

ISSUE BRIEF January 2026

Wildfire Mitigation and Response

- The American Public Power Association (APPA) recognizes the growing threat of wildfires nationwide as a multifaceted issue that affects public power utilities and supports federal programs for wildfire mitigation, suppression, and research.
- APPA supports increased vegetation management around power line rights-of-way (ROW) on public lands and codifying National Environmental Policy Act (NEPA) categorical exclusions for vegetation management projects.
- APPA supports action by Congress to reasonably limit electric utility liability for wildfires on federal lands by directing the U.S. Forest Service and the Bureau of Land Management (BLM) to reduce their respective permit and grantee liability caps.
- APPA recognizes that utilities face significant issues finding and affording suitable wildfire insurance coverage and supports creating a voluntary federal wildfire backstop fund to assist utilities recovering from catastrophic wildfire damage.

Background

According to a 2023 Joint Economic Committee analysis, wildfires cost the United States between \$394 billion and \$893 billion yearly, and costs are expected to continue to rise. In addition to the risks that wildfires pose to communities, public health and safety, and the economy, they also pose a substantial risk to electric grid reliability and electric utilities' financial stability. Public power utilities across the country, particularly in the West, have been impacted by the devastation caused by wildfires. APPA expects more parts of the United States will be affected as the rate of wildfires increases in historically deemed low-risk areas by the Federal Emergency Management Agency.

Electric utilities encounter delays in federal permitting and processes for wildfire mitigation, grid hardening, and recovery actions that protect their infrastructure and the communities they serve. Federal delays in permitting for vegetation management and hazard tree removal around power line ROW on federal lands hamper the ability of public power utilities to respond to wildfire emergencies quickly. Utilities also experience delays for access roads to bring equipment to power line ROW for vegetation management and general maintenance, as well as issues with hardening the grid through actions, such as replacing wooden poles with metal poles or undergrounding electric lines. It takes months, and sometimes even years, for approval to remove a single hazard tree before a fire season, let alone implementing a comprehensive vegetation management plan that includes continued power line maintenance on federal land.

In addition to issues with federal policy implementation, wildfires and their associated liabilities can cause utilities financial distress and bankruptcy. Utilities are often sued for wildfire damages even if the utility equipment does not cause a fire. Smaller public power utilities struggle to afford the claims and damages leveraged against them in civil proceedings, regardless of the cause of a wildfire. Due to liability concerns, many insurers do not cover wildfire damage for utilities in some fire-prone regions of the country.

Administrative Action

In June 2025, President Donald Trump signed Executive Order (EO) 14308, "Empowering Commonsense Wildfire Prevention and Response." The EO cites the devastating wildfires in Los Angeles County in January 2025 as the impetus behind directing federal agencies to prepare for more wildfire events. The administration will begin consolidating federal wildfire mitigation and response programs across agencies under the authority of the Department of the Interior (DOI) and Department of Agriculture (USDA). The order also encourages the development of robust state and local wildfire response capacity, revises or rescinds federal rules on wildfire mitigation through forest management, and modernizes wildfire forecasting and response technology.

The President's fiscal year (FY) 2026 budget request included plans to consolidate wildfire response under a new DOI agency, the U.S. Wildland Fire Service (USWFS). In September 2025, DOI issued Secretary's Order 3443 to direct the establishment of the USWFS in coordination with USDA, citing EO 14308 as the basis for the consolidation of federal wildfire capacity. The order directs consolidation of federal wildfire response capacity at DOI's five bureaus under USWFS beginning in January 2026. In December 2025, DOI announced that Brian Fennessy will assume the role of USWFS chief. Additional capacities from the Forest Service may be transferred later upon agreement by DOI and USDA and approval by Congress. APPA expects that the President's FY 2027 budget request will include funding to consolidate federal wildfire response under USWFS further.

APPA would like the administration and Congress to reasonably limit electric utility liability for wildfires on federal lands by reducing strict liability cap increases for U.S. Forest Service special use permit holders and Bureau of Land Management grant holders. Federal land management agencies raised the strict liability caps due to the increasing prevalence of wildfires and rising recovery costs. Utilities may be held liable for damages on federal lands even if utility infrastructure does not cause a wildfire and many utilities are sued seeking recourse for the damage. Public power utilities face increasing insurance costs and sometimes cannot find an insurance provider to assume the utility's wildfire liability. APPA supports creating a voluntary federal wildfire insurance backstop fund to assist utilities that experience catastrophic wildfires in their service territory and are unable to assume the full cost of post-fire recovery.

Congressional Action

During the 118th Congress, there was movement in the House and Senate to revise federal wildfire policies to promote better forest management and mitigate the potential for wildfires along electrical corridors on public lands. In November 2024, the House passed the Fix Our Forests Act (FOFA), which would have extended the authorized area for hazard tree removal and vegetation management around power line ROW from 10 feet to 150 feet and codified categorical exclusions (CEs) for vegetation management plan implementation, including for utility ROW. The bill also included resources for wildfire mitigation, directions for federal agency coordination, and support for research and development on technology to improve wildfire preparation and response.

The 119th Congress swiftly approved FOFA (H.R. 471), as reintroduced by Representative Bruce Westerman (R-AR) in January 2025. The House-passed FOFA includes the text of the Fire Safe Electrical Corridors Act (H.R. 2492). This provision would allow the Forest Service and BLM to permit the removal of hazard trees and vegetation growing near electric power line ROW on federal lands without holding a timber sale. It would also establish a standardized pay scale for federal wildland firefighters, an interagency Wildfire Intelligence Center for improved coordination on research and development, and a public-private partnership program for demonstrating advanced technology, such as drones, sensors, satellites, and artificial intelligence. The bill focuses on community resilience by establishing the Community Wildfire Risk Reduction Program and the Community Wildfire Defense Research Program to provide technical and financial assistance to at-risk communities for retrofitting or rebuilding infrastructure. APPA supports these provisions to ensure federal firefighters are properly compensated, have access to the best available technology to mitigate wildfire threats, and that communities have support for building infrastructure that mitigates wildfire risk.

In May 2025, the House passed the Fire Safe Electrical Corridors Act as a stand-alone measure to expedite the implementation of vegetation management during fire season. Senator Alex Padilla (D-CA) introduced the Senate companion bill (S. 349), which could help the bill move through the Senate more quickly. APPA strongly supports the Fire Safe Electrical Corridors Act.

In April 2025, Senator John Curtis (R-UT) introduced a Senate FOFA companion bill (S. 1462). It is similar to the House-passed version but differs in a critical area of importance for public power utilities. The Senate bill would direct the Secretary of Agriculture to promulgate a rule through the Forest Service to define NEPA CEs rather than codifying them through legislative text, as is done in the House-passed bill. The Senate bill does not include the direction to issue a CE specifically for utility ROW, as the DOI Secretary

already has the authority to promulgate this CE. The House recognizes that DOI has not acted on a CE for ROW and included the codifying language to ensure action.

In November 2025, the Senate Agriculture, Nutrition, and Forestry Committee held a markup of S. 1462 and passed the bill out of committee by a vote of 18-5. The legislation is now awaiting floor consideration in the Senate. Despite not including a specific CE for power line ROWs, APPA supports the Senate FOFA bill because it addresses federal wildfire capacity and enables a streamlined federal response that promotes interagency cooperation, stakeholder engagement, and reduces red tape related to forest management practices.

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The American Public Power Association is the voice of not-for-profit, community-owned utilities that power 2,000 towns and cities nationwide. We represent public power before the federal government and protect the interests of the more than 55 million people that public power utilities serve and the 100,000 people they employ.

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