |
| 6. | A bill draft to provide additional funding to counties based on population, with a general fund cost of approximately \$ 3.0 million per year. The funding will be used to supplement law enforcement, and for volunteer firefighter equipment and resources. | Bill draft, appropriation, HB 2 | Laible | Sen. Laible: <i>A funding formula was in a bill last session by Rep. Gary MacLaren for getting money back to communities for planning. Well, no use planning, if the community is going to burn down!</i> |
| 7. | <p>The state of Montana should not fund any further local efforts for firefighting or police protection, etc. unless local governments, either to the legislature or the agency that administers the money, demonstrate that they have in place the following:</p> <p>(a) The local government is in the process of establishing through NEPA cooperating agency status with federal agencies concerning land and forest management.</p> <p>(b) Local fire departments and local law enforcement officials have in place an active, ongoing training of homeowners and landowners on how to protect their homes and lands from fires.</p> | Bill draft | Cobb | |

| | Recommendation | Form | Source | FSC Member Comment, Other Notes |
|---|--|---|----------------|---|
| | (c) Those local officials have reviewed the relevant public comments made to the committee and that they have responded publicly to those comments. | | | |
| 8. | The legislature should maintain the amounts going to local fire agencies if the above are met. | HB 2 - county-co-op program appropriation | Cobb | Sen. Cobb: <i>What is really needed is to have about ___ more units in the communities each year at a cost \$x of additional funds each year.</i> |
| 9. | Allow volunteer firefighters who are public employees to serve without having to use vacation or other leave time. | Bill draft | public comment | |
| 10. | Allow a local government, through enforcement of a community decay ordinance, to engage in fuels treatment on land within the physical boundaries of the local government's jurisdiction but not under the local government's ownership. | Bill draft | Lewis | |
| <p><u>Staff Comment:</u> (1) A June 11, 1993, letter by Attorney General Joe Mazurek specifically addresses county commission authority to regulate land use upon federal or state lands (Appendix X).</p> <p>(2) Community decay is defined in 7-5-2110 and a local government's authority to control community decay is provided in 7-5-2111.</p> | | | | |
| 11. | Allow for a per diem payment or tax credit to volunteer firefighters, the amount of which would be based on the number of calls to which the firefighters responds. | Bill draft | FSC | |
| <p><u>Staff Comment:</u> A source of funding for this proposal would need to be identified.</p> | | | | |
| 12. | Allow volunteer firefighters to participate in county government health insurance pool. | Bill draft | Ripley | |
| <p><u>Staff Comment:</u> A bill draft to implement the above proposal would likely amend section 2-18-701 to include volunteer firefighters in the definition of "employee". The definition applies only to Title 2, chapter 18, part 7 -- Group Insurance Generally. There may be a fiscal impact to counties if counties contribute to the cost of coverage for insureds.</p> | | | | |

E. Wood Products Infrastructure

| | Recommendation | Form | Source | FSC Member Comment, Other Notes |
|---|--|---------------------------|---------------|--|
| 1. | <p>Build a relationship between forested landowners and the wood products industry with oversight from DNRC. Try on a pilot basis. Redirect a portion of the assessment fee to fund landowner participation.</p> <p>DNRC could:</p> <p>(a) Recruit forest product companies and match with local landowners or land associations for fuel reduction projects, logging etc.;</p> <p>(b) Establish the guidelines for large and small forested land management to meet industry and fire management concerns.</p> <p>Wood products industry could:</p> <p>(a) establish working agreement with forested landowners, or land associations;</p> <p>(b) create, cooperatively with landowners, the land management plan.</p> <p>Landowners would have to:</p> <p>(a) make commitment to land management issues;</p> <p>(b) show willingness to maintain initial investment.</p> | Bill draft, appropriation | Cobb | |
| <p><u>Staff Comment:</u> (1) Potential benefits to wood products industry: access to raw material, community relations, good neighbor policy; to homeowners: land management; to DNRC: an ability to manage lands that are not within agency's direct control and an opportunity to manage fire on the landscape in a different manner.</p> <p>(2) Questions include: Could you create a link between land trusts and the wood products industry? Could non-trust lands be a part of this program, i.e. land management of the forested areas of the prison ranch? How approachable are the land owners? Would this cut out the local independent logger? What if the market for wood products changes drastically and supply is not an issue? What is the length of the "pilot"? Who bears the costs of getting the product to the mill?</p> | | | | |
| 2. | Two-year tax holiday for wood products industries. | Bill draft | Cobb | |

| | Recommendation | Form | Source | FSC Member Comment, Other Notes |
|--|--|------------------------|----------------|--|
| 3. | The waste or fuels from all fuels reduction projects are to be provided free of charge to logging and milling companies or for methanol or heating projects. | Bill draft | Cobb | |
| 4. | The legislature should exempt the first 50,000 incomes of those incomes from fuel for wood stoves and furnaces. This is not for multiple stores like Wal-Mart, but one time per employer. | Bill draft | Cobb | |
| 5. | The legislature should appropriate \$2 million each year general fund to be used as match money at no less than 50% up to 75% for lower income Montanans to purchase wood stoves and wood furnaces under terms set by state standards for pollution. This is for the next 2 years budget only. This money could come from the money left over from the \$40 million if not used elsewhere. If used elsewhere then from the general fund. | Bill draft, HB 2 | Cobb | |
| Staff Comment: See Funding Recommendations for Fire Protection, Suppression, Fuel Treatment (p. x). | | | | |
| 6. | <p>Joint legislative resolution to be forwarded to Montana's congressional delegation that:</p> <p>(a) the Montana Legislature expects five landscape-level (5,000 acres or more) forest management projects on the nine national forests in Montana to be completed within the year;</p> <p>(b) stewardship contracts be the preferred, but not exclusive, tool to implement the projects;</p> <p>(c) the legislature expects support for rural economies in the production of logs to feed mills; and</p> <p>(d) the legislature urges the congressional delegation to sponsor legislation for a pilot project in which DNRC trust lands would lease 1 million acres of federal forest land and that the terms of the lease dictate that state laws and policy would supercede federal laws and policy on those acres.</p> | Bill draft, resolution | public comment | |

| | Recommendation | Form | Source | FSC Member Comment, Other Notes |
|---|--|------------|----------------|---------------------------------|
| <u>Staff Comment:</u> See Federal Forest and Wildfire Policy Recommendations. | | | | |
| 7. | Biomass tax credit, similar to Oregon's law | Bill draft | public comment | |
| <u>Staff Comment:</u> The credit would go to the suppliers of biomass, not the purchasers (mills) of the biomass; however, the mills receive supply. | | | | |
| 8. | Amend 69-3-2003, definitions for the Montana Renewable Power Production and Rural Economic Development Act, to allow for a bio gen facility with more total calculated nameplate capacity than is currently allowed. | Bill draft | Lewis | |
| <u>Staff Comment:</u> Section 69-3-2003(3) and (12) limit the megawatts in total calculated nameplate capacity and the location of the production facility. A bio gen plant would use biomass collected from fuels reduction projects. | | | | |

F. Contracting

| | Recommendation | Form | Source | FSC Member Comment, Other Notes |
|---|--|----------------------|--------------------------|---------------------------------|
| 1. | Recommend generally that the private contracting community and state, local, federal, and tribal fire suppression agencies maintain open communications and coordinate activities. | FSC report statement | Contracting Subcommittee | |
| 2. | Recommend generally that the Northern Rockies Coordinating Group work with representatives from the private contracting community to increase the over-all efficiency of the equipment inspection process. | FSC report statement | Contracting Subcommittee | |
| <u>Staff Comment:</u> The Subcommittee heard testimony that the state and federal fire suppression agencies will eliminate unnecessary inspections and that those agencies have pledged to increase the efficiency of the inspection process for future fire seasons. | | | | |
| 3. | Recommend that the Northern Rockies Coordinating Group work with representatives from the private contracting community | FSC report statement | Contracting Subcommittee | |

| | Recommendation | Form | Source | FSC Member Comment, Other Notes |
|----|--|------------------------------|--------------------------|--|
| | where possible to conduct joint training sessions. | | | |
| 4. | <p>Recommend that Department of Labor coordinate with the Northern Rockies Coordinating Group to ensure that private contractors working on the fire lines are complying with the workers' compensation laws.</p> <p>Recommend that the State Fund and private insurance companies work with the fire suppression contracting community to ensure reasonable workers' compensation insurance rates.</p> <p>Recommend that the FSIC write a letter (Appendix X) to the Department of Labor and the State Fund requesting those agencies' involvement in solving these workers' compensation issues.</p> | FSC report statement, letter | Contracting Subcommittee | |
| 5. | Recommend FSIC support for the current Northern Rockies Coordinating Group dispatch system that utilizes the closest resource concept that involves local governments, state, federal and private contracting resources that is most cost effective and efficient for the taxpayers and local communities. | FSC report statement | Contracting Subcommittee | |
| 6. | Recommend that the fire suppression contracting community form at most, one or two associations (including the aviation contractors) to represent private contractors across the state and to provide one voice before the legislature and state and federal fire suppression agencies. | FSC report statement | Contracting Subcommittee | |
| 7. | Recommend that the Montana Legislature and the federal fire suppression agencies increase the number of incident business advisors that are deployed on fires throughout Montana in order to improve the efficiency of deploying private contractors and tracking costs. | FSC report statement | Contracting Subcommittee | |
| 8. | Recommend FSIC support for the best value contracting process. | FSC report statement | Contracting Subcommittee | |
| 9. | Recommend that the FSIC send a letter to the Legislative Audit | Letter, FSC report | Contracting | |

| | Recommendation | Form | Source | FSC Member Comment, Other Notes |
|--|--|-----------|--------------|---------------------------------|
| | Committee requesting a performance audit of the Department of Natural Resources and Conservation's Aviation Program, including an evaluation of the need for additional helicopter managers. | statement | Subcommittee | |

G. Miscellaneous Recommendations

| | Recommendation | Form | Source | FSC Member Comment, Other Notes |
|---|---|------------|----------------|---------------------------------|
| 1. | Extend time limit on an emergency related to wildfire | Bill draft | public comment | |
| <p><u>Staff Comment:</u> Sen. Wanzenried requested a bill draft for this purpose in December 2007. It is LC11. Sen. Wanzenried sponsored a similar bill (SB 1) during the September 2007 special session.</p> | | | | |
| 2. | Require MDT maintenance of highway right-of-way to prevent wildfire starts by vehicles. | Bill draft | public comment | |

H. DNRC Budget Recommendations Provided by the Agency (in order of priority)

| Priority # and Title | FTE | Annual Cost | One Time Only (OTO) Cost | Description | Projected Annual Savings or Benefits | Assumptions |
|--|-----|-------------|--------------------------|---|--------------------------------------|--|
| 1. Extend engine crews to 7-day coverage | 7.0 | \$ 260,000 | 0 | Add or extend seasonal positions on DNRC engines to achieve 7 day full coverage. Operations funds (\$50,000) are included for equipment and fuel. | \$3.0 M | Prevent two 1000+ acre wildfires per year. |
| <p><u>Staff Comment:</u> The committee requested that the above item be approved by the Governor's Office of Budget and Program Planning (OBPP) for implementation during the 2008 fire season (Appendix x). The approval was provided by OBPP and these positions were created as modified for the 2008 fire season. The executive approved this item for submission into the budget process.</p> | | | | | | |

| Priority # and Title | FTE | Annual Cost | One Time Only (OTO) Cost | Description | Projected Annual Savings or Benefits | Assumptions |
|--|------|-------------|--------------------------|---|---|--|
| 2. Extend aviation crews to 7 day coverage | 6.79 | \$ 469,246 | 0 | Staff all helicopters with manager, crew, and fuel truck driver. Operations and capital of \$63,000 | \$3.0 M | Prevent two 1000+ acre wildfires per year. |
| <p><u>Staff Comment:</u> The committee requested that the above item be approved by the Governor's Office of Budget and Program Planning (OBPP) for implementation during the 2008 fire season (Appendix x). The approval was provided by OBPP and these positions were created as modified for the 2008 fire season. The executive approved this item for submission into the budget process.</p> | | | | | | |
| 3. County Rural Fire Coordinators | 2.0 | \$187,000 | 0 | Add a Rural Fire Specialist at the Northeastern and Southern Land Offices. Includes \$50,000 in capital and \$20,000 in operations. | Fire safety and improved coordination | |
| 4. Fire Business Specialists | 4.0 | \$300,000 | 0 | Two additional fire business staff for the Fire and Aviation Management Bureau and four half-time positions in field offices. Includes \$10k operations each. | \$750,000 in prevented expenditures. | Increased fiscal oversight during and after fire season operations, to work as incident business advisors and audit fire bills at fire season end. |
| <p><u>Staff Comment:</u> The committee requested that the above item be approved by the Governor's Office of Budget and Program Planning (OBPP) for implementation during the 2008 fire season (Appendix x). The item was not approved by OBPP.</p> | | | | | | |
| 5. Operations Section Supervisor | 1.0 | \$95,000 | 0 | Operations Section Supervisor to assist Fire and Aviation Management Bureau Chief. Includes \$20k capital and \$10k operations. | Firefighter safety and coordination of DNRC fire program. | |
| <p><u>Staff Comment:</u> The committee requested that the above item be approved by the Governor's Office of Budget and Program Planning (OBPP) for implementation during the 2008 fire season (Appendix x). The item was not approved by OBPP. However, through the re-direction of currently approved FTE, the position was filled in July of this year.</p> | | | | | | |

| Priority # and Title | FTE | Annual Cost | One Time Only (OTO) Cost | Description | Projected Annual Savings or Benefits | Assumptions |
|--|------|-------------|--------------------------|---|---|--|
| 6. Fire Safety Specialist | 1.0 | \$85,000 | 0 | Safety and investigation specialist for the Fire and Aviation Management Bureau. Includes \$20k capital and \$10k operation. | Firefighter safety | Increased focus on fire line and aviation safety and investigations. |
| <u>Staff Comment:</u> The above item was an action item resulting from a 2007 DNRC aviation safety investigation. | | | | | | |
| 7. Dispatch Center Staff | 4.25 | \$160,000 | 0 | Augment existing and add additional dispatch positions at all land offices. | Firefighter safety and equity with federal agencies | Increased representation in interagency dispatch centers to assure distribution of firefighting resources to state and local government fires. |
| <u>Staff Comment:</u> The committee requested that the above item be approved by the Governor's Office of Budget and Program Planning (OBPP) for implementation during the 2008 fire season (Appendix x). The item was not approved by OBPP. | | | | | | |
| 8. County Engines | 0 | 0 | \$1,000,000 | One-time additional development of 20 new county co-op engines to augment the Equipment Development Center's annual development of 15 engines. | \$500,000 | Prevent one 5,000+ acre fire in eastern Montana each year. Increased safety by removing old equipment from the field. |
| 9. Fuels Mitigation Fund | 0 | 0 | \$1,000,000 | Cost-share assistance to private landowners within the WUI to reduce fuels around home sites consistent with priorities in Community Wildfire Protection Plans. Estimated treatment of 1500 home sites. | \$500,000 | Prevent one 500 acre fire and one home from loss due to wildfire. Reduced extreme fire behavior, losses and cost |

| Priority # and Title | FTE | Annual Cost | One Time Only (OTO) Cost | Description | Projected Annual Savings or Benefits | Assumptions |
|--|-----|-------------|--------------------------|---|--------------------------------------|--|
| | | | | | | from fire on treated private lands. |
| 10. Aircraft Hangars | 0 | 0 | \$700,000 | Construct aircraft hangars in Kalispell and Missoula for DNRC aircraft. (Long Range Planning request) | \$700,000 | Security from weather and vandalism and adequate maintenance facility in the field. |
| <u>Staff Comment:</u> The above item is a Long Range Planning request. | | | | | | |
| 11. Communication System Support | 2.0 | \$280,000 | 0 | Two communication technicians to provide service to the current system. Includes purchase of vehicles, training, and operating costs. | Firefighter safety | Increase management of existing radio network to improve system reliability. |
| 12. Type 3 Incident Management Team Development & Support | 0 | \$300,000 | 0 | Provide support via training, equipment and vehicles. | \$500,000 | Prevent one Type 2 IMT deployment per year. Improved success in extended attack, reduced costs and losses. |
| 13. Eastside Capital and Mobile Kitchen | 0 | \$115,000 | 0 | Increase in one additional truck purchase per year for eastside land offices and provide support of state mobile kitchens. | \$250,000 | Prevent one national caterer mobilization per year. Ensure readiness of state mobile kitchens. |
| 14. Federal Excess Property Acquisition Staff | 1.0 | \$135,000 | 0 | One person to screen federal excess property as well as Department of Defense for parts and equipment. | \$100,000 | Cost savings from five federal excess vehicle vs. |

| Priority # and Title | FTE | Annual Cost | One Time Only (OTO) Cost | Description | Projected Annual Savings or Benefits | Assumptions |
|--|------|-------------|--------------------------|---|--------------------------------------|--|
| | | | | | | purchase of new vehicles. Increase capacity for state and local programs through excess equipment procurement. |
| 15. Twenty Person Type 2 Initial Attack Crew | 10.0 | \$680,000 | 0 | Development of a Type 2 team for DNRC use. Includes vehicles, equipment and training costs. | \$1.5 M | Prevent one 1500 acre fire by enhanced initial attack effectiveness and saving on contract or severity costs. |
| 16. Additional helicopter and crew | 4.0 | \$112,000 | \$325,000 | Funding to develop a MT 205 helicopter, hire seasonal pilot and support crew. | \$750,000 | Prevent one 1500 acre fire per year by increased initial attack effectiveness. |

I. DNRC Budget Recommendations Provided through Public Comment (not prioritized)

| Recommendation # and Title | FTE | Annual Cost | One Time Only (OTO) Cost | Description | Projected Annual Savings or Benefits | Assumptions |
|---|-----|-------------|--------------------------|---|--------------------------------------|---|
| 1. Continued Support of Volunteer Fire and Rural Fire Assistance Grants | 0 | 0 | 0 | Pass through grants from federal sources. | Increased resources | Provides support for training and equipment to rural fire and volunteer fire departments. |

| Recommendation # and Title | FTE | Annual Cost | One Time Only (OTO) Cost | Description | Projected Annual Savings or Benefits | Assumptions |
|--|-----|-------------|--------------------------|---|--|--|
| Staff Comment: The above item is currently funded with federal dollars only. Should the legislature wish to expand the program by adding a state appropriation, the fiscal impact would be that amount. | | | | | | |
| 2. Helicopter for eastern Montana based in Miles City | 4.0 | \$112,200 | \$325,000 | Funding to develop a MT 205 helicopter and hire seasonal pilot and support crew for stationing in Miles City. | \$500,000 | Prevent one 5000 acre fire by enhanced initial attack effectiveness. |
| 3. Additional staff in Northeastern and Eastern Land Offices | 2.0 | \$210,000 | \$60,000 | Funding to support two additional FTE for increased local support for fire prevention activities and training. OTO funding for vehicles for FTE. | Improved local coordination. | Increased state presence to aid in coordination of local resources with state and federal resources. |
| 4. Eastern Montana Training Coordinator | 1.0 | \$105,000 | \$30,000 | Funding to provide a training coordinator for eastern Montana. OTO funding for vehicle. | Improved local coordination, firefighter safety. | Local training for local fire personnel |
| 5. Accelerated County Engine Replacement | 1.5 | \$690,000 | \$375,000 | Accelerate vehicle replacement schedule to every twenty years from every thirty. Includes building modification for the Equipment Development Center. | \$500,000 | Prevent one 5000 acre fire in Eastern Montana per year. Increase effectiveness and safety in county co-op program. |

TOPICS OF STUDY

1. **Overview**
 - a. significant fire years - 1910, 1988, 2001, 2006, 2007 etc.
 - b. facts and figures, stats on fires over time (acres, number)
 - c. costs over time
2. **Funding**
 - a. how fire suppression has been funded in Montana
 - b. how much has it cost in previous years
 - c. how the state's share of costs are negotiated
 - d. DNRC's budget
 - e. what the infrastructure subcommittee studied
3. **State-fed-local relations**
 - a. Appropriate Management Response - DNRC's brief, FS response, local government paper
 - b. structure protection - what is it, how is it being interpreted, need to coordinate interpretation
 - c. coordination among agencies
 - d. Role/needs of the tribes
 - e. NEPA analysis and role for counties
4. **Local government**
 - a. county cooperative program/engine replacement
 - b. needs of counties as expressed during hearings (incl. Sheriff Leidle's testimony and others)
 - c. differences between Eastern/Western MT counties
5. **Wildland-Urban Interface**
 - a. what is it
 - b. what the subcommittee looked at
 - c. current law, tools local governments have now for directing development (Heisel paper presented at Jan. meeting)
 - d. Headwaters info. as presented and FSC member comment on that info.
 - e. role of insurance industry
 - f. other states(?)
 - g. WUI-related public comment summary
6. **Wood products infrastructure**
 - a. condition of the industry in MT (facts, figures)
 - b. info. on industry provided at Seeley, Libby, Choteau meetings
 - c. public comment summary
7. **Contracting**
 - a. what the subcommittee studied (facts/figures on contracting; work comp.)
 - b. summary of contractor complaints
 - c. summary of contractor hearing/info.

8. Biomass

a. Sen. Laible's report

Wood Methanol Production - Submitted by Sen. Rick Laible

This report is a follow up summary of the presentation we had at the Hamilton Fire Suppression Meeting in April by Dr. Vogt from University of Washington. The first half of the summary came from Dr. Vogt, and the second half is about Montana, and our opportunities for biofuels.

There are several global issues that, at first glance seem unrelated. These issues include: higher incidences of catastrophic forest fires, global climate change, the need for increased energy sources, the global peaking of oil and gas supplies, the need to develop substitutes for fossil fuel energies, developing sustainable rural economies, decreasing poverty, and the loss of productive lands. In the past, each of these issues was treated as a separate problem in which solutions were derived by focusing on only one individual problem at a time. Today these global issues are being formally linked because the combustion of fossil fuels to produce energy, the main ingredient fueling industrialization, is now causally linked to climate change and emission of greenhouse gases. Fossil fuel combustion is a major contributor to CO₂ emissions and these levels are increasing as more countries become industrialized. It is therefore logical to develop strategies that shift our reliance from fossil fuels to alternative energy resources that are carbon neutral and can help reduce our total emissions of CO₂. Mitigating climate change is driving the development of technologies to convert renewable resources in biofuels that can be substituted for fossil fuels.

Even though renewable resources are used to produce biofuels, some of these biofuels may not be climate friendly or carbon neutral when fossil fuels are consumed in their production. For example, if fossil fuels are used to increase the growth rates of crops or used to transport them to the markets, these biofuels may mitigate less CO₂ emissions, but in actuality are not carbon neutral. Residual wood biomass has the lowest net CO₂ equivalent emissions compared to most food crops used to produce biofuels (ethanol from corn, wheat, sugar beets, etc.). Some of the concerns with food crop biofuels is that the production of ethanol uses almost as much energy as it generates. In addition the use of food based biofuel production also has lead to significant worldwide food price increases.

The energy crisis is also raising concerns about the environmental and social impacts of our dependence on energy derived from fossil fuels. Even if new energy supplies are developed, those energy supplies will have to be accepted by the stakeholder groups and satisfy their criteria for both sustainable management and environmental friendliness. The social, economic or environmental impacts of producing the different biofuels will ultimately determine which biofuel will become a possible fuel substitute.

In another example demonstrating the need for biofuels to be environmentally friendly, the European Union recently decided that it will not import palm oil from Malaysia and Indonesia for biodiesel production because of the deforestation concerns. This loss of forest is detrimental to the survival of the local people that are dependent on those forest for their primary source of energy (i.e., fuelwood). This forest loss is also occurring at a time when fuelwood supplies are inadequate to meet the energy needs in many developing countries.

The future acceptance of biofuel production from biomass hinges on whether it can provide significant environmental and societal benefits. Since systematic assessments of the environmental benefits of using biomass to produce biofuels are sparse, especially from forests, the goal is to assess the amounts of methanol production possible from agriculture and forest materials/products.

Converting available biomass from municipal, agricultural and forest wastes to bio-methanol can result in significant environmental and economic benefits. Keeping these benefits in mind, one plausible scenario is the potential to produce energy by using bio-methanol in five of the western United States. In this scenario, the bio-methanol produced is from different biomass sources and used as a substitute for fossil fuels in energy production. In the U.S. West, forest materials are the dominate biomass waste source and could, with the addition of other biomass waste replace an amount equivalent to almost all of the fuels required by motor vehicles in these states.

As members of the Fire Suppression Committee our goals were to find solutions to the costs of fire suppression within our state, but as is typical when you embark upon one journey, there will be many stops along the way. Our committee was formed, not because of the health risks of smoke within our valleys, or to the risk to our communities, but to the cost of fighting these fires. If the Federal government paid for all of our Fire Suppression costs and fire suppression costs didn't impact the state in excess of \$ 40.0 million a year, we would not have had a special session.

Almost all of the information above, regarding biofuels, we already know. In short, bio-fuels from food sources, cellulous fibers , or municipal landfills will decrease our demand for fossil fuels, so what in fact does this have to do with fire suppression. We reduce our dependency on fossil fuels by converting biofuels (corn, wheat, et.al) to ethanol, but first of all it doesn't work unless we subsidize the process. Secondly, it takes almost as much energy to grow the crops, and then process into fuel as the ethanol created, not to mention the amount of water required in the process.

Our National Forests in the western states are dangerously over fueled and under the current guidelines and funding the agency is unable to manage our forests. It's not that the Forest Service doesn't want to manage the forests, they just don't have the resources and this is where methanol production from our over fueled forests comes into play. Thinning our forests to healthy coverage of trees will reduce the risk of future fires, provide cellulous fiber for the creation of methanol and reduce the carbon emissions as a result.

The technology for biomass utilization to methanol as proven, would allow for the processing of methanol (165 gallons per 1 dry ton of fiber) and doesn't require the construction of large refining facilities. Small mobile units can process the fibrous materials in the forest complex, and distribute the finished fuel locally.

If this technology is proven, economically feasible then why isn't it being done? First of all the methanol producers don't have a lobbyist group to access subsidies like the farmers, oil producers and I doubt there will be a section in the "farm bill" for methanol producers. Secondly, funding will be required to put the first mobile processing units into production and of course a distribution system will need to be interfaced. The last hurdle, the Forest Service will have to manage the National Forests to provide access to the dangerous fuel loads within our forests.

So consider this scenario. The Forest Service, or DNRC does a timber sale, sells the merchantable timber, sells the small diameter ladder fuels, and converts the slash piles into methanol. Results, money in the general fund, jobs in our community, forests in a healthy condition, fire risks have been reduced, less carbon emissions, and we have lessened our dependence on foreign oil.

In 2007, China became the world's largest methanol producer and consumer, so this can be done, we just need the will to do it. Or will it take \$ 7.00 gallon fuel before we act.

- b. fuels for schools
- c. Brief description of Oregon's biomass tax credit

9. **Other impacts of fires**

- a. tourism (incl. hotel/motel operators, outfitters/guides)
- b. traffic

10. **Other...**

MINORITY REPORTS

(must be received by staff within one week of final meeting)

CONTINUATION OF WORK BY COMMITTEE MEMBERS

Although HB 1 required FSC to complete its work by September 15, 2008, the committee agreed that members may continue to attend relevant meetings, visit fire camps, and gather information as warranted after that date.

CONCLUSION

APPENDICES

1. HB 1
2. DNRC AMR brief, FS response
3. DNRC structure protection interpretation (Miles City)
4. DNRC engine replacement handout (Miles City)
5. Letters sent by the committee and any responses received
6. Summary of public comment received
7. Australia "Stay or Go" article (cited in the WUI section)
8. Memo from Todd Everts on air quality and DEQ
9. Cobb letter to FS Region One Forester Tidwell (cited in the section about federal/state relations); Tidwell response
10. FSC letter to Plum Creek (cited in the section about the logging/milling industry)
11. FSC letter to tourism industry
12. Cost sharing report - Barb (cited in the section about funding)
13. Verbatim testimony from Loren Rose at Seeley Lake meeting (cited in the section about logging/milling industry)
14. Letter to OBPP regarding fire season 2008 use of \$40 million appropriation and response (cited in recommendations for immediate implementation and in DNRC Budget Recommendations)
15. AG Mazurek's letter regarding county commission authority on federal and state land.
16. List of communities' risk level