

Mr. Chairman, Members of the Committee:

For the record, I am Mike Wingard, Performance Audit Manager with the Legislative Auditors Office. Leanne Kurtz asked me to summarize my office's involvement with wildland fire and relate the subsequent audit results to the assignment of this subcommittee.

In late 2003, the Legislative Audit Committee, at the request of a number of legislators approved a request for a performance audit of DNRC's preparedness for, and administration of wildland fires. Our audit focus was intended to be on fires that occurred in the summer of 2004, but due to a relatively slow season we only examined 3 relatively small fires that summer and ultimately focused our attention on 2003 fires. Our examination consisted of interviews, policy/procedure reviews, and analysis of documentation associated with a sample of fires. The audit report addresses questions about fire costs, communication/coordination with federal and local fire protection agencies, and availability of resources for wildland fire preparedness and suppression. We also reviewed a lot of national studies on fire suppression and cost containment.

The handout provided summarizes the audit report and presents our conclusions and recommendations. However, I would like to touch on a couple of issues before addressing how this material is pertinent to this Subcommittee.

First, from an administrative point of view, there are only two kinds of fires: initial attack and extended attack fires. Extended attack fires cannot be extinguished in 1-2 days and can take more than a month. The importance of this is Montana's fire protection agencies whether local, state, or federal are geared toward initial attack in terms of resources. Their primary objective is to keep fires small. To do this, they place significant reliance upon one another to assist not only when fires initially occur but also when they escape initial attack.

It is readily apparent to everyone, combating wildland fires is expensive. Based on 10 years of history, data shows the average cost of suppressing an initial attack fire of 10 acres or less is approximately \$4,500 per fire, while an extended attack fire of 5,000 acres or greater cost an average of \$3.2 million. In the last 10 years, approximately 68% of the total cost of wildland fires can be attributed to events of 1,000 acres or more. The primary cost factors are personnel, equipment, and aviation resources. However, equally important in overall costs are topography, weather, and forest fuels. In 2003, DNRC was involved in 682 wildland fires. The net cost to the state of Montana is over \$35 million. Ultimately I will presume Bob Harrington from DNRC or Barb Smith from the Legislative Fiscal Division can or will discuss the fires and fire costs for the summer of 2004 and up to now in 2005.

Our audit report has 27 recommendations to the department and they concurred with all of them. Several of our recommendations were relatively unheralded because they told the department to seek more money from the legislature. The essence of these recommendations are based on the observation, if you can keep fires small, costs are

more manageable. As we note in the report, 19 fires in 2003 representing just 2% of the total number of fires, accounted for 80% of the total fire suppression costs. In response to our recommendations, DNRC developed various decision packages for legislative consideration. The packages were debated, modified, and ultimately the legislature agreed additional funds should be given to DNRC for fire suppression, primarily at the initial attack level. Again, I presume Bob or Barb can or will speak to their legislative appropriation.

One of our audit recommendations was to the Legislature. We recommended the Legislature authorize a study to develop and update fire-related statutes to address current development and environmental conditions, improve wildland fire management, and just as important, fire mitigation. The findings that got us to this recommendation were as follows:

1. National studies show the most significant influences on both the number and cost of fires in the Northwest are: existing environmental conditions, excessive forest fuels, and impacts of the wildland urban interface.
2. The least expensive fire is the one that never starts. While there is nothing that can be done to completely prevent fires, there are actions governments, local communities, and landowners can take to reduce the impact of fires. These actions include removal of excess fuels, developing an aggressive initial attack capability, and creating policies for controlling where structures and infrastructure are located and constructed.
3. Montana statutes are generally silent on the issues I just mentioned. In fact, most of the wildland fire-related statutes have not been substantively updated or revised in over 50 years. Throughout the course of audit fieldwork as well as in testimony, the need for update and revision of fire statutes became self-evident.

Given the absence of overall fire management policy in statute, the inapplicability of some statutes relative to current circumstance, and general consensus about the need for statutory revision and update, we determined the legislature should establish wildland fire policy. House Joint Resolution 10, introduced by Representative Jacobson was ultimately passed by the 2003 legislature and describes the need for statutory revision and update, as well as overall wildland fire policy. The resolution has now landed in the laps of the Environmental Quality Council. This subcommittee and ultimately, the assigned working group are charged with presenting their own recommendations about wildland fire to the full Legislature.

My office has done some preliminary followup on the fire audit, by sitting in on various recommendation implementation sessions conducted by DNRC, observing the working group's deliberations and observing activities at state-involved fires this past summer. However, much like 2004, the 2005 fire season (relative to state involvement in large fires) has been small in comparison to 2003. It would be my presumption we may delay issuing a formal followup report until a later date, but that

has yet to be determined. With that Mr. Chairman, I would be happy to entertain questions about the audit or our followup activities.