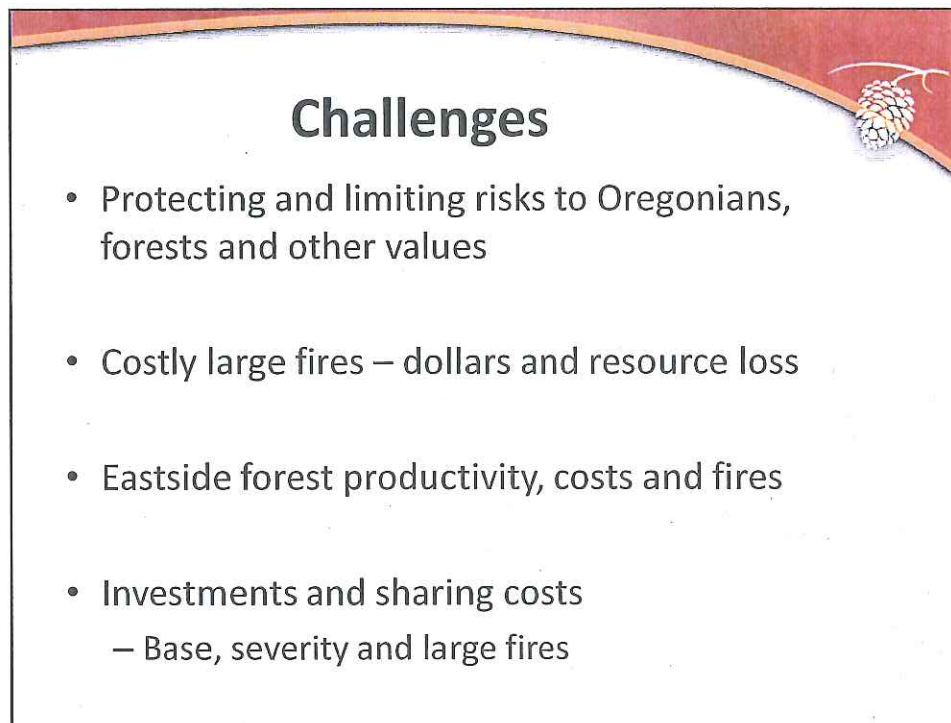


The Wildfire Protection Act HB 2050

Healthy Forests, Safe
Communities and
Controlled Costs

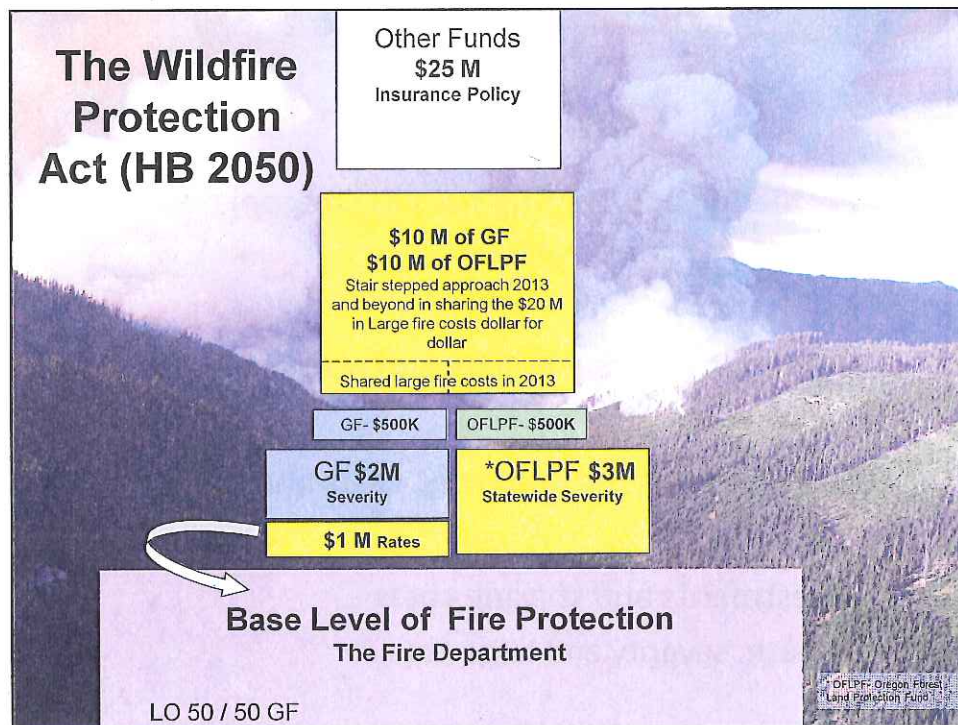


Challenges

- Protecting and limiting risks to Oregonians, forests and other values
- Costly large fires – dollars and resource loss
- Eastside forest productivity, costs and fires
- Investments and sharing costs
 - Base, severity and large fires

HB 2050 "WPA"

- Increases statewide severity
 - Reduces large fires- saves dollars long-term
- Eastside affordability of fire protection
- Phases in sharing of large fire costs
- Supported and funded in Governor's budget



Biennial Funding

- \$ 1.6 M of new General fund
- Leverages \$ 6 M of additional landowner funding
- Continues sharing of the insurance policy
- Sharing of large fire cost phased in (3 Biennia)

Outcomes

- Investment upfront saves long term
- Eastside affordability- maintains working green forests
- Creates equity across the entire system and reduces General Fund exposure- \$ 5 M annually
- Preventative health care model for our communities, rural economies and forests

Oregon Statute



Oregon Revised Statute 477.005 - Policy:

- 1 "...preservation of forests – is the public policy of the State
- (2)(a) "...need for a complete and coordinated forest protection system is acknowledged and the primary mission of ODF..."

Oregon Revised Statute 477.005 - Policy:

- 1 " Uncontrolled fire declared a nuisance"

The OFLPF purpose - ORS 477.755

" to equalize the emergency fire suppression costs across protection districts"

Long Term Value



- **Economic**

Green [working] forests provide jobs and value in perpetuity

- **Environmental**

Green forests vs. dead [burned] forests maintain multiple benefits from homes for wildlife to shaded riparian zones

- **Everyone**

Green forests are woven into the fabric of Oregonians way of life



Oregon Department of Forestry

HB 2050: Wildfire Protection Act

Healthy forests. Safe communities. Controlled costs.

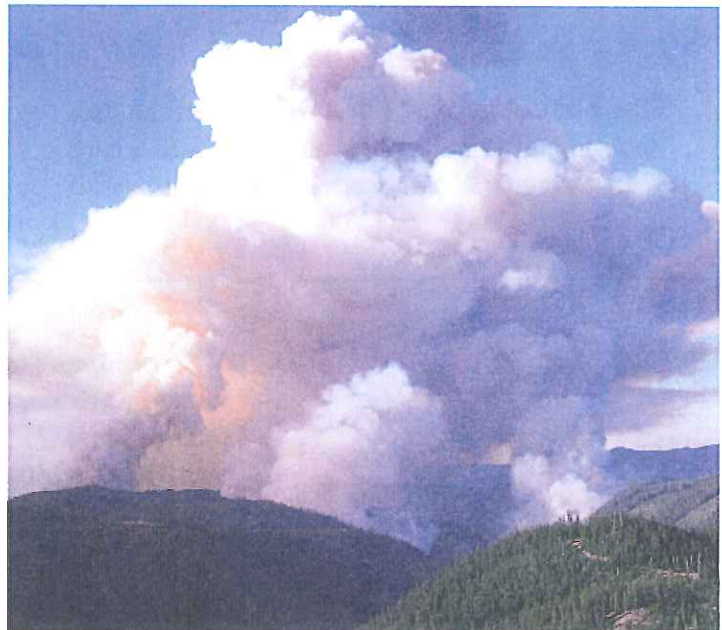
The state's largest fire department, the Department of Forestry protects **16 million acres**, a **\$60 billion asset** covering more than half of Oregon's forest landbase. The system protects public safety and forest values of broad public benefit, such as jobs, clean air and water, wildlife habitat and recreation.

The cornerstone of the Department's fire protection is **quick response**. Putting out fires at the **smallest possible size** saves costs, limits damage and protects Oregonians. Landowners and the state share protection costs, in recognition of the public interest in effective wildfire protection.

The system needs strengthening for the long term

The Wildfire Protection Act addresses key challenges at a time when warm, dry climate trends and other factors are driving up fire severity and cost.

- **Large fires, high cost, resource damage.** Although few fires grow large, even one can cause major damage and cost millions to put out. A small General Fund (GF) investment would leverage new landowner dollars, more than doubling existing severity capacity to keep fires small and reducing the GF's overall large-fire risk by \$5 million a year.
- **Large-fire cost sharing.** Through the Oregon Forestland Protection Fund (OFLPF), landowners have paid most costs of putting out the largest fires in recent years. The Act would phase in a 50-50 sharing of these costs, the same ratio used to fund base-level wildfire protection.
- **Fire-prone, lower productivity forests.** Added firefighting capacity and an offset to landowners' costs would help protect these lands and keep them in working forest use.





*Like preventive health care, investing up front t
Robust initial attack means fewer fires grow large,*

The Fire Protection System

Large-fire funding. A wildfire insurance policy, unique to Oregon, provides \$25 million in coverage. With more firefighting capacity under HB 2050, the current \$25 million deductible would drop to \$20 million and continue the assurance of this policy.



Heavy, mobile firefighting tools (aka "Severity"). Air tankers, helicopters and other critical assets are positioned around the state wherever fire danger is most severe, a proven approach to keeping fires small. (Used on numerous fires each year)



Base-level protection. The heart of the "fire department" fights approximately 1,000 fires each year, averaging 20,000 acres are burned annually.



Fire Facts

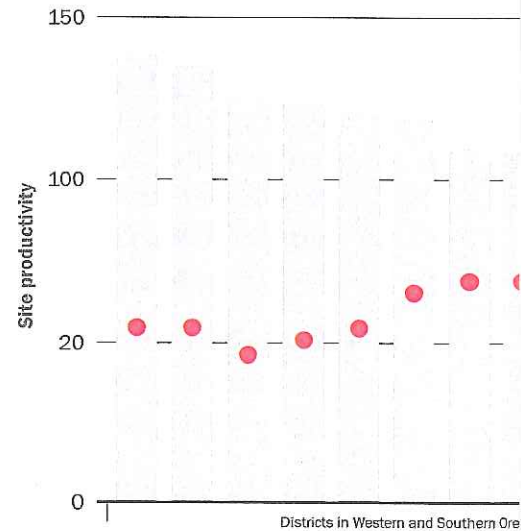
Dwellings scattered across 3.5 million acres of forest land make wildland firefighting more costly and complex.

State-protected forests are primarily private, but also include some public lands, such as state forests and, by contract, U.S. Bureau of Land Management forests in western Oregon.

Oregon is the only state with a catastrophic wildfire insurance policy, a reflection of the state-landowner commitment to keeping fires small. The policy protects the General Fund in catastrophic fire seasons.

Warm, dry climate trends mean more days when the risk of fires growing large is very high. The average number of such days per year in the John Day area:

1987-1998: **20**
1999-2012: **46**



Districts in Western and Southern Ore

to keep wildfires small saves in the long run.
extremely costly, damaging and disruptive.

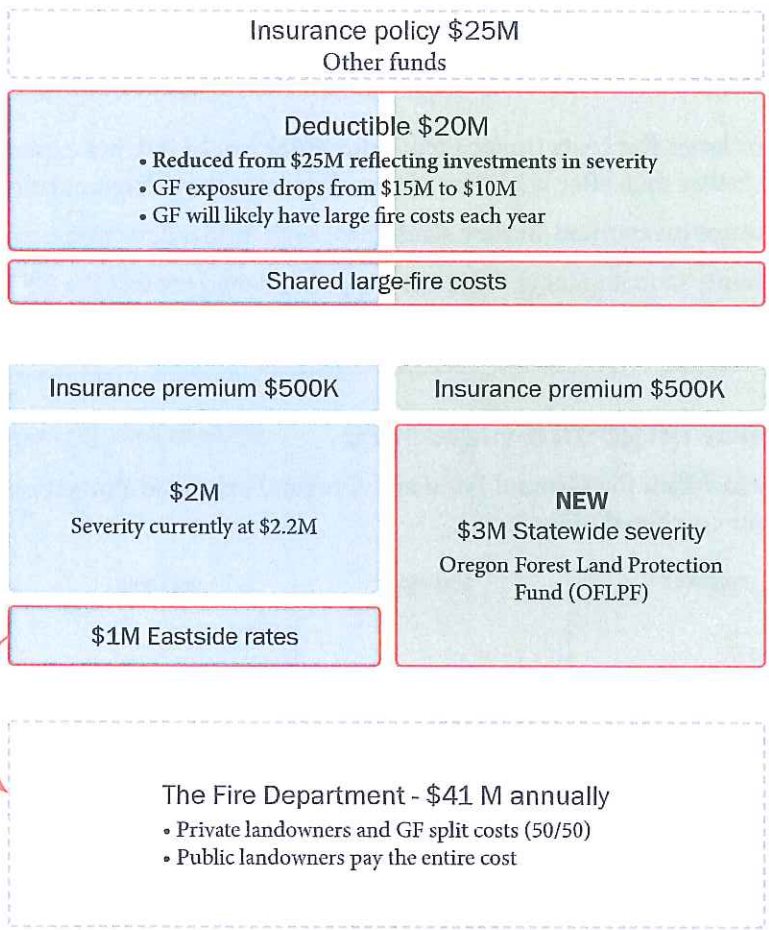


Improvements under HB 2050 (annual exposure)

Large-fire costs

Readiness for high-severity conditions

Base-level funding



Current structure
Actual spending varies with season severity. See back page for more detail.

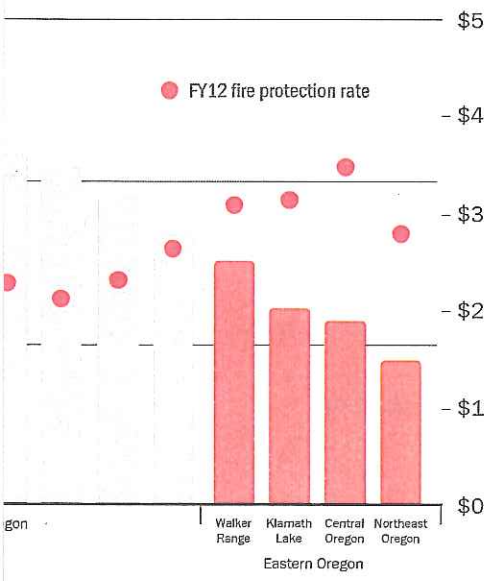
\$15M

\$10M

- General fund
- Landowner fund
- New under HB2050

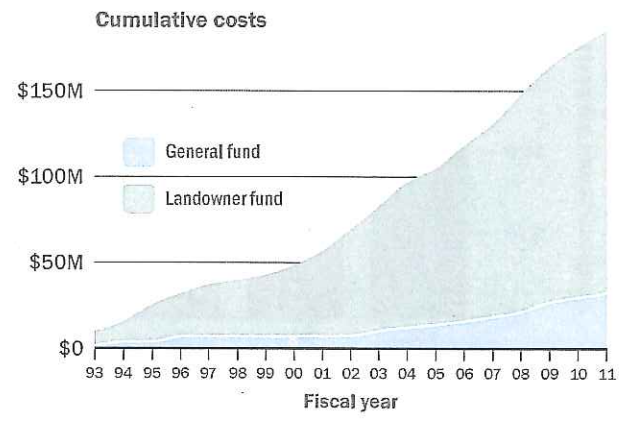
The OFLPF, currently used to fight large fires, would be expanded to help keep fires small.

Not to scale
All costs are annual



Productivity and cost
Lower productivity eastside forests are challenged to generate sufficient revenue to address their higher fire occurrence and costs.

Large-fire and severity costs
Basic protection costs are shared 50-50, but this approach has not carried through to large-fire costs.



Recap: HB 2050 and the General Fund (annual amounts):

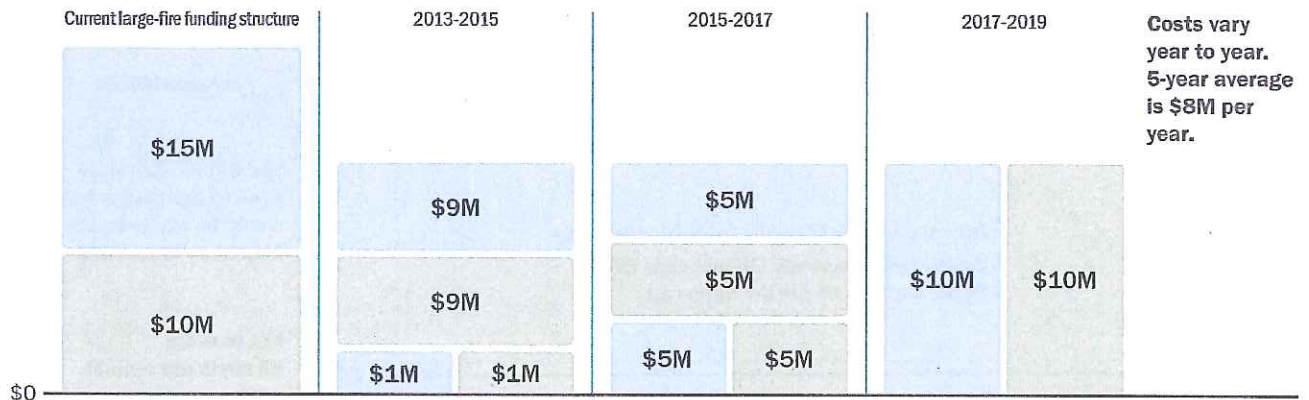


- **\$800,000 in new GF** (1.6M for the biennium), matched with \$200,000 of existing annual funding, would produce \$1 million to address eastside protection costs.
- **The GF would leverage an additional \$3 million in new landowner funds** for aircraft and other tools for use during peak severity, helping stop fires at the smallest size and limiting overall cost and resource loss.
- **Total potential GF exposure for large-fire costs (insurance deductible) would fall**, but exposure would occur as expenses are incurred, rather than after landowners' share has been met (diagram below).
- **New authority would allow future investment in new strategies**, such as fire-detection cameras.
- **Over the long term, greater certainty in maintaining the insurance policy would protect the GF from large costs in catastrophic fire seasons.**

A closer look at annual large-fire exposure

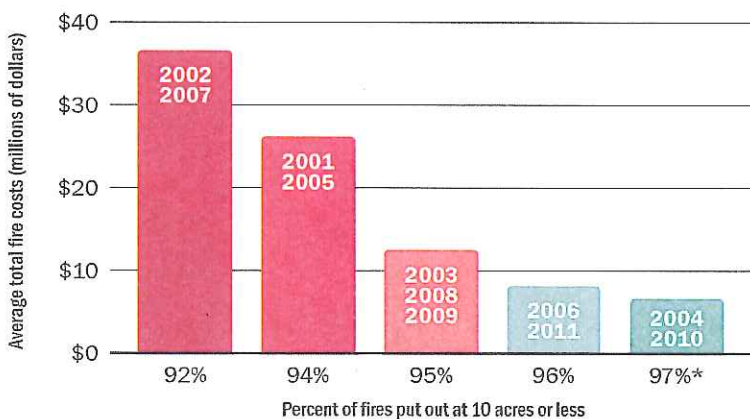
General fund Landowner funds

HB 2050 would change the way in which the General Fund and Oregon Forestland Protection Fund (landowner dollars) share a lower combined obligation.



Keeping fires small means big savings

Fire seasons 2001-2011



*Current performance measure

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