

NORTH CAROLINA FIRE SERVICES

LEGISLATIVE HANDOUT

112TH CONGRESS

APRIL 6, 2011



North Carolina State Firemen's Association



March 21, 2011

On behalf of the 47,000 firefighters from the State of North Carolina thank you for your service to our country. We appreciate the opportunity to sit with you and your staff to discuss current and future legislation that impacts the fire services on local, state and national level.

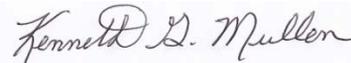
Annually, fire service representatives from all over the United States travel to Washington D.C. to meet with their respective delegation. This visit coincides with the Congressional Fire Service Caucus Dinner, which will be held April 7 this year. Our visit brings a unified message which we feel is very important for citizens and emergency service organizations in North Carolina and across our country.

This handout outlines active legislation and legislative needs that address citizen safety, educational efforts, funding, communications, volunteer recruitment and retention, staffing, equipment needs and recognition of service. We truly appreciate your support with these issues and if you need assistance with any issue, please do not hesitate to contact us.

Again, thank you for your dedication and hard work for the citizens of North Carolina and this great nation.



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Congressional Fire Services Caucus

The Congressional Fire Services Caucus is one of the largest caucuses in Congress. Founded by former Congressman Curt Weldon in 1987, the Caucus unites Republicans and Democrats in support of fire service legislation that benefits all first responders. Becoming a member does not require taking positions on legislation; rather Caucus members are asked to pledge support in a way that best benefits fire departments in their respective Congressional Districts.

To preserve the bipartisan spirit of the Caucus, the chairmanship rotates every two years between Republican and Democratic members. Previous chairmen include Senator Joseph Biden (DE), Senator John McCain (AZ), Senator Paul Sarbanes (MD), Senator William V. Roth, Jr.(DE), Congressmen Weldon (PA), Steny Hoyer (MD), Sherwood Boehlert (NY) and Robert Andrews (NJ)

The North Carolina fire services thanks the following congressional members for being a member of the caucus:

- Senator Richard Burr
- Congressman David Price (NC-4)
- Congressman Howard Coble (NC-6)
- Congressman Mike McIntyre (NC-7)
- Congresswoman Sue Myrick (NC-9)
- Congressman Patrick McHenry (NC-10)
- Congressman Heath Shuler (NC-11)
- Congressman Melvin L. Watt (NC-12)
- Congressman Brad Miller (NC-13)

If you are not a member, the firefighters of the Old North State urge you to join. Today, the Fire Caucus is the largest Caucus in Congress with approximately 300 members in the House and Senate. The Caucus is not about ideology, but rather recognizing and supporting our nation's first responders. It unites members of Congress to raise the level of awareness on Capitol Hill about the critical mission first responders fulfill to protect local communities. Serving as a forum for education and discussion on a broad range of issues, the Caucus helps members understand how certain pieces of legislation can advance the readiness and response capabilities of our nation's first responders to all hazards.

You can join the Caucus by contacting one of the current co-chairs of the Caucus and letting them know you are interested in joining. For a list of the current co-chairs and caucus membership, please visit the website of the Congressional Fire Services Institute (CFSI): www.cfsi.org. Established in 1989, CFSI is a nonprofit, nonpartisan policy institute designed to educate Congress about the needs and challenges facing the entire fire and emergency services.



Volunteer Emergency Services Recruitment and Retention Act (H.R. 376)

The Volunteer Emergency Services Recruitment and Retention Act (VESRRA) simplifies the taxation of length of service award programs (LOSAPs), pension-like benefits for volunteer emergency responders.

Nearly 20 percent of the 800,000 volunteer firefighters in the United States participate in some type of LOSAP. Unfortunately, there are several problems with the way that LOSAPs are treated under the tax code which make it unnecessarily difficult for departments to administer plans and for volunteer emergency personnel to receive benefits.

Contributions to traditional pension plans are considered 'eligible deferred compensation', which means that they are not taxed until an individual starts drawing funds from the pension. The tax code specifies that payments into a pension cannot be larger than 100 percent of other compensation to safeguard against use of pension accounts to avoid taxation. This might make sense for an employee who receives a regular wage or a salary in addition to pension contributions, but for volunteers who may receive no compensation outside of the LOSAP it is problematic.

To comply with the '100 percent rule' many LOSAPs are either not funded or the funds are set aside but not legally guaranteed to the volunteer. As a result, if the entity responsible for the LOSAP declares bankruptcy, volunteer firefighters risk losing their benefit. Also, LOSAP contributions are not portable - a volunteer who leaves a fire department for any reason must draw funds from their LOSAP immediately (and then be taxed with a penalty) or the entity administering the LOSAP must continue to do so until the volunteer attains the payment age. VESRRA would allow sponsors of LOSAPs to elect to have their plan be considered eligible deferred compensation. LOSAP payments would then be guaranteed and portable.

Another problem regarding the treatment of LOSAPs under current tax law is the \$3,000 limit on annual contributions to the programs. Established in 1996, the cap has not been adjusted for inflation since. Several states including New York and New Jersey have state laws that authorize annual contributions above \$3,000. VESRRA would raise the annual contribution limit to \$5,500 and create a mechanism for adjusting the cap for inflation.

Finally, because many fire and EMS departments are technically private, non-profit organizations, they are subject to ERISA reporting requirements that do not apply to volunteer agencies that are part of a unit of government. VESRRA would allow volunteer, non-profit emergency response agencies who provide service based on the terms of a written agreement with a local unit of government to elect to have their plan considered 'governmental' for the purposes of taxation.

Congressman Peter King (R-NY) along with nine original co-sponsors introduced VESRRA (H.R. 376) on January 20, 2011. Senate companion legislation has not yet been introduced. **We are urging members of the House to cosponsor H.R. 376.**

N.C. Co-Sponsors: None (As of March 21, 2011)

Assistance to Firefighters Grants (AFG) and Staffing for Adequate Fire and Emergency Response (SAFER) Grants (S.550)

The Assistance to Firefighters Grant (AFG) program and the Staffing for Adequate Fire and Emergency Response (SAFER) grant program provide critical assistance to local fire and EMS agencies. AFG and SAFER are competitive programs that awards grants directly to local responders in an effort to give every department the basic tools needed to respond to all hazards. Through AFG, departments can apply for federal assistance for training, equipment, firefighting vehicles, communications equipment, health and safety programs and fire prevention and education programs. SAFER provides grants to fire departments for the hiring of personnel and to fire departments or regional and state fire associations to implement retention and recruitment programs.

A recent assessment by the Department of Homeland Security (DHS) rated AFG as the second-most effective program in the Department behind only the Secret Service. Approximately 20,000 fire and EMS agencies apply for more than \$3 billion in AFG funds each year and the peer review process that DHS employs to rank applications ensures that only the most worthy requests are funded. The Fire Equipment Manufacturers and Services Association (FEMSA) estimates that for every \$100,000 spent through AFG, nearly 1.2 full-time manufacturing jobs are created or saved in the United States. This number reflects the fact that firefighting equipment and apparatus purchased by American emergency services departments is almost exclusively manufactured domestically.

Ten percent of SAFER funds are statutorily set aside to fund volunteer recruitment and retention. Since 1987, the percentage of volunteer firefighters under the age of 40 has shrunk from 65 percent to less than 50 percent today. As this trend suggests, fire departments are increasingly having difficulty recruiting and retaining the next generation of volunteer firefighters. Volunteer fire departments can use recruitment and retention funds for a variety of activities from marketing campaigns to establishing modest incentive programs.

In FY 2010, AFG was funded at \$390 million – a reduction of \$175 million from FY 2009 – while SAFER received a \$420 million appropriation. Earlier this year, national fire service organizations asked Congress to provide \$810 million – flat funding – split equally between AFG and SAFER in FY 2011. An amendment restoring funding to FY 2010 levels was passed overwhelmingly, receiving a majority of votes both Democratic and Republican members, during consideration of the year-long Continuing Resolution adopted in February by the House of Representatives. While that bill ultimately was not enacted, **we are urging members of Congress to oppose cuts to AFG/SAFER in future appropriations legislation.**

In November 2009, the House of Representatives passed legislation (H.R. 3791) which would have extended AFG and SAFER for five years and made several changes to both programs. That legislation was never enacted and the authorizations for AFG and SAFER have expired. On March 10, 2011, Senator Joe Lieberman introduced the Fire Grants Reauthorization Act (S. 550). **We are urging members of the Senate to cosponsor S. 550.** Companion House legislation has not yet been introduced.

N.C. Co-Sponsors: None (As of March 21, 2011)

U.S. Fire Administration

The United States Fire Administration (USFA) provides training and education for emergency services personnel and the public. USFA also performs research and collects data specific to the fire service and fire service activities. The long-term health of USFA and its National Fire Academy are critical to the fire service.

USFA was reauthorized by Congress in September of 2008. National fire service organizations worked closely with the House and Senate sponsors to help develop and ensure final passage of the reauthorization, which runs through 2012 and contains several important provisions, including: an increase in authorized funding for USFA; establishes that activities in wildland fire, emergency medical services, urban search and rescue and hazardous materials are core elements of USFA's mission; and updates the National Fire Incident Reporting System.

USFA received \$44.98 million in FY 2009, much lower than the \$70 million authorized but more than the \$40.9 million the President had requested and a \$1.6 million increase from FY 2008. For FY 2010, the President requested \$45.59 million for USFA, the funding level adopted in the House and Senate versions of the Homeland Security Appropriations Act. The President has requested \$45.93 million for USFA in FY 2011. **We are urging members of Congress to support funding USFA at the level requested by the President in FY 2011.**

While we have seen enormous increases in overall homeland security spending in recent years, USFA's funding level has actually been slightly reduced over the same period, causing the agency to struggle in executing its core mission. We are pleased to see the recent upward trend in funding for USFA, although we continue to support full funding.



Nationwide Broadband Communications Network (S. 28/H.R. 607)

We support the establishment of a nationwide broadband communications network that volunteer fire and rescue/EMS departments can access at a relatively inexpensive rate. Establishment of such a network that includes rural areas would be hugely beneficial to volunteer agencies because it would give them access to communications tools that are not available currently across large portions of rural America, where a majority of volunteers serve. Volunteer agencies could potentially utilize a broadband communications network to upgrade intra- and interoperability without having to purchase expensive new equipment.

Since well before the September 11th attacks, first responders have had a clear need for additional radio spectrum space so they can communicate more effectively. In the wake of those terrorist acts, the 9/11 Commission made it clear that providing more radio spectrum to emergency services was a priority for improving both security and safety.

In 2007 the Federal Communications Commission (FCC) revised plans to auction portions of the 700 MHz band of radio spectrum in order to create a nationwide interoperable broadband network for use by public safety. The revised FCC rule bundled 10 MHz already scheduled to be auctioned (commonly referred to as the “D Block”) with 12 of the 24 MHz designated for public safety to be auctioned to a private entity that would enter into a partnership with public safety organizations to develop a shared nationwide interoperable network for commercial and public safety users. Unfortunately, under the terms set forth for the auction, which took place in January 2008, there was only one bid for the D Block and it fell short of the reserve price set by the FCC.

In 2010, national fire service organizations made using the D Block to establish a nationwide broadband communications network for primary use by public safety top legislative priority. The President’s FY 2012 Budget Request allocates the D Block to public safety and proposes to spend \$10 billion, offset by spectrum allocation proceeds, to help build an interoperable communications network. Legislation has also been introduced in the 112th Congress in both the House and Senate to accomplish this goal. On January 25 Senator Jay Rockefeller reintroduced the Public Safety Spectrum and Wireless Innovation Act (S. 28) and on February 10 Congressman Peter King introduced the Broadband for First Responders Act of 2011 (H.R. 607). While there are some differences between the President’s plan, the House bill and the Senate bill, we are generally supportive of each proposal. **We are urging members of House to co-sponsor H.R. 607 and members of the Senate to co-sponsor S. 28.**

N.C. Co-sponsors of H.R. 607: None (As of March 21, 2011)

N.C. Co-sponsors of S. 28: None (As of March 21, 2011)



Volunteer Responder Incentive Protection Reauthorization Act

The Volunteer Responder Incentive Protection Reauthorization Act (VRIPRA) extends a tax exemption on benefits that volunteers receive as recruitment/retention incentives that expired at the end of last year. The original VRIPA bill was signed into law on December 20, 2007, amending the Internal Revenue Code of 1986 to exclude property tax benefits and up to \$360 per year in other benefits provided to volunteer firefighters and EMS personnel from employment taxes and wage withholding. Passage of VRIPA was a top legislative priority for the National Volunteer Fire Council in the 110th Congress.

The IRS determined in April of 2008 that it would continue to withhold Social Security, FICA, etc. taxes from all benefits received by volunteers, including those exempted from taxation by VRIPA. Congress passed legislation in July of 2008 to clarify that the IRS should not withhold any money from the tax-exempt benefits of volunteer first responders.

With expiration of VRIPA, volunteer emergency responders will see their tax bills increase if Congress doesn't act.



Supporting Emergency Responders Volunteer Efforts Act

The N.C. fire services strongly supports the passage of the Supporting Emergency Responders Volunteer Efforts (SERVE) Act, which would provide a \$1,000 annual tax credit for active members of volunteer fire and EMS organizations.

A \$1,000 tax credit for volunteer firefighters and EMS personnel can serve as an important recruitment and retention tool for local volunteer fire departments who are struggling to meet increased the demands placed on them. With the ranks of the volunteer fire service decreasing over ten percent in the last 20 years, the Federal government should provide a small incentive to these brave men and women who risk their lives for little or no compensation to help reverse this trend. In fact, the cost of this tax incentive to the Federal government would be quite small compared to the estimated \$37.2 billion annual cost savings provided by the volunteer emergency services.



Volunteer Firefighter and EMS Personnel Job Protection Act

With an increase in devastating natural disasters and the ongoing threat of terrorism, emergency responders are an important resource; however, volunteer first responders' jobs are potentially at risk when responding to a Presidentially-declared emergency. Currently, volunteer firefighters and emergency medical services personnel are not protected against termination or demotion by their employers should they miss work when called upon to respond to a Presidentially-declared emergency. Most volunteers forced to make that choice respond as expected and hope to resume their work without facing consequences from their employers.

We strongly support the passage of the Volunteer Firefighter and EMS Personnel Job Protection Act, which would protect the jobs of volunteer emergency services personnel responding to a Presidentially-declared national disaster for up to 14 days per calendar year. This protection is similar to that provided to members of the National Guard.

This legislation would not only benefit individual volunteers, it would also reduce pressure placed on emergency managers who heavily depend on the availability and performance of volunteer fire and EMS providers. It is important that pre-emergency planners know what assets they have available to them so the deployment process can move as smoothly and quickly as possible.

Under this legislation, employers would not be required to compensate employees for time missed due to responding, but would have to let them keep their jobs when they return. Employees would likewise be required to make a reasonable effort to notify their employers that they will miss work and continue to provide reasonable updates over the course of their absence. Furthermore, the bill only applies to emergency responders who are acting in an official capacity. "Self-responders" would not be eligible for job protection under this bill and employers have the right to ask for documentation from the official supervising the response that the employee was indeed involved in an official capacity.



Fire Sprinkler Incentive Act

The N.C. fire service strongly supports the passage of the Fire Sprinkler Incentive Act, which would provide tax incentives for the voluntary installation and retrofitting of automatic sprinklers in buildings. This bill would reduce the tax depreciation time on non-residential real property from 39 years to only 5. While this tax incentive may appear sizeable, benefits of passage include lower local fire department costs, increased loan activity, reduced insurance claims and premium costs, larger numbers of retrofitting and installation jobs, and the generation of payroll tax revenue.

The importance of automatic fire sprinkler systems was tragically demonstrated in February 2003 when 99 people were killed in a pyrotechnic fire at a nightclub in Rhode Island. Three days earlier, there was another pyrotechnic fire in a nightclub in Minnesota. That establishment had an automatic fire sprinkler system and the fire did not cause a single injury.

The benefits of fire sprinkler systems have long been known. In fact, the National Fire Protection Association has *no record* of a fire killing more than two people in a public assembly, educational, institutional or residential building with a complete and fully operational automatic fire sprinkler system. The effectiveness of sprinkler systems in extinguishing fires or extending the time available for firefighters to respond is indisputable. Unfortunately, due to the costs of implementation, there has been little movement amongst property owners to install these systems.



The Authorization of the National Hazardous Materials Fusion Center

The 21st century economy presents a diverse number of threats to hazardous materials teams. There should be a central location to gather and disseminate hazardous materials information and for hazmat responders to share lessons learned and network.

The IAFC and the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration have created the National Hazardous Materials Fusion Center to provide an opportunity for hazmat teams to network and educate each other about hazmat incidents to improve responder and public safety.

The National Hazardous Materials Fusion Center is a free web-based resource, which allows hazmat responders to share information and learn from each other. It also includes an Incident Reporting System for hazmat teams to submit incident data which allows the Fusion Center to capture national and regional trends. The Fusion Center also collects information by deploying Regional Incident Survey Teams (RISTs) to review hazmat incidents to develop lessons learned and smart practices.

We urge members of Congress to support the authorization and funding of the National Hazardous Materials Fusion Center as part of the surface transportation bill.



Fallen Heroes Flag Act (H.R. 926)

This bill was introduced by Congressman Peter King (NY-3) on March 3, 2011.

The legislation allows the Representative of the immediate family of a deceased public safety officer who died in the line of duty to provide the family, at their request, with a Capitol-flown flag, together with a certificate, signed by the Speaker of the House of Representatives and the Representative providing the flag, which contains an expression of sympathy for the family. Senate companion legislation has not yet been introduced. **We are urging members of the House to cosponsor H.R. 926.**

N.C. Co-Sponsors: None (As of March 21, 2011)

