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Ms. Debbie Miley
National Wildfire Suppression Association
P.O. Box 330
Lyons, Oregon 97358

Dear Ms. Miley,

I have reviewed NWSA's document entitled Cost Analysis: Wildland Fire Crews and Engines. The document succinctly displays cost comparisons between Federal Agency crews and engines and those provided by private contracting.

The major difference in cost comparisons between agencies and contractors is centered on those indirect costs attributable to agency resources. The total cost of a crew or an engine (to the government) is necessarily included in the contractor's bid rate. Those same, comparable costs are unknown, unknowable, and not included in agency crew or engine rates. Your cost comparisons clearly show that the direct costs of agency provided resources are essentially equal to the total cost of contracted resources. Thus, any unknown or hidden costs associated with agency resources will simply make them more expensive than contract resources. The question becomes, "how much more expensive?"

NWSA has used an estimate of their indirect costs to estimate agency indirect cost. This seems like a reasonable assumption since no other data are available for agency resources. In adding these estimates to the agency direct costs makes the results much more comparable.

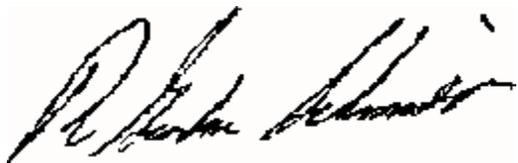
NWSA estimates that 30-34% indirect costs approximate agency indirect costs. That seems conservative to me given all the costs incurred for an agency employee. Donovan (2005) lists several costs

associated with agency personnel. These agency costs are likely to be higher than the 30-34% attributed to them in your document.

In conclusion I find your document succinctly makes the point that contract resources are less expensive than agency resources; probably on the magnitude of 30-34% less. Your document makes this point by putting the cost comparisons on a somewhat equal footing. I say somewhat because agency indirect costs are simply unknowable at this point and may be higher than your estimates.

It seems to me your document provides valuable information given the heavy agency emphasis on wildland fire costs.

Best regards,

A handwritten signature in black ink, appearing to read "R Gordon Schmidt". The signature is written in a cursive style with a large initial "R" and a long, sweeping underline.

R Gordon Schmidt