MEMO – FORESTRY RECONCILIATION

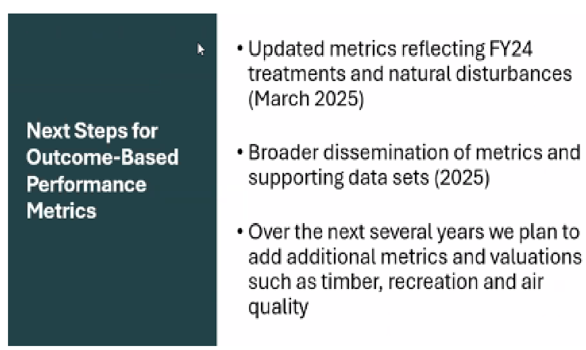
To: Members of the United States House of Representatives
From: Megafire Action, Association of Firetech Innovation
Subject: Forestry Subtitle Reforms for Budget Reconciliation
Date: February 10th, 2025

As budget reconciliation discussions consider potential rescissions or reprogramming of Inflation Reduction Act (IRA) and Infrastructure Investment and Jobs Act (IIJA) funding, we urge the preservation (with key modifications) of critical hazardous fuels management funding under the forestry titles of the IRA and IIJA. These funding streams include $3.5 billion across Community Wildfire Defense Grants, Landscape Restoration Activities, Hazardous Fuels Management & Restoration Activities, Climate Mitigation and Forest Resilience. Though much of this funding has been spent, the remaining funding can still be used to effectively mitigate the hazardous fuels buildup in America's forests.

We recognize the agencies receiving this funding have fallen short of Congress's expectations with the allocation of these funds. Trust can best be restored not by cutting these critical, life-saving investments, but by mandating accountability, efficiency, and the highest taxpayer ROI through applying outcome-based performance metrics and leveraging existing funding for advanced wildfire mitigation technologies. The devastating wildfires in Los Angeles demonstrate the urgent need for wildfire mitigation and modernization across the West. Through reconciliation, Congress has the opportunity to implement key reforms by amending existing funding streams with provisions that rebuild the credibility of land and wildfire management agencies and *save billions of taxpayer dollars for fire response and recovery down the line.*

Performance and Accountability Measures

A September 2024 USDA Office of the Inspector General (OIG) report found that the Forest Service "could not accurately report how much it spent for FYs 2022 and 2023 hazardous fuels management, resulting in $205.6 million in questioned costs."[1] The report also highlighted a lack of transparency in project selection, raising concerns about whether the most critical projects received funding.



A 2024 report by the GAO recommended "The Chief of the Forest Service should ensure the agency develops outcome-oriented goals and establishes performance measures to help assess the effectiveness of its hazardous fuels program, including its prescribed fire activities,

[1] U.S. Department of Agriculture, Office of Inspector General, IIJA—Hazardous Fuels Management, https://usdaoig.oversight.gov/sites/default/files/reports/2024-11/08801-0001-21FR508FOIAsigned.pdf.

in reducing wildfire risk."[2] These findings underscore the need for stronger accountability measures. To ensure funds are spent effectively, we recommend rigorous performance metrics that enhance transparency, track outcomes, and prioritize scarce taxpayer dollars for the highest ROI projects.

The Forest Service is already working to develop a suite of outcome-based performance metrics as part of the wildfire crisis strategy, which they recently announced will begin rolling out by March 2025.[3] However, it is important to also recognize that GAO has been reporting on the need for performance-based outcome metrics for years, and USFS has been saying they will release them "soon", for more than 20 years.[4] Congress should ensure this work is *actually* completed and then require agencies to report performance metrics annually for both agency-conducted projects and grant-awarded projects, to the extent practicable.

A Hazardous Fuels Reduction Performance Report should be submitted to Congress annually and include information such as:

- Number of acres treated for hazardous fuels reduction, with justification for which acres were prioritized
- Locations, wildfire risk levels, treatment methods, and cost per acre of treatment.
- Effectiveness in reducing wildfire risk and achieving other desired outcomes, including quantified wildfire risk reduction to key resource values such as community structures, water, biodiversity and ecosystems, and economic assets.

To improve tracking accuracy, we recommend:

- Full integration with the Fireshed Center that will be established by the Fix Our Forests Act to enhance reporting and decision-making.
- Procuring advanced technologies for improved monitoring and reporting.

Additionally, we recommend that hazardous fuels management performance metrics be directly tied to future funding disbursements in annual appropriations. Sen. Barraso's Promoting Effective Forest Management Act of 2024 contains provisions that can be modified to meet the intent of this proposal.[5]

Technology Adoption for Improved Wildfire Mitigation

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[2] GAO. 2024. "Forest Service: Fully Following Leading Practices for Agency Reforms Would Strengthen Prescribed Fire Program." GAO-24-106239. https://www.gao.gov/products/gao-24-106239.

[3] A recording of the Jan 10, 2025 webinar can be found in the "Measuring Outcomes of Our Work" section https://www.fs.usda.gov/managing-land/wildfire-crisis/landscapes

[4] GAO. 2007. "WILDLAND FIRE MANAGEMENT: Better Information and a Systematic Process Could Improve Agencies' Approach to Allocating Fuel Reduction Funds and Selecting Projects." https://www.gao.gov/products/gao-07-1168.

[5] https://www.congress.gov/bill/118th-congress/senate-bill/2867/text

Federal agencies have an obligation to ensure taxpayers are receiving the highest possible ROI on investments in community and wildland wildfire hazard and risk mitigation. To maximize effectiveness of forestry and wildfire provisions of the IRA and IIJA, we propose amending these sections to authorize the procurement of advanced technologies that can accelerate wildfire risk mitigation and prevention and improve wildfire detection, and suppression. Existing deployments of innovative wildfire technologies have demonstrated their ability to increase the effectiveness of taxpayer-funded programs and are ready to scale nationwide. However, federal fire agencies often lack the appropriate acquisition authorities for acquiring cutting edge solutions from the private sector. These same agencies also lack appropriate budgetary incentives for exploring cost-saving technologies due to the significant separation that exists between fire suppression budgeting and forest and rangeland management budgeting. To help address these gaps, Congress should amend the IRA and IIJA to authorize existing funding to be used for the acquisition of key wildfire technologies related to:

- Remote sensing, detection, and tracking
- Prioritization and decision support tools to maximize and report on return-on-investment
- Hazardous fuels reduction treatments or activities
- Dispatch communications
- Safety equipment
- Common operating pictures or operational dashboards
- Autonomous suppression systems
- Grid resilience
- Community resilience and home hardening
- Artificial intelligence applications for all of the above functions

Federal agencies developing and deploying wildfire mitigation technologies on their own risk repeating a history of inefficiency, missed opportunities, and wasted taxpayer dollars. Bureaucratic hurdles, slow procurement, and risk aversion delay the adoption of proven, cost-effective solutions already on the market. Without clear authorities for integrating off-the-shelf technologies, agencies may prioritize internal research with little operational impact while wildfires intensify. Immediate deployment of available solutions is essential to protecting communities, reducing suppression costs, and maximizing federal wildfire mitigation investments.

The House-passed Fix Our Forests Act's Technology Deployment and Demonstration Pilot Program (based on Rep. Kim's DEMO Act) contains language that can be modified to meet the intent of this proposal.

Proposal to Improve the Community Wildfire Defense Grant (CWDG) Program

The $1 billion Community Wildfire Defense Grant (CWDG) program was created to help at-risk communities plan and implement wildfire mitigation. However, $420 million has already been spent with a Washington-led grant review process that has resulted in fragmented project funding, misalignment with state priorities, and little coordination with broader wildfire efforts.[6] CWDG excludes home hardening, other forms of built environment mitigation work, and wildfire technology, despite their proven effectiveness.

We believe this funding is *crucial* to safeguarding lives, property, and ecosystems across the West and strongly advise against any cuts. The recent Los Angeles fires highlight the urgent need to fund community wildfire defense, but the CWDG program needs reform to achieve its true potential. We recommend amending the program to create a state-administered block grant model that aligns with the Wildfire Crisis Strategy (WCS). Funds should be allocated to states based on acres at high wildfire risk, population exposure, and proximity to WCS priority landscapes, ensuring investments target the highest-risk areas. States and their designated implementation agencies, working with USFS regional staff, FEMA, county governments, and local fire councils would integrate CWDG with other wildfire mitigation investments for greater impact.

Regional review boards—including Forest Service and state officials—would determine where to make investments, replacing Washington-based decision-making.[7] CWDG should also fund home hardening, other built environment mitigation measures, and wildfire technologies, with input from the U.S. Fire Administration, state fire marshals, and local fire agencies. States should be able to use up to 10% for administration of the bloc grants. There are several benefits to this approach:

- Smarter, more strategic investments – Block grants would direct funding to high-risk landscapes, maximizing impact.
- Local expertise in decision-making – States and regional stakeholders would determine funding priorities, rather than DC-based administrators with limited knowledge of local conditions.
- Better coordination across programs – Aligns CWDG grants with state wildfire plans, FEMA hazard mitigation projects, and USFS fuels treatments.
- Flexibility for technology investments – Allows states to fund early detection, suppression, and risk modeling technologies for wildfire resilience.
- Stronger structural resilience – Expanding CWDG eligibility to home hardening and defensible space ensures communities are better protected.

[6] https://www.fs.usda.gov/managing-land/fire/grants/cwdg/funded-proposals

[7] FEMA could serve as an advisor to the grant administrators but is not ideally situated to be a grant administrator in this context.