



Aviation Watch Inc.

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The Montana DNRC aviation program is not a cost effective or necessary program for the State of Montana. The program provides a service which can already be provided by private industry existing within the State of Montana, with private industry being able to provide the same or better level of service for less expenditure of state monies. The Montana DNRC Aviation Program is hurting or destroying local tax paying businesses in Montana and increasing the size of the state's budget unnecessarily.

- The same fire suppression services could be provided by private operators at \$1,800 to \$2,600 per hour. This is almost half of the cost of state operations and if all the hidden costs of the state program were considered it would be even more impressive.
- Private aviation operators are based throughout the state,
- Private operators are more efficient and accountable.
- Aviation Watch estimates that the State could save in excess of \$1.5 million using private businesses. In addition the State would realize increased tax revenues.
- Provide contracting opportunities for aviation and ground based wild land firefighting contractors Provide enormous opportunity for jobs.
- Increase safety and reduce liability.
- Adhere to existing FEPP Regulations

Conclusion: Reduce DNRC to Administrative and contract level. Streamline contracting and dispatch procedures for private contractors

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Ladies and gentleman , committee members and chairman. Thanks for allowing me to speak today. My name is Will Metz from laurel MT and I am here on behalf of Aviation Watch Inc., a non profit organization that represents private aviation operators ~~and~~ small business owners in this state. I would like to address a few issues and that concern us regarding the MT DNRC Aviation program.

exclusively or primarily

Wild land Firefighting is not an ~~inherently~~ governmental function. Supplying and stockpiling routine wild land fire fighting assets is not a cost effective or appropriate use of state resources. MT DNRC uses surplus ~~UH-1H~~ helicopters obtained from the Federal Excess Personal Property program (FEPP). FEPP criteria for a state to obtain aircraft clearly states: Government competition with private industry is not allowed. It further states the government should not use FEPP aircraft to provide services for others when there are commercial services available.. ~~Public law 103-411 states that assurances must be made that no service by a private operator was available.~~ The State of Montana has possibly the most professional and experienced contingent of private sector aerial firefighters in the nation, and yet the biggest threat to our lively hood and industry today is ~~government~~ competition with the ~~MT~~ DNRC. We are certain ground based wild land firefighter contractors and employees feel the same. ~~Although~~ the original intent and justification of state owned aircraft is initial attack of fires ~~it is now apparent~~ ^{but now} the DNRC is in the full blown fire suppression business ~~bent on growing their government~~

~~program at our expense...~~ Business and assets have been lost.. Jobs have been lost. DNRC has proven they are unwilling to allow the private sector to assist in fire suppression activities. Not one contract has ever been let for a medium or heavy helicopter for fire suppression.. Every contractor ever contacted by us has expressed interest in bidding, *Given Private Sector can perform the Government* it is fundamentally unfair to compete against your own tax dollars. We pay federal and state taxes, employ individuals and families, buy goods and services, provide insurance and benefits, and we contribute to the tax base. We are the backbone of other aviation activities in the state such as survey and seismic, game counts, fuel sales, charter, maintenance and agricultural spraying that are in jeopardy if we can't supplement are business with fire. Hiring our business's, creates jobs and grows the economy, by obtaining state contracts we're able to do that. By growing the DNRC you slowly and surely put the private operators out of business, you decrease jobs and wealth, you decrease the options for the state in a severe fire year by not having available private contractors,, and you burden the taxpayers with a full time bureaucracy and its associated overhead for a very short seasonal and very cyclical business.

- A) Safety. The Montana DNRC Aircraft should be held to the same safety standards and accountability as private operators and they are not. We have conducted an exhaustive safety review of their program which revealed numerous inconsistencies and areas of grave concern. These should be major concerns for all should an accident occur and from a work comp and

liability standpoint. In fact to reiterate a December 2010 NTSB report, Government Aircraft are Safety Orphans. The FAA says it doesn't have the authority to regulate the safety of aircraft operated by state governments, and those agencies, with the exception of the military, generally don't have the expertise..

~~Budget and other inaccurate representations.~~

After researching DNRC Aviation program costs it is evident the numbers furnished do not tell the whole story. Since 2010 we have been requesting documentation to compare the cost of operating a DNRC Helicopter to that of the private sector. We have been unable to verify their actual costs number because of lack of information provided and accounting methods. There is a lack of transparency in accounting that only benefits the bureaucracy.

~~The October 2010 Financial Compliance Audit reported significant deficiencies in DNRC fire expenditures and payments...^{wh} One million dollars was allocated from the 2008 general fund to purchase title of the department helicopters that was specifically not allowed under FEPP guidelines yet DNRC purchased 500k worth of other equipment instead, other than for the intended use, and told us they saved 500k. The ~~OIG Homeland Security~~ report dated 9/2008 disallowed 1.3 million in FEMA program funds because of lack of supporting documentation. This is exactly the ~~conduct and~~ lack of accountability that the taxpayers and voters of MT are fed up with. While it may be difficult or impossible to verify~~

the true cost to the Montana taxpayer we can determine that many costs and capital expenditures are buried or unaccounted for and the layers of bureaucracy are overwhelming. Why, miraculously for the years 2005/2006 and 2007 the DNRC Aviation had no diesel fuel, aviation fuel or jet fuel expense, ~~quite a feat~~. ~~Upon inquiry the usual shell game ensues, parts supplies or fuel and vehicles are allocated to other divisions or departments ect ect ect.... Things that don't fly in the real world.~~

Even given their numbers, DNRC Aviation expenses averaged 2 million dollars for 2006-2009 not including **any** capital expenditures or general fund items. *The fact is you can and other states do* contract helicopters on a combination of exclusive and a severity basis, on average 300k per helicopter for a 90 day /120hr contract or less !. Less severe years=less helicopter=less overhead/! We can demonstrate contract helicopters can perform the exact missions DNRC requires at lower cost, saving 500k to 1.5 million annually while providing 30-50 private sector jobs. Contract helicopters come turn key including, FAA certified aircraft, pilots, crews, trucks, fuel, training, maintenance insurance ect.. And reduce bureaucracy, overhead and liability. The state has no need to invest in hangars in Helena, Missoula, Libby, Bozeman, and Kalispell. No need to spend 20-30% of your flight hours on training, or non fire administrative use, or purchase fire buckets, trucks, tanks, equipment, insurance, pensions, parts, cell phones, computers, tools, jigs ect. , ~~They have no need to profligate or misreport their flight hours to justify their budget or expand their program.~~

we want a fair assessment

What we want makes sense.... We don't think everyone should be a state employee. We want competition with a bloated bureaucracy to cease. ~~It is time to cut the DNRC to~~

we would like the
~~an administrative level and~~ *provide contract opportunities* private wild land firefighting services at all levels. Privatizing the ground based services could provide 200-300 jobs or more alone!

Please contact these individuals.... We need intervention; we need opportunity, opportunity to reside in MT and to provide reliable, accountable services. to provide jobs and benefits, to make a living for ourselves, families and employees, to grow the private sector and shrink government, while saving the MT taxpayer money.

Given the opportunity the private sector will outperform the Government Sector

....And we will be asking you exactly for that..... To quote the Jan 2009 Price of Flame Fire Suppression Interim Committee Final Report "The importance of private contracting for fire suppression services cannot be overstated".

Thank you *Please contact*

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