S. HRG. 106–106

BILLS AND ADMINISTRATIVE PROPOSAL TO INVEST OCS REVENUES IN CONSERVATION PROGRAMS

HEARINGS

BEFORE THE

COMMITTEE ON ENERGY AND NATURAL RESOURCES UNITED STATES SENATE

ONE HUNDRED SIXTH CONGRESS

FIRST SESSION

ON

S. 25 **S. 532**

S. 446 **S. 819**

APRIL 20, 1999

APRIL 27, 1999

MAY 4, 1999

MAY 11, 1999

Printed for the use of the
Committee on Energy and Natural Resources

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BILLS AND ADMINISTRATIVE PROPOSAL TO INVEST OCS REVENUES IN CONSERVATION PROGRAMS

TUESDAY, APRIL 20, 1999

U.S. SENATE,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC.

The committee met, pursuant to notice, at 9:35 a.m., in room SD–366, Dirksen Senate Office Building, Hon. Frank Murkowski, chairman, presiding.

OPENING STATEMENT OF HON. FRANK H. MURKOWSKI, U.S. SENATOR FROM ALASKA

The CHAIRMAN. Good morning, ladies and gentlemen. I call the Committee on Energy and Natural Resources to order.

This is an oversight hearing on a matter that has been given a great deal of discussion over the years. And that is, what to do about our parks and how we can stimulate activity from local communities and, of course, most important, where is the revenue going to come from? So we are going to have a hearing on a number of bills, including the administration's Lands Legacy Initiative, and also S. 532, the Public Lands and Recreation Investment Act of 1999; S. 25, the Conservation and Reinvestment Act of 1999; and S. 446, the Resources 2000 Act.

So we have got a lot of action around here this morning. We have a number of witnesses. As a consequence, I am going to enforce a policy that we from time to time adopt. But, from the standpoint of members and witnesses, written statements will be included in the record of this hearing. In order to accommodate members and witnesses and allow sufficient time for questions, members are asked to restrict their oral statements to 3 minutes. Witnesses that come before us will restrict their oral statements to 5 minutes. And, we are going to keep time. There is a timer right in front of you.

What we have here in the three legislative proposals before us is an opportunity to explore in great detail the concept of OCS revenue sharing. Make no mistake about it, we should be very realistic and recognize from where OCS revenues come. They come from offshore oil and gas. As a consequence, in order to fund this, we are going to have to have the continuity of support for OCS, where it is appropriate.

We will also, of course, hear about the administration's Lands Legacy Initiative. Let me try and just highlight very briefly the dif-

ference between the bills. S. 25 provides for coastal impact assistance and other State coastal programs, funding of the Land and Water Conservation Fund, including fulfilling a long delayed promise of support for State and local and urban parks and recreation facilities, as well as State wildlife programs.

S. 25, as compared to the Lands Legacy proposal, provides for coastal impact assistance; the Lands Legacy Initiative does not. S. 25 provides States with the flexibility to spend State and water land and conservation money; the Lands Legacy Initiative lets the Federal Government tell the States and local governments what lands they must purchase.

S. 25, vis-a-vis S. 446: 25 provides for coastal impact assistance; S. 446 provides no money for impact assistance. S. 25 places limitations on Federal land acquisitions; S. 446 places no restrictions. S. 25 provides States with the flexibility to spend OCS revenues; S. 446 allows the Federal Government to dictate how OCS revenues are spent.

S. 25 vis-a-vis S. 532: S. 25 reinvests OCS revenues in three conservation programs; S. 532 is a land and water conservation bill only. S. 25 places limitations on Federal land acquisitions; S. 532 places no restrictions. S. 25 and S. 532 both award state-side land and water conservation grants based on a formula grant, with the States and local governments deciding how to spend the money.

Well, we have an exciting opportunity among those who are witnesses here, who have worked for years, and in some cases decades, to enact coastal impact assistance. This is a landmark opportunity to remedy the existing inequity in the distribution of OCS revenues. It would provide secure and meaningful funding for the state-side land and water conservation program.

The bills before the committee are not perfect. This is an opportunity to have input, change the bills. But it does provide a starting point, and that is what it is intended to do. So we look forward to working with the members of this committee, along with the sponsors of the other proposals, to enact meaningful OCS revenue-sharing legislation which will benefit all Americans.

I want to particularly recognize and thank Senator Landrieu, who has worked very, very hard in bringing about a consensus, at least from the standpoint of the State of Louisiana and Alaska, on S. 25.

[Laughter.]

The CHAIRMAN. She has been very diligent, and I am most appreciative of her efforts.

Senator Bingaman, our ranking member.

[The prepared statement of Senator Murkowski follows:]

PREPARED STATEMENT OF HON. FRANK H. MURKOWSKI, U.S. SENATOR FROM ALASKA

Welcome to the first of three hearings on legislative proposals to spend revenues earned from oil and gas development on the Outer Continental Shelf or OCS. During these hearings, we will receive testimony on S. 25—the Conservation and Reinvestment Act introduced by Senator Landrieu and I; S. 446—the Resources 2000 Act introduced by Senator Boxer; and S. 532—the Public Land and Recreation Investment Act introduced by Senator Feinstein. We also will hear about the Administration's Lands Legacy Initiative.

Federal OCS production is authorized only off the coast of 6 states: Texas, Alabama, Mississippi, Louisiana, a part of California and parts of Alaska. In all other areas, a Federal moratoria prohibits any OCS exploration or development until

2012. For those states which support OCS activity, their residents know, first-hand, the mixed blessings of federal OCS energy programs.

If oil and gas are discovered on Federal lands in Wyoming, the revenues from that discovery are split 50-50 with Wyoming. Those rules do not apply if the oil and gas are discovered on Federal submerged lands on the Outer Continental Shelf. In Fiscal Year 1998, the Federal OCS leasing program generated $4.522 billion in rents and royalties. Of this total, only $116 million, or approximately 2.5%, was paid to States for development that occurred in a narrow band off their coasts. All of the rest of the money went to the Federal treasury.

As we heard at an earlier Committee hearing in January, coastal States which support OCS activities have unavoidable impacts from such development. These States deserve some financial assistance from the Federal government to minimize these impacts. The current situation is not fair.

This inequity is even more clear when one examines the role of Federal OCS production in meeting this country's energy demands. America imports more than 56 percent of our domestic petroleum requirements. DOE predicts that, in the next 10 years, America will be at least 64 percent dependent on foreign oil. OCS development will play an important role in offsetting even greater dependence on foreign energy. The OCS accounts for 27% of our domestic natural gas production and 20% of our domestic oil production.

Unlike foreign oil on foreign tankers, this energy is home-grown and contributes directly to our national wealth. It also produces good jobs in these industries and contributes to the balance of payments. Technological advancements have and will continue to result in new OCS production having an unparalleled record of excellence on environmental and safety issues.

S. 25, a bipartisan proposal, seeks to remedy the current inequity in the distribution of Federal OCS royalties by redistributing 50% of the OCS revenues for three programs: coastal impact assistance; state and local park and recreation programs; and state wildlife programs. The other 50% would remain in the Federal treasury.

S. 25 allocates 27% of the OCS revenues to coastal states and communities that shoulder the responsibility of offshore oil and gas development off their coastlines. Funds will be used for a variety of coastal, environmental and infrastructure purposes. Our bill acknowledges that all coastal states have unique needs and provides coastal impact assistance to 30 coastal states and 5 territories—even those states which prohibit oil and gas activity off their coasts.

The bill also takes a portion of the revenues and invests them in conservation and wildlife programs in all 50 states: 16% of the revenues would go to fund the Land and Water Conservation Fund including state, local and urban park and recreation facilities; while 7% of the revenues would be used for state fish and wildlife programs. These programs recognize that a portion of the revenues earned from the depletion of a nonrenewable resource should be reinvested in renewable resources—the park, recreation and conservation systems which all Americans enjoy. Today, our first panel will share with us the importance of local park and recreation.

Importantly, the expenditure of this money throughout the bill rests with local communities not with the Federal government. Local communities will figure out what renewable resources need to be conserved and enhanced for the benefit of their residents—not the Federal government.

One provision of concern in S. 25 is the funds that would be provided for Federal land acquisition—approximately $318 million based on 1998 OCS revenues. Throughout the western states in Federal conservation units, there are private property holders being held in limbo—wanting to sell their land because their land use and access is curtailed by Federal regulations but no Federal money has been provided to make these owners whole. At the same time, there are other inholders who do not want to sell.

The bill tries to reach a balance between these competing interests: Only Federal purchases would be those within land management units authorized by an Act of Congress; none of the funds could be used to condemn property; 2/3 of the money would have to be spent east of the 100th meridian which runs from Texas north through the Great Plains; and acquisitions greater than $5 million would require House and Senate authorizing and appropriating committees. This provision of S. 25, and the money provided for Federal land acquisition in the other proposals, will be thoroughly discussed by our second panel of witnesses.

This is an exciting time for those of us who have worked years, in some cases decades, to enact coastal impact assistance legislation. There is a landmark opportunity to remedy the existing inequity in the distribution of OCS revenues and provide secure and meaningful funding for the state-side Land and Water Conservation Fund program.

Bills before the Committee are not perfect but they do provide a starting point. I look forward to working with the members of this Committee, along with the sponsors of the other proposals, to enact meaningful OCS revenue sharing legislation which will benefit all Americans.

STATEMENT OF HON. JEFF BINGAMAN, U.S. SENATOR FROM NEW MEXICO

Senator BINGAMAN. Well, thanks for holding the hearing, Mr. Chairman. I would also like to thank Senator Landrieu for her leadership on this issue. When Alaska and Louisiana agree, the country cannot be far behind.

I look forward to hearing from the witnesses. I know we have 3 days of hearings scheduled on these bills, and we look forward to building a good record that we can use as we move ahead.

Thank you.

The CHAIRMAN. Senator Campbell.

STATEMENT OF HON. BEN NIGHTHORSE CAMPBELL, U.S. SENATOR FROM COLORADO

Senator CAMPBELL. Thank you, Mr. Chairman. I will keep my statement brief, because I would like to say something at the appropriate time about one of our witnesses.

But thank you for conducting this hearing. I know you and Senator Landrieu have worked very hard on S. 25, and I look forward to hearing the testimony. We have a very diverse group at the table today, and I thank you, once again, for doing this hearing.

The CHAIRMAN. That witness did not have anything to do with the State of Colorado?

Senator CAMPBELL. Absolutely.

The CHAIRMAN. All right. Well, we will wait with bated breath.

Senator Johnson.

STATEMENT OF HON. TIM JOHNSON, U.S. SENATOR FROM SOUTH DAKOTA

Senator JOHNSON. Well, thank you, Mr. Chairman, for a very timely and very important hearing.

I also applaud you and Senator Landrieu, as well as the administration and others, who have worked on proposals to preserve key lands and promote critical conservation programs. I am particularly interested in the Land and Water Conservation Fund and what we can do there, and I also strongly support the Teaming with Wildlife initiative.

I hope that ultimately we can reach some meeting of the minds on a comprehensive conservation proposal. I have to express some concern and disappointment with recent action by the conference committee on the FY 2000 Budget Resolution. As a member of the Senate Budget Committee, working with Senator Boxer and with some bipartisan help in that committee, we were able to establish a reserve fund for this conservation effort. The Senate passed that. Consequently, it was in the Senate budget resolution. Unfortunately it came out in conference committee which is going to significantly complicate our work here, as authorizers, when we try to find the budget room to do what needs to be done.

Nonetheless, it is not an insurmountable problem, and I look forward to working with the chairman and working with the administration and other supporters around the country. I think there is a broad-based support for the general thrust of where we are trying to go with this conservation effort. And I am hopeful that we can find some bipartisan common ground, not make the perfect the enemy of the good, and find the budget mechanism for making this a reality this year.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Johnson.

Senator Gorton.

STATEMENT OF HON. SLADE GORTON, U.S. SENATOR FROM WASHINGTON

Senator GORTON. Mr. Chairman, you have certainly put together an all-star cast of witnesses for us to hear this morning. I met the very first witness, Victor Ashe, on the only trip that I have ever made to Tennessee, when I campaigned for him in his attempt to become a member of this body.

Jane Hague, on panel three, is the chairman of the King County Council, in my home State, and a long-time friend.

Someone on the other side of some of these issues, Chuck Cushman, is also a friend and a colleague, with a very articulate point of view.

And many of the other names I recognize either as previous witnesses before this committee or simply because of their distinguished public careers.

Senator Landrieu has come to my office and discussed with me with great eloquence the proposal that you and she have put together. And unfortunately, in many respects, I hate to rain on this parade. But the budget resolution that we passed based on assumptions to which all of us agreed have no general fund budget surplus for next year. And that means that every dollar—and your staff memo says that S. 25 is anywhere from $1.6 billion to $2.2 billion, S. 446 is $2.3 billion, S. 532 is $900 million, and the President's Lands Legacy Initiative is just over a billion dollars.

Well, if we pass them for this year, that money comes straight out of the Social Security Trust Fund, something we have promised that we would not do. And yesterday the President asked us for $6 billion to pay for a war. I listened to some of the discussion of that war yesterday. It seems to me more likely than not that we will actually appropriate next week about $10 billion for that war.

Now, President Lyndon Johnson tried to do guns and better at the same time. And we found out it worked neither for the war nor for the economy. And I have got to say, with all of the wonderful purposes of this bill, we are not going to be able to afford guns and butter at the same time unless someone finds some new magical source of money for these purposes. But simply taking them out of funds that now go into the General Fund simply creates a deficit. We cannot take money out of one pocket and put it into another and say we are richer and have more money to spend. We have no net gain as a result of doing that.

So while I find the purposes of each of these bills to be appropriate in many respects—most especially those that call for the

purchase of conservation easements and the like, where property can remain in private ownership—to be highly worthy, I just simply have to ask the question—be the rain on the parade—how are we going to afford a war and this at the same time?

The CHAIRMAN. Does that conclude your remarks with that upbeat statement?

[Laughter.]

Senator GORTON. Those are my remarks.

Senator BINGAMAN. That is not to mention the tax cut, right?

[Laughter.]

The CHAIRMAN. Well, I do not know whether we are going to invite you to the next picnic, Senator.

[Laughter.]

The CHAIRMAN. But a little realism is good for the soul, I am told. And I, too, went out and campaigned for Victor Ashe. I suspect that you and I are not going to be sent out anymore.

[Laughter.]

The CHAIRMAN. But, nevertheless, I think your particular comments certainly reflect the reality. On the other hand, there is still a question of the legitimacy of the surplus and just how significant it may or may not be. And that probably is dependent on the valuation of the economy and the stock market in any given day. But, nevertheless, I think it is far overdue that we address the merits of OCS revenue-sharing, particularly on the impacted areas. And as a consequence, we intend to proceed with this legislation and fight the good fight, which clearly will be with the budgeteers.

Senator Landrieu, you have waited patiently, and perhaps you have some magic.

STATEMENT OF HON. MARY L. LANDRIEU, U.S. SENATOR FROM LOUISIANA

Senator LANDRIEU. I do not have a magic wand, but, Mr. Chairman, that is why you are on the bill—to answer those kind of questions, and I am just going to stick to the subject at hand.

[Laughter.]

The CHAIRMAN. I wondered about that.

Senator LANDRIEU. I appreciate the comments. And we are all mindful of the great budget challenges before us.

But let me say that the beauty of these proposals, which so many here in the audience have worked on so hard over the last several years actually, is that royalties and taxes that are taken from depleting one of our great natural resources will be used to shore up our other natural resources, bringing wealth and bounty and prosperity to our States and our Nation. So that is the underlying symmetry, sort of, of this bill. And the way to do it is to do it in a balanced and forward-looking way.

I also want to say, respectfully, Mr. Chairman—and I thank you for your leadership as the ranking subcommittee—is that it really is the more fiscally responsible thing to do, to allocate these monies in reinvestments as opposed to sending them all directly to the Treasury to be used for recurring, unrelated expenses. And so it really is the fiscally responsible thing to do to try to redirect these revenues to investments in our environment. And that is one of the underlying principles, Mr. Chairman, of our bill.

I also want to take this opportunity to thank Senator Johnson for his diligent work with the Budget Committee, in trying to put forth language that was accepted in a bipartisan way by work on both sides of the aisle. Unfortunately, that same action was not dovetailed in the House. But it is not a setback; it is just a challenge for us to work even harder towards making this idea become a reality. But I want to thank him and Senator Boxer.

And I also want to thank Senator Bingaman, as the ranking member on our side. There are different views of this, and I thank him for his work over the last year. And we just want to say one word, that another principle of this bill is to find a permanent funding source. It is very hard to build a vision and expand our parks and our recreation without a permanent, dependable source of funding. And that is really what is important, Mr. Chairman, as you have pointed out—to use this rather volatile—but we can make it a more steady stream if we craft these bills in the right way—to provide funding for title I, coastal impact; title II, land and water; title III, wildlife conservation.

And so I just want to say that, as one of the host States that provide a tremendous amount of money for this initiative, that Louisiana—and I think I can speak for Texas and for Alaska and for others—we are happy to share these revenues to do some good things for our Nation that our grandchildren can depend on.

And, finally, we have an all-star panel of witnesses, but we have one of ours, a most valuable player, Terrell Davis. And as many watched, with his grace and elegance, as he played the Superbowl, he was the most valuable player, we hope this is the most valuable proposition. And for his dreams of becoming a football star the way he has, we hope that many children in inner cities and in rural areas throughout our Nation have the opportunity to walk on a grassy place, to play in open spaces.

Not everyone will have the chance like he has, to succeed in professional football, but we hope that many, many more millions of children, Mr. Chairman, can play on ball fields and soccer fields in this Nation, to develop the skills that God so richly hopes for them, and so do we.

Thank you very much.

[The prepared statement of Senator Landrieu follows:]

PREPARED STATEMENT OF HON. MARY L. LANDRIEU, U.S. SENATOR FROM LOUISIANA

Mr. Chairman, thank you for holding the first of what will be three hearings before the Energy and Natural Resources Committee to discuss the critical need for additional conservation and environmental reinvestment in our country as we enter the next century. Over the next several weeks we will hear testimony on several legislative measures. The Conservation and Reinvestment Act of 1999 on which you and I are joined by Senators Lott, Breaux, Cleland, Johnson, Mikulski, Cochran, Sessions, Bond, Gregg, Bunning, Lincoln, Bayh and Coverdell will provide impact assistance to coastal states, aid to state parks and conservation initiatives as well as aid to wildlife. Currently, nearly 100% of the funds that the federal government receives annually from Outer Continental Shelf (OCS) oil and gas development goes to the federal treasury. The treatment of these revenues is different from the treatment of the revenues from federal oil and gas development onshore. Under the Mineral Funds Leasing Act, fifty percent of the revenues from federal oil and gas development onshore is distributed annually to the "host" state in an effort to mitigate the impacts associated with oil and gas development. Presently, a glaring discrepancy exists for coastal states that have adjacent federal offshore oil and gas activity.

The time has come to more fairly share the proceeds from the funds received by the Federal Treasury annually from Outer Continental Shelf (OCS) oil and gas de-

velopment with the "host" state and other coastal states that have coastal environmental needs. To continue to do otherwise, as we have over the last fifty years is not only environmentally irresponsible but also fiscally irresponsible. The Conservation and Reinvestment Act of 1999 proposes three distinct but not new reinvestment programs.

Title I dedicates 27% of the annual federal oil and gas revenues to coastal impact assistance. The coastal impact assistance program contained in Title I is different from any previous plan considered by Congress and is based on the October, 1997 recommendations of the OCS Advisory Committee to the Department of the Interior. Title I provides coastal impact assistance to all coastal states, counties and territories, not just those states that host federal OCS oil and gas development. The funding goes directly to States and local governments for improvements in air and water quality, fish and wildlife habitat, wetlands, or other coastal needs resulting from the impacts of drilling or other coastal activities. These revenues to coastal states will help offset a range of costs unique to maintaining a coastal zone for specific enumerated uses. The formula for allocating this revenue is based on population, miles of coastline and proximity to production. While there has been some discussion about the intent of using this formula, I would like to take this opportunity to assure all the members of this committee that this legislation is neither pro-drilling nor anti-drilling. This is a revenue sharing bill—uniquely. I recognize, however, the concerns raised by my colleagues and interested parties regarding the proximity formula, and as long as "host" states are properly acknowledged, I am open to suggestions.

Today, we will hear testimony on state, local and urban parks; Federal land acquisition, as well as other issues which are addressed in Title II of the Conservation and Reinvestment Act. Title II proposes a permanent and dependable stream of revenue for the State and Federal sides of the Land and Water Conservation Fund, as well as for the Urban Parks and Recreation Recovery Program. Under the bill, funding to the LWCF becomes automatic at 16% of annual revenues. Receiving just under half this amount, the state-side of LWCF will provide funds to state and local governments for land acquisition, urban conservation and recreation projects—all under the discretion of state and local authorities. The Urban Parks and Recreation program would enable cities and towns to focus on the needs of its populations within our more densely inhabited areas with fewer greenspaces, playgrounds and soccer fields for our youth. Stable funding, not subject to appropriations will provide greater revenue certainty to state and local planning authorities.

A stable baseline will be established for Federal land acquisition through the LWCF at a higher level than the historical average over the past decade. Federal LWCF, which is the one Federal program explicitly designed to help states and communities preserve open space, will receive just under half of the amount in this title of the bill. And, nothing in this bill will preclude additional Federal LWCF funds from being sought through the annual appropriations process. LWCF dollars will be used for land acquisition in areas which have been and will be authorized by Congress. Property will be acquired on a willing seller basis. The bill will restore Congressional intent with respect to the LWCF, the goal of which is to share a significant portion of revenues from offshore development with the states to provide for protection and public use of the natural environment. While there have been some provisions added to the bill that elicit varying responses from Members and groups, I firmly believe that a compromise exists on the Land and Water Conservation Fund that will garner broad support.

Finally, the wildlife conservation and restoration provision in Title III of this bill guarantees funding of 7% of annual OCS revenues for wildlife conservation initiatives, through the Pittman-Robertson Act. This program enjoys a great deal of support and would be enhanced without imposing new taxes. These funds will be allocated to all states for wildlife conservation for non-game and game species, with a principle benefit realized through the prevention of species from becoming endangered or threatened under the Endangered Species Act. I look forward to working with the Chairman and other members of this committee to make this program happen.

I believe that this measure will be a major step forward in the nation's effort to conserve and enhance our coastal areas as well as other special areas that will be important to future generations, as well as for irreplaceable wildlife resources.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much.

Senator Akaka.

STATEMENT OF HON. DANIEL AKAKA, U.S. SENATOR FROM HAWAII

Senator AKAKA. Thank you very much, Mr. Chairman. I will be brief.

At the outset, Mr. Chairman, I join you and our committee in welcoming the panelists from State and local governments, as well as our national organizations.

Mr. Chairman, I commend you for holding this first of several hearings on measures that would redirect revenues from outer continental shelf production to various purposes, including fully and permanently funding the Land and Water Conservation Fund, compensating communities for offshore oil and gas production impacts, and enhancing funding for a number of new and existing environmental initiatives.

I will reserve specific comment, Mr. Chairman, on the bills we are considering, except to state that, collectively, they represent an historic opportunity to bring conservation back to the center of our national agenda, where it belongs. In this regard, I would like to commend our colleague, Senator Landrieu, for her leadership on the matters now before this committee. That Congress and the administration are even contemplating such major changes in environmental policies is due in large part to her vision and persistence. I applaud her efforts and pledge to work with her and other members of the committee in reporting fair and balanced legislation that is consistent with the protection of our natural resources.

Thank you, Mr. Chairman, and I look forward to the testimony of today's witnesses.

The CHAIRMAN. Thank you very much, Senator Akaka.

Senator Bayh, good morning.

STATEMENT OF HON. EVAN BAYH, U.S. SENATOR FROM INDIANA

Senator BAYH. Good morning, Mr. Chairman. Thank you for your leadership, once again, on this important issue.

I would like to applaud you, Senator Landrieu and the others who have taken a leadership position on this important issue.

The CHAIRMAN. Are you going to leave out Senator Gorton?

[Laughter.]

Senator BAYH. I am confident that our colleague from Washington State will be there when we need him.

Slade, thank you.

The CHAIRMAN. That is the way to set him up.

[Laughter.]

Senator BAYH. Just following your lead, Mr. Chairman.

[Laughter.]

The CHAIRMAN. I understand.

Senator BAYH. I would also like to echo Senator Landrieu's comments just briefly in applauding Terrell Davis for his presence here today.

The CHAIRMAN. You are stealing the Senator from Colorado's thunder, I want you to know that, both Senator Landrieu and Senator Bayh.

[Laughter.]

Senator CAMPBELL. That is all right, Mr. Chairman. I am taking notes.

[Laughter.]

Senator BAYH. Mr. Chairman, I am new, but I learn quick.

[Laughter.]

Senator BAYH. At a time when many people in our society, particularly young people, are asking "Where are the heroes?" we are fortunate to have one with us today. My only regret, Mr. Davis, is you do not play for our team in Indianapolis, but hope springs eternal.

Just briefly, Mr. Chairman, at a time when we are certainly experiencing better fiscal health than we have in the recent past, we have an opportunity to accomplish several worthy objectives, including entitlement reform, balancing the budget, and making critical investments in things that will help to benefit our country for years and years to come. As I understand it, the last Congress decided to highlight the importance of the highway infrastructure by restoring funds that had been placed in that trust fund for the development of ground transportation across our country.

Our colleagues in the House, as I understand it, are currently in the process of trying to elevate the importance of airport investments by restoring those funds. Certainly at this time in our Nation's development, devoting long-needed funds to protecting our environment and restoring sensitive natural areas is just as important as road or airport construction.

I would like to briefly say that during my years as Governor of our State, we had the third largest expansion of the State parks in the history of the State of Indiana, and, for the first time, we did implement a permanent funding stream for acquiring sensitive natural resource and environmental areas. So I am fully supportive of your efforts. I look forward to working with you, and again would like to salute you, Senator Landrieu, and others, for your leadership on this important issue.

The CHAIRMAN. Thank you very much.

Senator Craig, good morning.

STATEMENT OF HON. LARRY E. CRAIG, U.S. SENATOR FROM IDAHO

Senator CRAIG. Good morning, Mr. Chairman. Thank you very much for holding hearings on these issues.

I missed the opportunity to hear from my Senator from the State of Washington a few moments ago. I will not ask him to repeat it, but I will ask him to critique what I am about to say. Because as a westerner from a State in which the Federal Government dominates it by 63 percent, and for an audience as large as this, this morning, I recognize the interest in what you are attempting to do, and other Senators and House members are attempting to do, as it relates to the Land and Water Conservation monies.

But let me suggest something, Mr. Chairman, that you know well, coming from a large public land State like Alaska. And it was reminiscent of a rather high-ranking official down at the Interior Department about a month ago, telling one of my friends from Idaho: Gee, if we would have had the President's Lands Legacy Initiative at the beginning of the Clinton administration, just think of

the amount of new Federal land the government would own and control.

So let us sober up a bit this morning, at a time of picnics and wasps and ants, and suggest that some of us are going to look at this proposal with a little more realism. Because we come from large public land States, and we are sensitive to States who do not have large public landholdings, and recognize the value of greenbelts, and certainly recognize the value of urban parks.

I grew up on a rather large, expansive ranch out in a huge perimeter of public land, and I did not understand the importance of city parks until we moved to the city and my kids began to play in those parks and recreate in them and one of my sons became a good soccer player as a result of having access to those kinds of facilities. So I am sensitive to the urban needs. I am sensitive to areas that are dominantly private land States, who have limited access. And we ought to try to accommodate that.

But I do not want the Federal Government owning one more acre in the State of Idaho. And many westerners feel exactly as I do.

And, Mr. Chairman, you know why. The Federal Government, and in this administration, we have seen the creeping attitude that that is the king's land out there, and we, the Government, will tell you, the citizen, how you can access it. Now, while that is all in the name of the environment, it is to hell with the little communities that have historically made their livings from those lands or associated themselves with it and had a Federal Government and a Federal policy that was sensitive to the livelihood of those little communities. That is gone—long gone. And this administration could care little, or less certainly, about those communities of interest.

So as a westerner, I am tremendously sensitive to giving the Federal Government, or any governments, substantially more buying power in the marketplace. What is happening in the West right now, when you see the cattle market down, large land holdings, ranches, oftentimes very well run by two and three generation ownerships, now up for sale because they cannot make a living, large interests coming in and buying them and asking that the Federal Government take them over in the name of the environment, that will become Federal land, never again to pay a tax or to turn a dollar or to associate with a local community and create a livelihood.

So, Mr. Chairman, today I approach your legislation and others who are interested in this with a great deal of caution. I must also tell you that when we pay a grazing fee or a mining fee or a camping fee in Idaho, it becomes General Fund money back here, to be appropriated out. I do not believe that coastal States have exclusivity to outer continental shelf monies, nor should they. And the formulas that we have had in the past have worked well, and we ought to work to continue those.

So I come with a mixed attitude this morning, Mr. Chairman. But I will tell you that I do not want the Federal Government owning any more land in the State of Idaho. I want them to manage what they have well. I do not want them to deny our people access to those lands. And I do not want an attitude permeating from

Washington that the Federal lands become the king's lands, and the serfs are left wanting.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you for staying within your limit, barely. And I would encourage you to examine the four bills that we have before us today.

Senator CRAIG. Oh, I have, Mr. Chairman, and I will look at them much more closely.

The CHAIRMAN. They all treat the matter that you are concerned about with a little different approach. But I certainly share your concern in regards to the Western States that are already publicly held and the desire of Federal Government to enhance its position. And one of the unfortunate things from the standpoint of many of us is what has happened under the appropriation process, as well, as we have seen. But I am not going to go down that rabbit trail this morning, at least not at this time.

Senator Graham, good morning.

STATEMENT OF HON. BOB GRAHAM, U.S. SENATOR FROM FLORIDA

Senator GRAHAM. Thank you, Mr. Chairman. I have an opening statement that I would like to file for the record.

The CHAIRMAN. Without objection.

Senator GRAHAM. I want to commend you, and particularly Senator Landrieu, for the leadership that you have provided in bringing these issues before us.

My hope is that as we go through these hearings we can develop a sense of the interrelationship of these various functions of public lands. For instance, the fact is that the State park systems serve a very important role in supporting our National Park System, and urban parks serve a similar role in supporting our State park system. As we examine what the national policy should be, it should be in the context of the interrelationship of these functional public land areas and their interrelated uses.

I appreciate your affording us the opportunity to have this important series of hearings and discussion and look forward to this committee producing an important piece of national land legislation that our colleagues in the Senate and the House will be able to support.

[The prepared statement of Senator Graham follows:]

PREPARED STATEMENT OF HON. BOB GRAHAM, U.S. SENATOR FROM FLORIDA

Mr. Chairman, members of the Committee, I appreciate the opportunity today to take a few minutes at the beginning of our series of three hearings on this subject to emphasize one particular area—our park system.

Parks provide a variety of functions in our society including everything from preservation of rare ecosystems to restoration of historical resources to recreational opportunities for our citizens. All types of parks perform these functions. National Parks often provide the core resource for natural resources while state and local parks can provide a buffer between these core resources and urban development or provide a "corridor" for wildlife, giving larger habitats to those species in need.

For example, in California, there are five park systems that include national as well as state lands which are managed as one contiguous ecosystem. At Redwoods National Park, decisions regarding preservation of the resources are made in conjunction with Jebodiah Smith State Park, Del Norte State Park, and Prairie Creek Redwoods State Park. In Florida, the Fakahatchee Strand State Preserve provides a buffer for both Big Cypress National Preserve and Everglades National Park from

urban development as well as a key habitat for the Florida panther, an endangered species. These parks often share resources to combat threats such as the fires currently facing the state of Florida.

In addition to protecting our resources, both national, state, and local parks provide much needed recreational opportunities for all citizens in the United States. This is one of the great traditions of the Land and Water Conservation Fund, created by Congress in 1964. As one of our witnesses today stated in her written testimony, this fund was created, ". . . to ensure that all Americans had access to quality outdoor recreation and to strengthen the health and quality of life in our communities."

These are just a few of the reasons that I support the use of Outer Continental Shelf revenues for traditional uses including the Land and Water Conservation Fund (LWCF) as well as for a new commitment to our national, state, and local park systems. I look forward to hearing from today's witnesses on the Urban Parks and Recreation Recovery program and the state-side of the Land and Water Conservation Fund to ensure that the policies we craft will support the needs of our state and local parks.

Last Thursday, April 15, I introduced the Graham-Reid National Park Preservation Act which Senator Mack is now co-sponsoring as well that would set aside $500 million of OCS revenues above full funding for the LWCF to preserve and protect threatened or impaired ecosystems, critical habitat, cultural resources or other core resources within our National Park System.

Although our National Parks are treasured throughout the nation, everyday activities often threaten the resources of our park system. For example, in Yellowstone National Park an inadequate sewage system discharges materials into precious resources such as Yellowstone Lake. Ground-level ozone accumulating at Great Smoky Mountains National Park threatens the park's core resource—visibility. Manipulation of the natural hydrologic system impacts water quality and water availability in Everglades National Park.

The Graham-Reid National Park Preservation Act will establish a permanent account using Outer Continental Shelf revenues to provide $500 million annually to the Department of the Interior to protect and preserve these resources. These funds will be made available for projects such as land acquisition, construction, grants to state or local governments, or partnerships with other federal agencies that seek to combat identified threats to ecosystems, critical habitats, cultural resources, and other core park resources. In this legislation, I also continue my longstanding efforts to protect Florida's coastal resources by making revenues from any new oil and gas leases or from development of any existing leases in a moratorium area ineligible for expenditure in this account.

Thirty percent of the $500 million will be available for park units threatened or impaired by activities occurring within the unit such as sewage treatment at Yellowstone Park. Seventy percent of the $500 million will be available for park units threatened or impaired by activities occurring outside of the unit, such as degradation of water resources at Everglades National Park. Of these funds, the legislation specifically provides $150 million to the Everglades restoration effort as the keynote project of the legislation.

As we move forward in this process of reviewing our priorities for the legislation before us today, let us remember the importance of our park system, both national, state, and local to our citizens. The combination of strong support for these parks will permit continued preservation of our natural resources while allowing all Americans to experience them firsthand.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Graham.

We have been joined by Senator Burns, from Montana.

Senator BURNS. Is it my turn?

The CHAIRMAN. Well, if you want it to be, for 3 minutes.

STATEMENT OF HON. CONRAD BURNS, U.S. SENATOR FROM MONTANA

Senator BURNS. When I first went West, you used to be able to drive through Yellowstone Park. And there would be a little cluster of cars that would stop. And people would throw out a hamburger to the bears. That is under government management. Today there are no bears. We are them, those of us who live in the West. We

are expected to stand along the side of the road, so some of these nice folks can drive by and pitch us a hamburger.

I will guarantee you, every Senator on this committee, if they lived in a State where the Government has large land holdings, would change their attitude overnight about how we manage our public lands, and why most of us have a hard time in giving the Federal Government more land.

Now, I want to associate myself with Senator Craig when he says I can appreciate the open areas in urban areas. I will support that wholeheartedly. I am opposed to the Fish and Wildlife removing George the beaver down here for chewing down one little tree—one little cherry tree. If we tried to do that in the West, do you realize that we would have everybody on top of us so rapidly it would make you—it would just be terrible.

So that is why we have reservations as we move into this legislation. I hope to be a constructive part of it. There are some good parts about this legislation. But we are very, very cautious about giving anybody Federal holdings of lands in the West. Because I just do not want to end up being like one of them old bears in Yellowstone Park, and folks come along and pitch me a hamburger every now and again. I do not want to do that.

Thank you, Mr. Chairman. And I will submit my statement.

[The prepared statement of Senator Burns follows:]

PREPARED STATEMENT OF HON. CONRAD BURNS, U.S. SENATOR FROM MONTANA

Thank you, Mr. Chairman, for the opportunity to address the committee this morning. I am pleased to see that the witness list includes a diverse group of interested parties and would like to welcome a fellow Montanan, Bruce Vincent, President of the Alliance for America. Bruce hails from Libby, Montana, a town I have mentioned a number of times in recent hearings as being devastated by the actions of our Department of the Interior and the U.S. Forest Service. I am sure that Mr. Vincent will give us a sobering view of what increasing federal ownership is doing to our rural areas.

I must say that the various pieces of legislation before us today leave me torn. On one hand, I am extremely supportive of helping the local communities in the coastal states that have severe infrastructure needs as a result of our reliance on the resources they provide to our great nation. I also support the funding of state based conservation efforts and funding for wildlife habitat. At the same time, I am extremely concerned about the effects that federal ownership has on Montana. We have more than enough federal land in Montana, and the simple fact is that we can't find the money within the federal budget to maintain it.

Our forest roads system is failing apart, noxious weeds run rampant on federal land, the forests are infested with beetles and other invasive species, and the list goes on and on. Then, when the federal government makes a commitment to compensate our local communities for the burden of federal ownership through revenue sharing or PILT payments, the promise is always broken. PILT still isn't full funded this year, and our timber, grazing and other revenues have dwindled to a mere pittance of what they once were. To be brutally honest, federal ownership is nothing more than a monkey on the back of every Montana taxpayer. Yet while refusing to fund PILT and manage our land to produce revenue, the federal government is proposing to move an enormous land purchasing program off budget. It is a concept that worries me as a Montanan.

I am willing to work with my colleagues to come up with amendments that may make this legislation tolerable, but I am reserving my final decision until we see whether or not we can negate the devastating effects continual federal buy-outs are having on the state of Montana and its economy. Before we blindly support such a large change of course for our nation, maybe we had better have a cumulative effects study completed which studies the impact that continued federal land acquisition is having on our local communities. What is it doing to the tax base and the property values in those areas susceptible to government acquisitions. After those results are in we may learn that we need to modify this legislation with a no-net-

loss of private land provision. Or perhaps we give local governments a strict veto ability over acquisitions in their area. Perhaps we reduce the federal side and give more money to the states for conservation and wildlife habitat protections that don't involve turning the land over to federal ownership. I don't know the exact answer at this time, but this legislation must be modified before I can vote for it with confidence that it is the right thing for Montana.

Thank you, Mr. Chairman, for the ability to address the committee and our friends here with us today.

The CHAIRMAN. Thank you very much, Senator Burns.

It is my understanding that when George Washington ceded what is now known as the city of Washington, he did so as a consequence of it having little value. It was kind of a swamp and a lot of beavers there. And now the beavers are returning to their natural habitat. And the question is to what level of assistance should we provide.

Senator BURNS. Well, I do not know. But if they want to balance it out, we will bring a couple of wolves. That will kind of keep them down.

[Laughter.]

Senator BURNS. If you want a grizzly bear, well, we will get you a grizzly bear. George the beaver, did you see him all caged up? That is terrible. Caged up and hauled away just because he chewed down one little tree. He does exactly what he does, and he does it very well. Let him do it.

[Laughter.]

The CHAIRMAN. I understand that they did not file an environmental impact statement on the removal of that beaver, either.

Senator BURNS. Well, they did not do that in Kosovo, either. We are kind of worried about that.

The CHAIRMAN. All right. Well, moving right along. You have heard from the Western contingent. You know, they are a little jumpy on this.

Senator Domenici, it is nice to have you with us.

STATEMENT OF HON. PETE V. DOMENICI, U.S. SENATOR FROM NEW MEXICO

Senator DOMENICI. Gosh, I wish I had something funny to say.

[Laughter.]

The CHAIRMAN. Senator Gorton has already said it.

[Laughter.]

Senator DOMENICI. Okay. You said all the serious stuff, Senator Gorton?

Senator GORTON. Yes.

The CHAIRMAN. He rained on the picnic.

Senator DOMENICI. Well, I would say there are a lot of things that I will participate in and perhaps have some amendments. I am worried about three things. One, we are creating new entitlement programs, and I am quite sure everybody understands that that is not easy to do under the budget law. It is probably going to require 60 votes to get it passed. Even at that, ultimately there can be an accusation that you are going to be using whatever new money you have got here and you are going to be taking that out of the Social Security Trust Fund at some point in time.

Second, it seems to me that we have a huge amount of inholdings that the Federal Government is morally committed to buy. That is,

we bought a park and left some citizens with their land and it is no longer good for anything unless the park buys it. That is called inholdings. It will be interesting to me—and I hope we will inquire of the administration—how many hundreds of millions of dollars of inholdings exist. I think that should be a preference, that we pay—those who are entitled to their land being bought should be paid first.

And my last concern is with reference to the reshuffling of where the offshore money goes. We are establishing some new State recipients. And while I note Senator Landrieu has been interested in this since she arrived, I want to be convinced that that is the right thing to do.

With that, I commend you for starting the hearings. I know you believe you have got a long way to go, and I think you do, before we can get this big a bill through, especially with the changes that I have just described in terms of how we pay for it.

Thank you.

The CHAIRMAN. Thank you, Senator Domenici.

Senator Fitzgerald.

Senator FITZGERALD. I have no opening statement. I just want to say that I look forward to working with Senator Landrieu and Senator Murkowski in resolving this issue.

The CHAIRMAN. Thank you very much, Senator Fitzgerald.

Senator Thomas.

STATEMENT OF HON. CRAIG THOMAS, U.S. SENATOR FROM WYOMING

Senator THOMAS. Thank you, Mr. Chairman. I will submit my statement. Let me make three points quickly.

One is of course I am very much involved in parks. I think we ought to focus on national parks. They claim to have, and I suspect they have, $6 billion to $8 billion in arrears in infrastructure, and we ought to do something about that. I hope we do.

Secondly, I think there is great merit in increasing the help to the local and State side on the Land and Water Conservation Fund type of thing. National parks are not designed to take care of all the kind of recreational needs, and so we need the combination of these two things.

And third of all, I suspect, as has been suggested here, I am concerned about the increased purchase of Federal land in a State where you have 50 percent Federal lands, and some of them up to 85 percent. I have a bill, as a matter of fact. It says no net gain in Federal lands for States that have over 25 percent. If they want to buy something, they ought to trade off something in equal value. And I feel very strongly about this. And I am very concerned about the administration's Lands Legacy purchase program, and I intend to say so as we go along.

Thank you, sir.

[The prepared statement of Senator Thomas follows:]

PREPARED STATEMENT OF HON. CRAIG THOMAS, U.S. SENATOR FROM WYOMING

Mr. Chairman thank you for holding this hearing today to discuss a number of bills pending before the Committee designed to expand outdoor recreational opportunities and protect natural and historic lands across the United States. I also look

forward to discussing the President's "Lands Legacy Initiative" and carefully reviewing this proposal.

As Chairman of the Subcommittee on Parks, Recreation and Historic Preservation, I have worked hard to ensure that our nation's parks and other historic lands are protected. Growing up outside of one of our nation's premier parks, Yellowstone National Park, I am well aware of the important role parks and other recreational areas play for our nation. We must always work to ensure that our nation's parks are protected and will be available for our children and grandchildren to enjoy.

Although I agree with many of the goals outlined by the authors of the bills pending before us today, I have a number of concerns about all of these measures. Currently, the National Park Service estimates that it is facing a $5 to $8 billion dollar backlog in infrastructure and repair at our current National Parks and historic sites. Our nation's parks are in serious need of help and are facing a crisis. At a time when there is such a serious funding problem, it makes little sense to embark on an ambitious plan to further increase the amount of land controlled by the federal government. Rather than looking for ways to acquire additional public land, we should be focusing on ways to preserve the land already under federal control.

Roughly 50 percent of the State of Wyoming is owned by the federal government and in many western states that figure is much higher. This land ownership pattern places a heavy burden on the people of my state and impacts nearly every aspect of life for folks in Wyoming. In fact, many people believe the Secretary of the Interior plays a bigger role in the lives of the people of my state than any other single person including the Governor and the congressional delegation. From mineral development to backcountry recreation, the federal government plays a significant role in lives of the people of Wyoming.

Mr. Chairman, I want to commend you and the other authors of the bills before us for recognizing the importance of recreational lands in the United States. However, instead of enacting legislation that will further reduce the amount of private land in Wyoming and the other states, I believe we should refocus our efforts on ways in which we can work to protect our current parks and other public lands. Until we can adequately address the needs of these parks and historic lands, we should not enact legislation which will simply add additional stress to an already overburdened system.

Thank you, Mr. Chairman, I look forward to hearing the testimony of the witnesses.

The CHAIRMAN. Thank you very much, Senator Thomas.

I think we have had a pretty good overview of the areas of concern by the members. Again, this is the first of three scheduled hearings. I think that there is a great concern over the concept of having and meeting the obligation we have to provide more access for the urban areas of the country, particularly the larger cities, with park and recreation areas. We are all in agreement with that. Of course there has been an ongoing concern from the areas that support the OCS activity and the impact it has, and the fact that there has been little or no consideration being given to those areas.

I would hope, through this process, we can reach a consensus that this is not a raid on the Treasury to provide more funds for the Government to go out and buy private land. I would not support such a bill. I do feel that there is justification for the impacted areas. But I am not going to go on, because we are here to hear from the people who themselves have experienced the responsibility and obligation of meeting recreation and public land needs associated with the needs of our communities.

So we are going to have three panels here this morning. And we are going to start with Victor Ashe, the mayor of Knoxville, Tennessee, and past president and chairman of the Parks of the U.S. Conference of Mayors. We welcome you.

He will be followed by Terrell Davis, who is going to be introduced by Senator Campbell. And I am not going to expand that introduction because I have to live with Senator Campbell.

[Laughter.]

The CHAIRMAN. The next witness is Ms. Bernadette Castro, commissioner and State Historic Preservation Officer, New York State Office of Parks, Recreation and Historic Preservation, Albany, New York. She comes with a great deal of energy this morning.

Next is Dianne A. Curry, president, Dallas Park and Recreation Department, on behalf of the National Recreation and Parks Association. And then Hank Steinbrecher, secretary general of U.S. Soccer, from Chicago.

And that takes care of panel one. Senator Campbell, would you like to make your introduction now?

Senator CAMPBELL. Thank you, Mr. Chairman. I welcome this panel before this committee. So far, you have heard us cover things like parks, beavers and hamburgers, and we have not even started yet.

I want to also thank Senator Landrieu and Senator Bayh for making the nice comments about my constituent, the noted contributions of my constituent, his great athletic ability. I am delighted to see my constituent here.

[Laughter.]

Senator CAMPBELL. I am not possessive, Mr. Chairman.

The CHAIRMAN. No, but you are a bit defensive. And the Broncos might hire you next year.

[Laughter.]

Senator CAMPBELL. Well, I am their biggest fan.

I certainly suppose I do not need to introduce Terrell Davis by background, because everybody knows of his wonderful athletic ability, as the most valuable player of the two-time world champion Denver Broncos. In the 1998-99 season, Terrell Davis was selected the NFL's Most Valuable Player, the Offensive Player of the Year, started in his third straight Pro Bowl and won his first NFL rushing title with 2,008 yards, and 21 touchdowns, becoming just the fourth player in League history to rush for more than 2,000 yards in a single season, all of which those are just a few of his outstanding on-the-field accomplishments.

I would also like to say that his off-field accomplishments have been just as equally important. Topping the list are his establishment of the Terrell Davis Foundation for Migraine Education and Treatment, and his dedication to the Pop Warner Football Program, where Terrell got his start.

As you know, Mr. Chairman, this is a day when athletic figures are looked up to by millions and millions of youngsters. And although many aspiring youngsters may not ever become Terrell Davis, they certainly can take his lead in leading a life that his parents would be proud of. And I would like to introduce one of my other constituents. And that is Terrell's mother, Kateri Davis. Kateri, if you would just stand up for a minute.

[Applaud.]

Senator CAMPBELL. This is another one of my constituents, Mr. Chairman. And she raised this boy right.

[Laughter.]

Senator CAMPBELL. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much. I appreciate your statement and introduction, Senator Campbell. And we are going to proceed as we have seated the various witnesses this morning.

The Hon. Victor Ashe, good morning. Nice to visit with you and have you with us again. I am going to have to step out for a brief moment. I have got a constituent in the back room, so I am going to ask Senator Domenici if he would start the hearing. And I will be right back.

But, please proceed, Victor Ashe. Victor, I have already introduced you, so go right ahead.

STATEMENT OF VICTOR ASHE, MAYOR, KNOXVILLE, TN

Mr. ASHE. Thank you, Mr. Chairman. It is a pleasure to accompany Terrell Davis today.

[Laughter.]

Mr. ASHE. Senator Bayh, I might point out that while perhaps Terrell Davis is not in Indianapolis, Knoxville did send you Peyton Manning, who grew up in New Orleans.

Senator BAYH. We are proud of him and we appreciate that.

Mr. ASHE. But it is a pleasure to be here, representing the mayors of America through the U.S. Conference of Mayors. And I am glad that the acting chairman is a former mayor himself, of Albuquerque. And it is a pleasure to be here with you.

Certainly the issues that we are discussing today are terribly important to the quality of life and to the future of how people grow up in our community. And certainly I am here today to speak primarily to the State and local side.

I realize there are major issues related to the Federal side, but I am here representing the State and local side—pointing out that this portion of the land and water simply has not been funded for many, many years by administrations, frankly, of both parties. But it is refreshing that members of both parties today are recommending funding—at different levels. But the question appears no longer to be will we do it, but at what point will we do it and at what level, and how we go about it. And that seems to be an appropriate debate.

You know, America's favorite park is not necessarily the Great Smoky Mountains, which is only 25 miles from Knoxville, or Yellowstone or Yosemite. It is the park down the street. It is the park where your kids play ball. I have an 8-year-old son and a 6-year-old daughter, who is the only girl on an all-boy team right now, playing at a park that used to be the State's mental health institute in our city. And the former Governor was able to transfer part of that land to our city, and we have developed it into soccer fields, ball fields and greenways. You almost need traffic control to handle the number of people that jog, walk and bicycle in that area. It is very exciting to see what happens.

And in a poll that was taken by the National Association of Counties and the U.S. Conference of Mayors, done by the National Research, LLC, recently, Americans overwhelmingly—and this is certainly not a partisan issue, but I think it is an American issue—strongly support open spaces and parks as being beneficial to their communities, as helpful in preventing juvenile crime and delinquency, as providing for economic stability, they improve home values that are adjacent to parks, and that certainly we should do everything we can, particularly in urban areas, to expand our parks and to make opportunities available for kids of all income levels.

But it is primarily kids of middle and lower income levels where the need is greater. Kids of higher income level already have access. So what we are talking about is where we can go to help others. And certainly the Land and Water Conservation Fund provides resources to cities and counties across America to leverage acquisition. And, I might say, we do not treat, in the city of Knoxville, city land as the king's land. I can assure you, the mayors and city council members, we are at Kroger's, Food City, Walmart, we can be found. Our phone numbers are in the phone book, and we have rec commissions, which are volunteers.

And I simply say that to say the people of the community, particularly at the local level, do have a large voice in terms of how their lands are used. And if they are unhappy with how their lands are used, they will get themselves a new mayor or a new city council member. And that is what they should do, frankly.

The point is that we have a unique opportunity here. Because members of both parties have appeared to come together in a unique way on an issue that will leave a legacy for future generations. Funding is also being sought for UPARR. And I hope that some level of funding can be found there.

I would urge this committee to consider moving the UPARR program from the National Park Service and the Department of the Interior, and move it to a department that, frankly, deals with cities. This is not a criticism of the Park Service; it is simply to say their mission in life is not urban areas. It is admitted and I think acknowledged that they do not have adequate funding. And to expect them to carry out a program for cities, when they do not have the money to carry out the program for themselves, is perhaps unrealistic.

And I think you should consider moving it to HUD, which is the Department that deals with cities, if you are going to fund it at all. Basically it has been unfunded now for 8 or 9 years. No one is even left in the Park Service that deals with this issue. And if you do provide a level of funding, I think you should consider moving it to a department that actually deals with cities, which would be HUD.

You have a rare and unique opportunity to move forward. And certainly I think mayors and council members across America are anxious to work with you, to do everything we can to assure that, when we leave public office, that we have left behind an infrastructure that provides an opportunity for kids to grow up and to be the type of productive citizens that you here in this room are today.

Thank you very much.

[The prepared statement of Mr. Ashe follows:]

PREPARED STATEMENT OF VICTOR ASHE, MAYOR, KNOXVILLE, TN

Mr. Chairman and Members of the Committee, my name is Victor Ashe and I am the mayor of Knoxville, Tennessee. You may have heard that we won a national football championship this year. Combining the Lady Vols victory in women's basketball last year, Knoxville is truly the home of champions.

I appear today on behalf of the U.S. Conference of Mayors where I am a former president and Chair on Parks of the Arts, Culture and Recreation Committee. The Conference of Mayors represents more than 1,050 cities with populations of more than 30,000.

Today, both the United States Conference of Mayors and the National Association of Counties have joined together to sponsor "Local Parks Day." Our purpose is re-

flected on the button we wear, "Congress Keep The Promise, Support Local Parks." We feel that Congress should honor the commitment it made over 30 years ago when it pledged to use the funds collected from off-shore oil and gas drilling to support the development of local parks and the American public believes the same.

1999 URBAN PARKS SURVEY

I am pleased to announce today that a majority of Americans approve of the efforts you are undertaking to support local parks and recreation programs. In a national public opinion survey being released today by the U.S. Conference of Mayors and the National Association of Counties, (71%) seventy-one percent of the respondents felt that the federal government should honor its commitment to use funds collected from off-shore oil and gas drilling to support the development of local parks. Eighty-nine percent (89%) of the respondents agreed that parks, open spaces, and other recreational facilities were beneficial to their communities. Seventy-four percent (74%) of the responding citizens agreed that parks and recreational opportunities would help prevent juvenile crime and delinquency. The highest responses in the survey were those in agreement that federal, state and local governments should take steps to preserve and expand parks and open spaces for future generations. Over 92 percent of the respondents agreed that all levels of government should work towards this goal. Finally, 98 percent of the respondents felt that parks and recreational activities are important to the quality of life in their communities.

OVERVIEW

Before becoming mayor, I was executive director of the Committee on Americans Outdoors where I gained extensive knowledge of what Americans like to do in their recreational time.

What I learned in that experience was that while Americans are justifiably proud of their national park system, they visit the park in their neighborhood more frequently than they visit Yellowstone or Yosemite.

Americans take their children to the ball field most every weekend in the spring, but visit the Statue of Liberty once in a lifetime.

In my time here today, my goal is to speak on behalf of mayors across the nation who encourage you to fund the Land Water Conservation Fund to its statutory level of $900 million. I would also request that the state and local portion of the LWCF be increased to at least 50 percent of the $900 million and that the Urban Parks and Recreation Recovery Program (UPARR) be funded at a minimum of $150 million.

It is this state portion of LWCF and UPARR in which most of the projects that are close to home for most Americans. The green ways, baseball and soccer fields, and recreation centers that are used on a daily basis for millions of Americans.

When I took office as mayor, I developed a set of six goals for my administration. In addition to cleaner and safer neighborhoods, one goal was to increase and improve recreational opportunities for all Knoxvillians.

I am going to share with you this afternoon, some of the biggest success stories as we worked to accomplish that goal.

First is Lakeshore Park. About five years ago, I approached the governor about creating a new partnership with the state on the site of the Lakeshore Mental Health Institute in West Knoxville. The changes in the administration of mental health institutes in the last three decades reduced the need for a large campus-like facility with big buildings that used to house hundreds of patients during its peak use in the 1960s. Several large dormitory-type buildings that had not been used for years had fallen into disrepair.

I asked the governor if he would be willing to look into creating a new image for this large track of land by co-mingling the remaining mental health facilities at Lakeshore with a new public park. We envisioned a park green way, baseball and soccer fields as well as open space for passive use that could be used by the citizens as well as the patients remaining at the facility.

After developing with concept with the state, I can report to you that last Saturday, more than 1,000 baseball and soccer players and their families visited the new Lakeshore Park. My family was counted among that group as J. Victor, my son, plays on one of those baseball teams and we spent the afternoon at the park. Hundreds of people were improving their physical fitness by walking or running on the two and a half-mile green way at Lakeshore.

At noon on Saturday, we held a small ribbon cutting ceremony on the soccer fields at Lakeshore. Afterwards I got a comment from one of the soccer parents that you and I, as elected officials love to hear. This gentleman came up to me, I had not met him before, to say that the development of Lakeshore Park was the best thing

that had ever been done with his tax money. It is not often we hear that statement, but every once in a while it is good to hear those positive comments.

Another success story is Haley Heritage Square, a park that is home to a statue of the late author Alex Haley who adopted Knoxville as his home in the years before his death. Haley Heritage Square is part of Morningside Park, a park that developed using significant Urban Parks and Recreation and Recovery Program funds. The park is now home to one of the largest statues of an African American to be found anywhere in the United States. It is a source of great community pride for the inner city neighborhood that surrounds the park.

On field trips from schools or for families on a warm Saturday morning, the large statue invites kids to play on bronze arms. It encourages people to remember the good and praise it as Alex is in a sitting position with an open book and seems to telling his history to anyone who stops to listen. In its own special way, this park is a dramatic success story for the community it serves.

And one last success story is not about one place but the expansion of our green way system. An expansion that resulted in Knoxville being named the Green way City of the Year by the National Geographic Society, the Conservation Fund and the Dupont Foundation.

We have built small green ways a tenth of mile long in neighborhood parks to longer green ways like the one along Tennessee River that is part of our waterfront development project. It stretches for several miles on the banks of the Tennessee as it flows through our downtown area.

There are even plans for a green way in the new College Homes neighborhood, an area that is being returned to the traditional neighborhood style using a HOPE 6 grant from HUD.

The level of popularity of these green ways even surprises me. They are consistently in use during the warm days of summer and even the cold days of winter. They are a key part of the changing family of the next century as a people are developing healthier lifestyles through walking and exercise.

These linear parks are connecting neighborhoods and connecting neighborhoods with larger parks.

While we have done a lot, believe me, the citizens of Knoxville come forward every day with new ideas for parks and recreational facilities—requests that far surpass our ability to pay for.

That is why it is vitally important for you to fully fund the LWCF and UPARR. The National Recreation and Park Association has gathered information on some 1,600 parks projects, costing in excess of $1.8 billion that would be potentially eligible for federal assistance through LWCF and UPARR. Here are some examples:

- Cincinnati needs to replace it Over-the-Rhine Swimming Pool to expand recreational opportunities 100,000 inner city residents who use this facility.
- Gadsen is eager to acquire 373 acres for its critically needed community park on the Coosa River, which would provide the city's first new community park in more than 20 years.
- Anchorage urgently needs to upgrade its Russian Jack Springs campground, which was closed in 1998 due to safety and pollution concerns.

And the list could go on and on from every city and town in the nation.

1999 USCM SUMMER PARK AND RECREATION SURVEY

The Conference of Mayors also undertook a survey of local parks and recreation directors to help gage the need and demand being placed on parks and recreation programs as the summer approaches. The survey found that over 75 percent of the 200 cities surveyed indicated that parks and recreation demands increased by over 50 percent in the summer months. Almost two-thirds of the cities would not be able to handle an increase in demand. In fact, almost 25 percent of the surveyed cities felt they would not be able to adequately serve 50 percent or more of the population.

Some of the comments made on the survey included:

- Colorado Springs—We've had to cut back in maintenance of ball fields, eliminate boat safety patrols, and cut back on recreation classes and visitor services.
- Los Lunas, NM—We have community parks that need repair, but don't have the money for any repair. Recreation programs are paid by the cigarette tax. Now that people purchase their cigarettes on reservations (Native American), we lost money.
- Spokane—Our city population is 185,000, however, our Parks and Recreation customers come from a 500,000 population base. The influx of people from outside our City increases our summer parks and recreation needs by almost 50%. We don't have enough facilities, in kids basketball, most games or practices are held as early as 6:00 a.m. and as late as 9:00 p.m. due to the lack of available

facilities. The Spokane Parks and Recreation Department has been forced to close tennis courts and remove playground equipment due to dollars not available and the need to address ADA compliance.

- Boise—Softball teams are being turned away due to the lack of facility limitations placed on soccer leagues for a total number of games played per field—101 per year.
- Moore, OK—We have been unable to replace worn playground equipment.
- Natchez—The only public swimming pool is on its last leg of repair. New one needed but lack of available funding, Social Events programs and classes canceled because of lack of funding.

Thus, as the survey results and the comments indicate all size cities, large and small, North and South, East and West do not have sufficient funding to meeting local parks and recreation needs.

I am also happy to participate in the announcement today of a report prepared by the New York Conference of Mayors on the Land and Water Conservation Fund. I urge you to read it as it thoroughly documents the history and challenges of the LWCF. It documents the need, as does a recent study by the National Recreation and Park Association, of state and local governments for over $25 billion in capital investment for rehabilitation, land acquisition and construction over the next five years. The report also echoes a similar conclusion reached by the nation's mayors in our recent report of the National Summit on School Violence that a revitalized LWCF and UPARR programs present important opportunities for state and local governments to reduce and eliminate youth violence. For it is neighborhood recreation and parks facilities that provide young people with positive options in the critical hours after school when parents and other adult mentors and role models may be unavailable.

POLICY ISSUES

While we strongly support the largest amount of federal funds being made available for both the state and local assistance program of the Land and Water Conservation Fund and the Urban Parks and Recreation Recovery Program (UPARR). We also urge that they be kept separate as distinct programs. Changes to both programs that we would urge you to consider include:

- Entitlement Cities—Using the highly successful Community Development Block Grant program as a model, designate entitlement communities so that they can do sound fiscal planning for acquisition, development, and restoration.
- Guaranteed Pass-Through—A minimum 50% guaranteed pass-through of LWCF funds to urban areas should be required of the states if the state and local assistance program of the Land and Water Conservation Fund is maintained as a formula based program.
- UPARR Competition—Minus an entitlement program for cities, the UPARR program should be a national competitive grants process to ensure that the best possible programs are funded.
- HUD Administration—Due to the Department of Housing and Urban Development's close connection with communities, we encourage you to examine the feasibility of transferring the administration of the UPARR program to HUD.
- Local Open Space Planning—LWCF and UPARR should help underwrite local open space planning, just as it does state comprehensive open space planning.
- UPARR Time Frame—Lengthen UPARR Innovation grants time frame—one year grants are too short a time to make new programs self-sustaining.
- UPARR Rehabilitation—Allow for reimbursement for facilities built on land added to the existing park and for the re-design and use of facilities on existing parkland.
- Streamline—Wherever possible, streamline and consolidate. Eliminate the separate planning document requirement for UPARR and accept whatever local and state planning process that has been approved.
- Urban and Community Forestry Program—We urge you to maintain the Urban and Community Forestry Program as it complements the UPARR program through the greening of open spaces and parks. Greater coordination needs to exist between both of these programs.

CONCLUSION

In closing, let me say that the sharing of revenues from non-renewable sources, such as oil and gas leases, to build recreation facilities throughout the country represents a great vision. The recent diversion of these revenues for deficit reduction and other purposes represents a failure of that vision.

It is now time for the President and Congress to restore that commitment in order to help cities to provide the recreational opportunities their citizens are demanding. It is time for Congress to Keep Its Promise and Support Local Parks by fully funding a permanent state and local assistance program of the Land and Water Conservation Fund and the Urban Parks and Recreation Recovery Program.

Mr. Chairman, as you move forward on these issues, you can count on the mayors' active participation and support. Thank you for this opportunity to present our views.

Senator DOMENICI [presiding]. Thank you very much, Mayor.

Our next witness is Terrell Davis. Terrell Davis, nice to have you. Please, proceed. You have got 5 minutes.

Senator CAMPBELL. You better make a touchdown.

[Laughter.]

STATEMENT OF TERRELL DAVIS, DENVER BRONCOS, ON BEHALF OF POP WARNER LITTLE SCHOLARS AND SPORTING GOODS MANUFACTURERS ASSOCIATION

Mr. DAVIS. Good morning to the distinguished Senators. My name is Terrell Davis, and of course I play for the Denver Broncos. It is a great honor for my mother and I to appear before this committee. Sitting here in Washington, D.C., it is a long way from the streets and parks of San Diego, California. And I never would have dreamt of being here if not for my mother and the support of my family.

I appreciate the opportunity to share my views on the important subject of sports and access to recreational fields.

I understand this hearing will examine three different bills that will provide hundreds of millions of dollars for the inner cities, suburban parks and ball fields. I strongly support the idea that we should be spending more money on local parks. No, I am no expert on the details of this bill being considered, but I can testify about my experience in youth sports, and how the experience helped me, and the importance of all children having similar opportunities in their lives.

I realize that a strong sense of family and community builds character. For my brothers and I, playing youth football gave us a real direction and purpose. Pop Warner Football was a place both physically and emotionally, where I could have fun, feel safe, and grow up. Pop Warner was a real part of my life and the community in San Diego.

Pop Warner Football and other youth sports teach great values: teamwork, discipline and dedication. Youth sports provide role models for children, some of whom need these role models desperately. I can tell you from my personal experience that the youth sports coaches made a difference in my life. Even now, I can clearly remember my Pop Warner coach, Frank White, who is sitting right there, helping me and my teammates both on and off the football field.

I am very grateful for Frank White and the thousands of others out there every day helping kids develop themselves in the right way. From what I understand, this legislation you are discussing includes environmental issues beyond my experience. But what is important to me, and I hope to each of you up there, is that all of the bills under consideration will provide many local communities with sports fields.

The field where I played my Pop Warner football games, Valencia Park, also known as Martin Luther King Park, was funded by the Land and Water Conservation Fund. There is a great need for safe, clean fields and parks close to where families live. As I talk to coaches and parents and kids around the country, I can tell there are not enough fields to go around. Teams and kids are kept from playing because space is not available.

I am particularly happy to learn that the legislation will construct and, in many cases, rebuild inner-city parks. This may be where the need is greatest. Where I grew up in San Diego, and where I play in Denver, I can tell you that this money would be well spent. There are lots of areas where existing parks have become almost unusable. If the Government could put some money into making these places safe and clean, I am sure kids and families would come out in large numbers. And, most likely, youth sports programs like Pop Warner would be a valuable part of these communities.

Putting money into urban parks will serve a big need. There are not enough opportunities for inner-city kids to just be kids. Giving them a place to play is critical. It is important for all of us to create these types of community-based facilities. All children should have the opportunity to play sports and learn these valuable life-long lessons that I was fortunate to have received.

I sincerely urge you to provide funds to create and maintain community athletic facilities. I know that most children will not be able to play professional sports, but please allow these children to have the same access and opportunities to learn the great lesson that I was taught when I played Pop Warner Football.

In closing, I would like to say again, it is a great honor for me to be here with my mother and family, testifying before this distinguished committee. As my brothers and I were running around the fields and parks in San Diego, I have to say I never dreamed of being in this position. I always wanted to give back to the community. I was fortunate to play Pop Warner Football, and would like to make sure other kids have the same opportunities.

My foundation, the Terrell Davis Salute the Kids Foundation, is doing that now. I hope that my appearance here will highlight the great needs in our cities today. I urge this committee to pass a bill that funds park rehabilitation and development.

Thank you.

The CHAIRMAN [presiding]. Thank you very much for sharing some of your early experiences and the opportunities those experiences provided you in later life. I think that is an important message.

Bernadette Castro joins us from New York today, commissioner and State Historic Preservation Officer.

STATEMENT OF BERNADETTE CASTRO, COMMISSIONER AND STATE HISTORIC PRESERVATION OFFICER, NEW YORK STATE OFFICE OF PARKS, RECREATION AND HISTORIC PRESERVATION

Ms. CASTRO. Thank you so much, Mr. Chairman. I want to thank you for this opportunity and for you and Senator Landrieu really taking such a strong leadership position, and everybody on this

committee. I just have to take a moment to say, though, that I now have only one reason to be thankful that the Buffalo Bills did not play in the Superbowl. And that is I did not have to root against you, Mr. Davis.

[Laughter.]

Ms. CASTRO. God bless you.

[Laughter.]

Ms. CASTRO. He said to me when he sat down here: Is it always like this?

[Laughter.]

Ms. CASTRO. And I said: Quite honestly, I have never seen it like this before.

[Laughter.]

Ms. CASTRO. And he also asked me to borrow my pen, and it is a Mont Blanc that my kids gave me.

The CHAIRMAN. It seemed to me you had some aspiration some years ago for this duty; is that not correct?

Ms. CASTRO. We are going to bring up that Moynihan race of 1994 again?

[Laughter.]

Ms. CASTRO. We have got to move on.

[Laughter.]

Ms. CASTRO. But he asked me to borrow my pen. And in government, when you sign important pieces of legislation, Mr. Davis, we share pens. And governors and presidents take their time, and they do two letters with this pen, and then another, and they share the pens. Well, my children gave me this. And I would like to permanently give it to you in thanks for all the children that you took the time from your schedule to be here today. It is incredibly important that you are here, and I hope you continue as the great spokesperson that you are.

[Applause.]

Ms. CASTRO. There have been many fine points made already, Senator Graham, from my second great State of Florida. I am a Gator, as you well remember. That does not offend you in any way, does it?

Let me just move to the points in my testimony. I request that the written testimony be accepted into the record. I am going to jump around a little bit, because you already heard so many important things that I was going to say. One of the things which exists in the old legislation and can continue are conservation easements. Although I am from a State where there is very little ownership of land by the Federal Government, I totally understand and can appreciate the sensitivity from the Western States and the issue of property rights.

To that extent, conservation easements are a wonderful thing. It keeps ownership in private hands. It indeed reduces the property taxes. And we are simply buying development rights. The properties stay on the tax rolls. And indeed, control does not sit with the Federal Government, but stays with the individual property owners. Although it has existed in the past, nobody has really promoted it or encouraged it. And perhaps that is something that we should do as a terrific form of compromise. It works great in the

State of New York, and we use it quite often in the beautiful, scenic Hudson Valley and other areas.

In New York State, we took 68 percent of all the money we got in the 30 years the program worked. And indeed I am here as the State Parks Director, the State Historic Preservation Officer. I am here representing many groups, among them the National Association of State Park Directors, which Fran Manella, of the State of Florida, is the president.

But we took 60-some-odd percent, and passed it through to municipal parks. And so people says, Well, why did you even keep that difference for State parks? Well, we have a State park, the largest public bathing facility in the world, called Jones Beach State Park. We see more visitors than Yellowstone and Yosemite combined on an annual basis. We are a day-use park. There is no camping. We are everything to the people of New York City, who come there by the thousands on the weekend. It is clean. It is impeccable. It is the most magnificent beach in the world. Land and Water money has been extremely helpful.

Another State park, Niagara Falls, on the American side. I certainly agree with regional tourism, and working with our sister country Canada, but I can tell you I would most desire that all visitors see the Falls from the American side. Millions of dollars have gone into supporting the infrastructure and improvements of Niagara Falls State Park, the American side of Niagara Falls.

Moving right along—because I am watching that little light very, very carefully—let us talk about some of the important things to State governments. George E. Pataki set up a task force for the Land and Water Conservation Fund. He is a Governor that is as much like Teddy Roosevelt as any I have seen, but you are going to be hearing from the great grandson of Theodore Roosevelt, who is in the next panel. And he was appointed to Governor Pataki's task force for Land and Water, Conference of Mayors was appointed, the State Audubon Society has been appointed—and they are here today. The Americans for Heritage and Recreation certainly is part of that. And many, many others.

It is a great coalition. But the coalition agrees, from a state-side perspective—and indeed, that is all I am here to talk about—this needs to remain a block grant. I think every State and every governor can attest to that. We know where the money has to go within our States. No way does someone sitting in Washington, in all due respect, understand what the needs of New York State are, from a varied interest like Jones Beach, to the inner-city Harlem community.

And it bothers me tremendously, in President Clinton's legislation, that he talks about acquisition only. What are the people of Harlem going to buy? I cannot think of one thing. Not even a city block. But there is lots we can do in Harlem. And there is lots we can do. I am one of the original soccer moms. I was one before we were called soccer moms. Four of my children all played—you like that? All right. Set you up for the next one.

[Laughter.]

Ms. CASTRO. So we know, in New York State, what we need. Very varied interests. Whether it is improving a park that has one of the greatest fly fishing parks in the country, encouraging fly

fishing, whether it is inner-city true needs, whether it is rehabbing a municipal swimming pool. People do not like swimming pools. Well, let me tell you. We have put a moratorium on building public pools, because they are so enormous to maintain. It is a million dollars just to change the filtering system. How can a city afford that?

And you have to remember that when you give us the State money, it is in the form of matching grants. It is not a handout. It is a partnership. And all I am asking—and the middle light is going strong here—a promise was made in 1965. There is no solution I have to finding the money or where the offset or—it needs to be a dedicated fund. You need to keep the promise that was broken. It was broken in 1995. For the last 5 years, we have received zero funding for the State side, while the Federal side has rolled along.

Thank you very, very much for your interest and attention.

[The prepared statement of Ms. Castro follows:]

PREPARED STATEMENT OF BERNADETTE CASTRO, COMMISSIONER AND STATE HISTORIC PRESERVATION OFFICER, NEW YORK STATE OFFICE OF PARKS, RECREATION AND HISTORIC PRESERVATION

Thank you Chairman Murkowski and Members of the Committee for this opportunity to testify before you on the Conservation and Reinvestment Act of 1999, the Resources 2000 Act, and the Public Land and Recreation Investment Act of 1999. My name is Bernadette Castro and I am the Commissioner of New York State Office of Parks, Recreation and Historic Preservation. I respectfully request that my written remarks in total be made part of the record.

I speak to you today not only as the Commissioner of New York State Parks, but also as a member of the Board of Directors of the National Association of State Outdoor Recreation Liaison Officers, as co-chair of the Legislative Committee of the National Association of State Park Directors and as co-chair of Governor George E. Pataki's Empire State Task Force for Land and Water Conservation Funding.

I commend you, Mr. Chairman, and Senator Mary Landrieu for your leadership to re-establish the Land and Water Conservation Fund "state side" program through the introduction of this legislation, S. 25, that will benefit urban, suburban arid rural areas throughout the country. My compliments to the other sponsors of S. 446 and S. 532, each of which would re-establish the LWCF state side program.

My testimony today will focus on the provisions of your bill and the other proposals that would re-establish the Land and Water Conservation Fund "state side" program.

As you know, in 1964 Congress created the Land and Water Conservation Fund (LWCF) to preserve, develop and ensure that all Americans had access to quality outdoor recreation and to strengthen the health and quality of life in our communities. It was a simple idea: a "pay as you go" program using revenues from resource use, primarily from Outer Continental Shelf oil and gas receipts that were to be used to support the creation of national and community parks, forests, wildlife refuges and open spaces.

Since its inception, LWCF has been responsible for the creation of nearly seven million acres of parkland, water resources, open space and the development of more than 37,000 state, municipal and local parks and recreation projects; 1,100 projects were undertaken in New York and resulted in 65,000 acres being acquired for recreational use. From playgrounds and ball fields, scenic trails and nature preserves, LWCF has been the key to providing places for all Americans to recreate, relax and get outdoors.

NYS Parks as the State is Outdoor Recreation Liaison, willingly shared our LWCF state side allocation with other units of government within the state and ensured that the funding provided for a wide variety of projects. Fully 58% of the funding that came to the state went for municipal park acquisition and development projects (cities 33%, counties 5%, towns 14.5% and villages 4.5%). Of the $200 million that came to New York, $123 million went to recreation development, $42 million went to major renovations and $25 million went to acquisition. We very much balanced our use of these funds so that they benefited all the residents of the state.

Let me give you some specific examples of how "state side" money has been used in New York. Over the years we have applied millions in LWCF state side funding

to projects at Niagara Falls Reservation (State Park). Without this funding this oldest continuously operated state park in the nation, which sees millions and millions of visitors annually, would not be the treasure that it is today. These projects included the development and construction of a new visitor information center, reconstruction of walkways, renovation of electric service and creative landscaping which interprets the system of Great Lakes.

On Long Island, at Jones Beach State Park, the largest public bathing facility in the world, we have invested millions in Land and Water Conservation Funds. This funding combined with state funding, has restored this jewel to its historic splendor. Each year, 8 million visitors from around the world enjoy this recreational resource on the Atlantic Ocean. Projects at this facility included total reconstruction of the 2-mile Jones Beach Boardwalk, restoration of the East End and West End Bath Houses and improvements to our parking areas and sewage treatment facilities.

In our urban areas we supported an application for a very special park, "A Playground for All Children." LWCF funding ($400,000) made it possible for the Flushing Meadow, Queens (New York City) community to construct a playground for all children; for those that have physical challenges, as well as for other children to enjoy. It has served as a creative facility that was undertaken well before the era of the Americans With Disabilities Act. It included interpretive trails, playground apparatus, a sports and game area, a water wheel, sports courts, a "rolling" hill and sports track.

Working with Onondaga County, we directed LWCF funding to the Burnet Park Zoo in the city of Syracuse; $1.1 million dollars was applied to bring this aging facility up to modern standards for the public to enjoy in a park setting. LWCF funding helped complete this $12 million dollar project.

As you can see, state side funding has supported a variety of projects.

Governor Pataki has been a leader in the effort to renew "state side" funding. Last year, the Governor called for the creation of the Empire State Task Force on Land and Water Conservation Funding. The purpose was to educate the public on the importance of state side funding, what it has accomplished and what it could accomplish in the future and to support those efforts in Congress to re-establish this federal funding source. On January 20, 1999, the Governor, through the Task Force, hosted over 400 leaders of parks and open space advocacy groups in Albany for a summit to educate and advance reinstating "state side" assistance. Governor Pataki has also contacted many Members of Congress in the past to express his commitment to this vital program and what it means to New York State. The membership of the Task Force is diversified and includes: Laurance S. Rockefeller as Honorary Chairman; John P. Cahill, Commissioner of NYS Department of Environmental Conservation as my co-chair; NY Secretary of State Alexander F. Treadwell, who administers New York's Coastal Zone Management program; Theodore Roosevelt IV; Mark Rockefeller, son of Nelson; several municipal organizations including the NY Conference of Mayors and Association of Counties; The Conservation Council representing sportsmen; and a variety of environmental organizations such as the National Audubon Society, the Nature Conservancy, Open Space Institute and Trust for Public Land, just to name a few.

It is critical that a stable source of funds for the LWCF be established. As you know, LWCF has been critically under-funded at approximately one-third of its annually authorized level of $900 million, with no funding provided to the state side matching grant program in recent years.

In New York, Governor George E. Pataki has been a leader in providing for the creation of recreation and open space lands and providing support for localities to develop outdoor recreation facilities. Through the Governor's efforts we have a fully dedicated Environmental Protection Fund and a Clean Water/Clean Air Bond Act, each contributing financial support to localities wishing to expand their open space and recreational resources. New York State has done its share to provide some of the necessary resources for outdoor recreation and conservation.

However, we cannot meet the need for local parks alone. Since 1995, State Parks has received 1,050 applications for park projects. Communities have sought to invest over $600 million in recreational facilities. Although most of these projects are solid, worthwhile park projects, 800 of them have yet to be undertaken. Federal support of these projects will help New York leverage the investments we have made through our Environmental Protection Fund and Clean Air/Clean Water Bond Act.

We want to continue to build on success stories in New York such as restoring the beautiful beaches on Long Island, to building shaded parks in New York City, to helping revitalize waterfront areas and small town parks throughout the state. Mr. Chairman, we applaud your efforts and your commitment to re-establishing a federal/state/local partnership by providing revenues for the revitalization of the "state side" grant-in-aid program of the Land and Water Conservation Fund.

Let me share with you what I believe should be included in any legislation that is advanced by the Senate:

1. The legislation should permanently provide $900 million dollars annually to support both the federal and state side of LWCF without the need for annual appropriations. There is a great need for a reinvigorated state side program in all the states. This funding should be evenly split between the federal and state side programs. These two programs complement each other and any new legislation should assure that they do not compete with each other for funding, nor should it place new limitations on the use of the funds that would reduce their effectiveness.

2. The legislation should also address and provide for full funding of important wildlife needs and coastal zone issues.

3. The state side program should fund acquisition, planning, recreation development and capital rehabilitation. The program should continue to fund a variety of projects thereby benefiting all residents of the state. Narrowing eligible projects to just acquisition would result in a diminished benefit to our urban constituencies. In New York, as well as in a good portion of the Northeast we have a very limited capacity to undertake acquisitions in our well-established cities. However, the demand to provide outdoor recreation resources in our urban environment has never been greater. As evidenced by our experience with applications from our local communities for funds from the Environmental Protection Fund and Clean Water/Clean Air Bond Act, over 80% of these applications are for park development rather than acquisition. Land and Water Conservation Fund should be giving municipalities what they want, not what some administrator in Washington thinks they need!

In addition, funding a variety of projects also ensures that we will provide recreational opportunities throughout the year. Many communities have told me that their recreational opportunities flourish during the summer, but when winter arrives, they find they have a void in recreational opportunities. An open ice rink can be an invaluable recreational resource to a community which may flourish during the summer but which community character changes dramatically during the winter when tourists are no longer there. They frequently find that their resident youth have no place to direct their energies at those times of the year.

It is worth noting that the state side program has in the past supported capital rehabilitation. These types of projects should be authorized by the plain language of the act and not left to interpretation. The Urban Park and Recreation Recovery Act (UPARR) provides for this type of project and S. 25, the Senate version of CARA, includes language in this regard as it relates to eligible projects in the LWCF state side program.

There is another important reason why capital rehabilitation should be included within the context of eligible state side projects. As you know, the Americans With Disabilities Act has imposed upon state and local parks a demand that they make every effort to provide reasonable accommodation to those with disabilities. While we can all agree with the laudable goals of this act, we also lament in the fact that this act provided no funding to our park systems to achieve this goal. Including capital rehabilitation as well as park development money in the state side program provides a means to implement this unfunded federal mandate.

In relation to acquisitions, I would also recommend language within the statute that allows for the use of recreational easements. In New York we have been successful and the public has been accepting of our use of recreational easements. Easements are a tool which should be available to expand outdoor recreational opportunities on a permanent basis. Easements provide for recreational use without removing land from the tax rolls. While easements have been formerly allowed under the state side program they have not been encouraged.

4. The allocation of all state side funds should be based on a formula that recognizes the recreational needs of the state's residents, placing emphasis on population and land mass with a lesser component to be shared equally between all the states. Both NASORLO and NASPD oppose replacing the formula with a new nationally competitive grants program. As we have in the past, I am confident the New York State is in the best position to work with its local governments to implement a program that benefits all the residents of the state.

5. Projects should be prioritized based on a state implemented public process and undertaken pursuant to a plan such as the state comprehensive outdoor recreation plan or the action agenda as proposed in the senate bills. In New York we are proud of the public process that we use to review projects and establish priorities for our open space program. We look forward to applying this process to state side funding and the creation of our State Action Plan as required by S. 25 and several of the other proposals. Our state open space plan was established to work side by side with the State Comprehensive Outdoor Recreation Plan as required under the existing LWCF statute to be done once every five years. Our agency capital plan is also

a five-year program. All the proposals call for an action agenda to be undertaken once every four years. Frankly, I can find no basis for shortening the existing interval.

At this point I would also offer as an aside that, considering the effort that will be put into the creation of a state action agenda, at a minimum, the National Park Service should coordinate with the state prior to awarding UPARR grants to ensure a cooperative coordinated approach to funding urban park projects.

6. Any legislation that deals with revenues derived from the extraction of natural resources on the Outer Continental Shelf should not create incentives for that extraction. As a coastal state, New York is very interested in sharing an equitable portion of Outer Continental Shelf revenues with other coastal states which will help fully fund the Land and Water Conservation Fund. Revenue derived from this national asset should be reinvested into initiatives which provide benefits for future generations. The language contained in H.R. 701 or H.R. 798 relating to what revenues are captured for the purposes of this act, may assist in resolving the incentive concern. However as a representative of a coastal state, I do not believe eliminating the entire program as proposed in Resources 2000 is the best solution to this concern.

7. Most importantly, funding for this program must not come at the expense of other federal dollars which are provided in support of the states.

It is apparent from the outpouring of interest from groups throughout New York State that there is a great deal of momentum toward seeing a renewal of state-side funding for the LWCF and full funding for the entire Land and Water Conservation Fund.

For one moment, I must make some comments as New York's State Historic Preservation Officer, appointed pursuant to Federal law. While we have been primarily focused on the use of the Land Water Conservation Fund for support of federal land acquisition and the state side program, in the past Outer Continental Shelf revenues have also been used to support state activities to implement the National Historic Preservation Act. I hope that any successful legislation will include a component to provide this funding to the Historic Preservation Fund on a permanent basis and to increase funding over current amounts, so that each state may be able to provide grants to preserve historic treasures which are on the National Register of Historic Places.

Historic preservation is an economic development program that strengthens communities. Some of our communities have invested heavily in their historic structures and have been able to participate in the economic benefits of heritage tourism, the fastest growing segment of the tourism industry. Saratoga Springs, Corning and Seneca Falls are excellent examples of what is possible. The future of many more of our communities particularly in upstate New York is wedded to how will they be able to save their historic but crumbling main streets. Many times the catalyst to this historic rejuvenation is an investment in a historic public resource such as a court house, city hall or library. Such a public investment acts to stimulate private investment starting the process towards urban rejuvenation,

For much of our state and local park system historic preservation is an integral part of what we do and what we are. At New York State Parks we operate several State Historic Parks; Saratoga Spa State Historic Park at the foothills of the Adirondacks; on Long Island, Caumsett State Historic Park and Planting Fields Arboretum State Historic Park; and outside of Syracuse, and the Old Erie Canal. These facilities, three of which are listed on the National Register of Historic Places, provide both historic interpretation as well as recreational opportunities to the public. We also operate 35 historic sites including Washington's Headquarters in Newburgh, the first state historic site in the country. Although these sites are managed primarily for historic interpretation, many provide outdoor recreation opportunities. Much of our system was constructed prior to World War II and is either eligible for listing on the National Register or already so listed. New York City's Central Park is the best known of our local parks which are listed on the National Register. It is in these cases, recreation rehabilitation projects bear little difference to an historic preservation project, and historic preservation projects can many times result in expanded recreational opportunities.

Substantial funding, equal to its authorized level, dedicated to the Historic Preservation Fund will augment existing state resources dedicated to providing for the preservation and adaptive reuse of historic resources.

Let me conclude by stating that each one of the proposals before you offers to restore a promise that was created in 1964. A promise that the revenues from the extraction of Outer Continental Shelf Resources would be invested in recreational resources for future generations to enjoy and benefit from. We have the opportunity with a restored Land and Water Conservation Fund to provide new parks, rehabili-

tated recreational resources and open spaces for all Americans to enjoy. Only the state side program provides those facilities which can be enjoyed on a daily basis. While we all treasure those places which we may visit once in a lifetime, we all need those places that are close to home and improve our quality of life on a daily basis. For our children, please restore the promise and re-establish the LWCF state side program.

On behalf of the Empire State Task Force for Land and Water Conservation Funding and the people of the great State of New York, I thank Chairman Murkowski and the distinguished members of the Senate Committee on Energy and Natural Resources for the opportunity to testify before you today.

The CHAIRMAN. Thank you very much for that. I think your points are certainly well made, and your suggestion on the necessity of block grants and that Washington does not know best certainly fit into my rationale. And I assume that, in that block grant, you are referring to it going to either the Governor or the Legislature of New York, or both. Which is it?

Ms. CASTRO. That is right, the Governor.

The CHAIRMAN. You want it to go to the Governor, not the Legislature?

Ms. CASTRO. That is right. I prefer it go to the Governor. You know, we have a public process——

The CHAIRMAN. How about the Governor and the Legislature?

Ms. CASTRO. Well, you know what? I will take it any way I can get it, Senator, to be quite honest with you.

The CHAIRMAN. Thank you. Thank you.

Ms. CASTRO. Okay.

The CHAIRMAN. That is about what I wanted to hear.

Hank Steinbrecher, who knows something about soccer, but is definitely not a soccer mom. Are there such things as soccer fathers?

Mr. STEINBRECHER. Oh, yes.

The CHAIRMAN. Okay, good.

Mr. STEINBRECHER. Absolutely.

STATEMENT OF HANK STEINBRECHER, SECRETARY GENERAL, UNITED STATES SOCCER

Mr. STEINBRECHER. Good morning, Mr. Chairman. My name is Hank Steinbrecher. And I am the secretary general of U.S. Soccer. I am here representing the United States Soccer Federation and the United States Soccer Foundation.

I want to express my sincere thanks to you, to ranking member Bingaman, to other members of the committee, for giving me the opportunity to testify on an extremely important matter, a matter that I am passionately involved, a matter which has the potential to positively affect the lives of America's youth, and thus make us a better nation. I am honored and I am humbled to be before you.

Please allow me to supply you with some personal background. I was born in Brooklyn, New York. And I played on those inner-city soccer fields. Fortunately for me, I received an athletic scholarship to attend college and, while there, won the national soccer championship. I coached at the university level for a dozen years. I served as the director of Sports Marketing for Gatorade. And since 1990, I have served as the chief executive for the United States Soccer Federation.

I mention this background, because I believe that I bear testimony for the bill that you are discussing. I have also served in sen-

ior management positions for three Olympic tournaments, two World Cups, and the creation of a professional soccer league. United States Soccer Federation is the governing body for all of soccer in the United States, from the kids to the pros. Thus, I come before you today representing those millions of soccer moms and dads throughout the country, and giving voice to their concerns.

Ladies and gentlemen, soccer is the most egalitarian sport on the face of the earth. Anyone can play. In fact, 43 percent of our millions of registered players are females. Consequently, we have made a very strong commitment to gender equity as a sport. More young girls are joining soccer than any other sport.

We have taken the lead in this issue by hosting the Women's World Cup Soccer Tournament, to be played here this summer. We will play this world championship, hosting 16 final nations in our Nation's largest stadiums. Our team is currently the Olympic Gold Medal winners. And we are the odds-on favorite for winning this World Cup. This will be the largest women's sports event in history. We have sold in excess of 300,000 tickets, and all the games will be televised. This is a massive undertaking, and a multi-million-dollar investment. However, I know that what we are doing is right. It is the right thing to do.

We are hosting this tournament because our women's team deserves it, because it will serve as an inspiration for future generations of young girls, and because it is right for our country to do. We do not pay lip service to gender equity, we lead it on the field of play.

The growth of soccer has been dramatic and well documented. The growth in youth soccer has been nothing but explosive. And there, quite frankly, is no end in sight. Our only inhibition, quite frankly, is the development of places for our youth to play.

I regret to inform you that hundreds of thousands of young kids are turned away every year due to the lack of facilities. The United States Soccer Foundation is doing all that it can. It is distributing millions of dollars every year for the construction of new fields. We are committed to our sport. We are committed to our kids. We are committed to our players. And we are committed to our country.

We have in fact put our money where our belief is. And at U.S. Soccer we hold a very deep belief. This belief is that it is far better to have millions of people play our game than watch it. We would rather have 5 million people play our game than 50 million people watch it, watch the game on their couch, on their butt, on a Sunday.

Ladies and gentlemen, playing sports for young boys and girls, our sons and our daughters, is profoundly good for the health of our Nation. But I am not here today to talk about soccer. I embrace all sport. I am not here to talk about U.S. Soccer or the Olympics or World Cups or Superbowls. No. Today I am here to speak of something much more important than that. We have a dire need in our country to support young boys and girls with grassroots athletic opportunities. The lack of adequate facilities hinders us.

So today I ask you to find a compromise in the measures that are before you, and take advantage of the unique opportunity to pass a bill that includes full funding for the Land and Water Conservation Fund, especially the state-side component, as well as sub-

stantial funding for the Urban Park and Recreation Recovery Program. I ask you to do this really for the simplest of reasons: It is good for our children and it is right for our country.

Mr. Chairman, thank you so much. I am honored to be with you today and to lend my voice to what I know is a chorus of support for what you are doing. Thank you.

[The prepared statement of Mr. Steinbrecher follows:]

PREPARED STATEMENT OF HANK STEINBRECHER, SECRETARY GENERAL, UNITED STATES SOCCER

INTRODUCTION

Good morning, Mr. Chairman. My name is Hank Steinbrecher. I am the Secretary General of U.S. Soccer. I am here representing the U.S. Soccer Federation and the U.S. Soccer Foundation. I want to express my sincere appreciation to you, Ranking Member Bingaman, and the other members of the committee for giving me the opportunity to testify on this extremely important matter, which has the potential to dramatically affect the lives of our youth throughout the country.

BACKGROUND

As background, the United States Soccer Federation is the national governing body of soccer in the United States. In its 86-year history, U.S. Soccer has served as the host federation for World Cup USA 1994, the highest attended event in FIFA (the Federation Internationale de Football Association) history, and as the host for two highly successful Olympic soccer tournaments (1984 Los Angeles and 1996 Atlanta). In 1999, U.S. Soccer is extremely proud to host the FIFA Women's World Cup, destined to become the most successful women's sporting event ever.

Currently, more than 100 U.S. Soccer employees work to administer and service the membership located in all 50 states. U.S. Soccer is a non-profit, largely volunteer organization with much of its business administered by a national council of elected officials representing three administrative arms—more than 3,000,000 youth players, 19 years of age and under; more than 300,000 amateur players over the age of 19; and, the professional division (Major League Soccer) with teams in 12 cities across the nation.

In addition to developing the game at a grassroots level through the U.S. Amateur Soccer Association and the U.S. Youth Soccer Association, U.S. Soccer also manages nine full national teams. The national teams program has achieved tremendous success in recent years, highlighted by the Women's Olympic Team capturing the first-ever women's Olympic gold medal in the 1996 Atlanta Games.

U.S. Soccer's umbrella also covers the sport's coaching and referee divisions, which are among the most active and fastest growing in the world. Coaching schools are held regularly throughout the U.S. where participants can gain certification at six progressive levels. U.S. Soccer has more than 80,000 coaches, including almost 10,000 that are nationally licensed. The referee program makes up an integral part of the United States soccer scene, with more than 100,000 referees currently registered.

Finally, I am also very proud to add that U.S. Soccer "represents" those millions of soccer moms and dads throughout the country!

The U.S. Soccer Foundation, which is located in Washington, DC, is the bedrock of the game's development in the United States. The Foundation's mission is simple—to enhance the lives of children through the sport of soccer.

The vision of how to bring life to those words embraces several priorities—including programs which promote heath and physical fitness through soccer; supporting gender equity; encouraging participation by the economically disadvantaged and physically challenged; and, establishing soccer programs where none previously existed.

Through its first four years of granting money to deserving organizations, the U.S. Soccer Foundation has reached out to the entire soccer spectrum, giving generous support to such diverse activities as the 1999 Women's World Cup, as well as many small-town soccer programs that found themselves in need of field construction/renovation, uniforms, or startup dollars.

In concert with its mission, the Foundation has recently embarked on a challenging and ambitious field initiative. By far, the most pressing need facing soccer's growth in the United States is more playing space. Through a partnership of government and private enterprise, the Foundation has pledged to find ways of building

at least 500 soccer fields nationwide in the next five years. This type of creative venture is illustrative of the Foundation's future plans, which also include a pilot program to establish after-school programs in 12 large urban communities over the next three years.

THIS ISN'T JUST ABOUT MONEY FOR PARKS AND PLAYING FIELDS . . .

On behalf of U.S. Soccer, I am not here to support one particular bill. However, I am here to strongly urge you to find a compromise to these measures, and take advantage of this unique opportunity to pass a bill that includes full funding of the Land And Water Conservation Fund (LWCF)—especially the stateside component—as well as substantial funding for the Urban Parks Recreation and Recovery Program (UPARR). But, this is not just about money—this is about the quality of life for our youth in all areas of the country. Please let me put a "human face" on what I'm talking about.

The explosion of soccer participation in America, especially for youth, is well documented, and frankly there is no end in sight. Obviously, this means that there is, and will continue to be, a desperate need for more playing fields—at least for the next decade.

Over the past four years, the U.S. Soccer Foundation has received more than 1,000 formal grant applications to build soccer fields in urban, suburban, and rural areas—in almost every state of the nation. Further, we have good reason to believe that this represents only a small portion of the demand for fields. Unfortunately, due to the overwhelming demand for funding to build fields, and the limited amount of available funds, the Soccer Foundation is only able to award grants to about 7 percent of the applicants.

Please allow me to give you several specific examples of the enormous demand for fields. In one suburban Maryland county, there are currently 25,000 girls and boys playing soccer, with only 74 fields to serve them. Last season 550 kids who wanted to play soccer were turned away by one league in this county, because there weren't enough fields. That number is expected to grow dramatically over the next several years, unless immediate steps are taken. In fact, it is expected that by 2005, there will be more than 40,000 kids playing soccer in just this one Maryland county. Municipal officials estimate that in the next two years, this one county will need 60-120 additional fields to meet the growing recreational needs.

But it's not just a suburban issue. The lack of playing fields in our urban communities is absolutely shameful. For example, in the City of Minneapolis, there is only one public soccer field in the entire city (with a second one under construction). There are approximately 20,000 young girls and boys in Minneapolis, who either can't play soccer, due to the lack of playing fields in their neighborhood, or who need to be transported to the suburbs (where there are 341 fields) in order to play.

In one community in Florida, there is a waiting list of 1,000 children to play in the local youth league. In one upstate New York region, there are more than 80,000 players, with a very serious concern that, in the near future, players will be turned away in large numbers. In a University town in Iowa, there are more than 1,200 soccer players with no community soccer fields at all. I could spend the next several hours giving you examples of the desperate need for fields throughout the country.

But, I would like take the remainder of my time to address what I believe is the real underlying need for these funds to build playing fields—which is the basic quality of life for our nation's youth.

THIS IS ABOUT THE HEALTH AND FITNESS OF OUR YOUTH

As you are aware, in 1996 the Surgeon General issued the first-ever *Report On Physical Activity and Health*. It concluded that we as a society are facing a growing public health epidemic—one that threatens the well being of future generations. The main message of the report is that Americans can substantially improve their health and quality of life by including moderate amounts of physical activity in their daily lives.

However, it found that more of our children were becoming overweight; that schools were cutting physical education classes; and that sports, fitness, and recreation facilities were disappearing. Further, it found that nearly half of American youth are not vigorously active on a regular basis, with inactivity more common among females; and that participation in all types of physical activity declines strikingly as age or grade in school increases.

As should be no shock to any of us, the report concluded that adolescents and young adults, both male and female, greatly benefit from physical activity. Studies show that of all physical sport activities, soccer has long been recognized as the most developmentally intensive for growing children and adolescent youth. In one

comprehensive study, Dr. Max S. Chartrand found that "while learning sportsmanship, teamwork, winning strategies and valuable life skills, participants [in soccer programs] are also involved in a self-paced developmental program that enable them to overcome a multitude of cognitive, psychomotor and spatial limitation that otherwise could stay with them throughout life".

He further found that "soccer involves the primary skill elements of the other sports, while allowing self-paced development of each skill. Hence, the children who need it the most have opportunities without sacrificing the overall competitive qualities of the . . . team. Differences in skill levels between boys and girls are also minimized, allowing both to excel nearly equally at this sport. . . . In short, soccer gives participating youth skills that will stay with them throughout life and make for more successful, well-grounded and responsible individuals in a challenging world."

Please let me be clear that I am not here to promote soccer over other sports. However, I am here to bring a voice to parents and communities whose hope is to raise healthy children. But, in order to take advantage of the benefits of physical activity—whether it be playing soccer or other sports, or merely taking advantage of open spaces and parks—we need many more parks and playing fields. That is why substantial funding for the stateside component of LWCF and UPARR are so critically important.

THIS IS ALSO ABOUT GENDER EQUITY

Soccer serves a unique role as the introductory sport for most children, especially girls—consequently, we have made a very strong commitment to gender equity. With respect to girls, participating in sports like soccer offers a healthy way to deal with stress, gain status/acceptance with peers, make friends, control weight, rebel against social pressure to be perfect/nice, and promote self-esteem. By giving our daughters a chance to play sports, we give them the skill and tools for health and success.

In another comprehensive study, the Canadian Association for the Advancement of Women and Sport and Physical Activity (CAAWS) concluded that a physically active lifestyle rewards girls and women with more than the well-documented physical health benefits. It further concluded that "active living is an essential part of their social and emotional well-being. . . . These benefits, in turn, may also impact on self-confidence, peer status and career decisions—key factors in economic well-being. . . . Physical activity . . . is essential to enhancing girl's and women's quality of life."

CAAWS found that "unfortunately, many girls and women encounter barriers to participation in physical activity. . . . These include cost, a lack of opportunities and social support, physical education, recreation programs or organized sports that fail to meet their needs and a lack of resources dedicated to female participation. . . . [Consequently], many young women drop out of physical activity in the preteen and adolescent years."

CAAWS also found that these are the years that girls are most likely to take up smoking—and that young women who smoke and drop out of physical activity are more likely to have low social status, stressful living conditions, negative body images, and lower self-esteem than young women who choose to remain active and smoke free. CAAWS went on to conclude the "active collaboration among advocates for sport and active living, women's health, and tobacco control is so important".

As an aside, I must proudly point out to this committee how the soccer and public health communities have been collaborating to promote the health of children. U.S. Soccer and the Department Of Health And Human Services have embarked on a national campaign, "SmokeFree Kids and Soccer", aimed at preventing adolescent girls from smoking. This highly successful campaign not only communicates the negative effects of tobacco use on health and athletic performance, but also promotes participation in sports as a positive alternative to smoking. With the help of our U.S. Women's National Team, we have promoted participation in soccer as a healthy alternative to tobacco use.

However, we continue to need more playing fields in order to give these young girls the opportunity to participate in soccer and other sports!

THIS IS ALSO ABOUT MAKING AFTER-SCHOOL HOURS SAFE AND SMART FOR KIDS

A recent Department of Justice and Department of Education report found that there exists a chronic shortage of quality after-school programs—according to parents, the need far exceeds the current supply. The report focused on the benefits children receive in terms of increased safety, reduced risk-taking, and improved learning.

The report found that too many children do not have access to affordable, supervised and constructive activities during the hours after school. As Attorney General Janet Reno and Education Secretary Richard Riley stated "these children are at a higher risk for drug, alcohol, and tobacco use, delinquent behavior, violent victimization, and injury than their peers who are supervised after school. . . . Statistics show that most juvenile crime is committed between the hours of 2:00 p.m. and 8:00 p.m., with the largest number of offenses committed in the hours immediately following students' release from school . . . Our police chiefs . . . believe that an investment in after-school programming is the best deterrent against juvenile crime and victimization. . . . Children need safe and engaging opportunities between the last school bell and the end of the work day."

That is why the U.S. Soccer Foundation has partnered with a group called America SCORES to pilot a unique after-school program in 12 large urban communities. This after-school program will be a recreationally linked education program that strives to enhance the quality of learning for elementary school-aged children. Urban youth will be given the opportunity to join a team with their classmates, and participate in soccer and creative writing activities during after-school hours (year-round)—two days of soccer practice, two days of creative writing classes, and fifth day of a soccer game.

Our vision with this program is not merely to teach a sport or creative writing, but to systemically change the lives of youth by providing early opportunities for them to experience leadership, teamwork, and success. Teachers, administrators, and parents within the participating schools will run both the soccer and creative writing components of the program.

This is just one example of an after-school program that can greatly benefit our youth. As President Clinton recently stated, "we must make sure that every child has a safe and enriching place to go after school so that children can say no to drugs and alcohol and crime, and yes to reading, soccer, computers and a brighter future for themselves".

However, there is a chronic shortage of fields to support after-school programs like the one I just cited—and funds are desperately needed to build and renovate the necessary playing fields for these programs. Such programs can meet family needs for adult supervision during the critical after-school hours, and more importantly provide children with a safe, healthy environment that will help them develop academic and social skills.

CONCLUSION

Once again, Mr. Chairman, I want to thank you and the committee for giving me the opportunity to testify this morning.

In closing, I would like to respectfully urge you and the other Members of this Committee to lead the way in developing a broadly supported bipartisan bill that can be passed by both the House and Senate, and signed into law. It is absolutely critical that the measure includes full funding for the Land And Water Conservation Fund, as well as substantial funding for the Urban Parks program.

We want our children to grow up health, happy, and secure. We want them to say not to crime, drugs, and cigarettes—and say yes to academics, athletics, and recreational activities. However, Congress, communities, and parents must uphold our part of the bargain by providing and maintaining a sufficient number of safe and well-maintained playing fields and parks for them to play. But it costs money—and you have the opportunity and responsibility to provide those funds!

Therefore, for the health and fitness of our youth, for increased opportunities for our daughters, for the infrastructure for safe after-school programs, and in general for a better quality of life for our nation's youth—please make sure that a bill is passed with sufficient funds in the LWCF and UPARR.

Thank you.

The CHAIRMAN. Thank you very much, Mr. Steinbrecher. We appreciate that. And I think it is a reminder on the contribution of the Land and Water Conservation Fund, that we used to fund, how meaningful it was and how it involved the communities and the matching grants. It was very meaningful.

Now, we are going to move to the State of Texas. And we are very pleased to have Dianne Curry, president of the Dallas Parks and Recreation Department. Good morning. Please, proceed.

STATEMENT OF DIANNE A. CURRY, PRESIDENT, DALLAS, TEXAS PARK AND RECREATION BOARD AND TRUSTEE, NATIONAL RECREATION AND PARK ASSOCIATION

Ms. CURRY. Good morning. And thank you so much for allowing me to be here this morning.

I chair a 15-member policy-making body in the city of Dallas. I am the appointee of the mayor of Dallas, Mr. Ron Kirk. I am also a trustee of the National Park and Recreation Association. NRPA is a national nonprofit organization that advocates parks and recreation experiences in the highest quality for all people.

NRPA recommendations today include reinvestment of outer continental shelf revenues to fully fund the LWCF for local and State systems, and to provide at least $100 million annually for urban park rehabilitation also from the OCS revenues. These funds should be available through a permanent appropriation.

In support of these recommendations, I want to introduce a resolution that was submitted to me from the city of Boise, Idaho. I will leave that here for you all to have.

The CHAIRMAN. Without objection.

Ms. CURRY. Thank you.

In the handout you received, I listed Dallas Park and Recreation goals for 1998 to 2000. Our number one goal is to preserve and conserve resources and support infrastructure. It is in this light of this goal that I address you this morning. I cannot stress enough the impact and importance of additional and continuous funding. Citizens are expressing increased dismay, and often anger, about insufficient neighborhood play space for children to engage in healthy activities, and that public infrastructure is becoming aged and worn.

We invest heavily in the park public system, their restoration and expansion, and in public services. We are not seeking handouts. We come as partners. In the year 1997-98, Dallas Park and Recreation Department accomplished over 260 separate major actions, addressing the needs of our citizens. Those included the rehabilitation and renovation of ball fields, continuing implementation for a worker restitution program, in cooperation with the Office of Court Services, to the tune of over 9,600 park hours of maintenance.

We provide shoreline cleanup for one of the largest in-town lakes, White Rock Lake, with a grant from the North Texas Council of Governments, for $45,000. We developed and implemented a conservation and education program for our zoo, to minimize water consumption, accurately measure water usage, and control leakage, thus cutting expenditures nearly $100,000.

We secure products, donations and services in excess of $100,000 to support programs and events for persons with disabilities. We coordinate and facilitate send-a-kid-to-camp programs at 22 different sites, with attendance of 17,600 youths between the age of 6 and 17. We held programs for hundreds of mentally retarded people to facilitate the fact that our programs and our facilities are for everyone in our city. We sponsor wheelchair basketball camps. We implement reading programs. And we work with 110 different athletic associations.

Programs and capital projects in Dallas, funded with the help of Federal funds, include numerous park site renovations and improvements, ball field, park and trail expansions, tennis courts and swimming pool constructions, and acres of land acquisition for city use. Beyond the number of projects and acres and dollars, the grant programs allow us to effectively implement planned conservation and recreation programs.

I thank you and, in closing, would like to tell you that I am a full-time community volunteer. I am a wife, a mother and a typical user of parks and recreation. It has proven to be a fact that we can say yes, all of us, to parks and recreation.

Thank you.

[The prepared statement of Ms. Curry follows:]

PREPARED STATEMENT OF DIANNE A. CURRY, PRESIDENT, DALLAS, TEXAS PARK AND RECREATION BOARD AND TRUSTEE, NATIONAL RECREATION AND PARK ASSOCIATION

Mr. Chairman, members of the Committee, I am Dianne Curry. I have the pleasure of serving as president of the Dallas Park and Recreation Board. Our 15-member board is the policymaking body for and provides guidance to the Dallas Park and Recreation Department. I serve at the pleasure of Mayor Ron Kirk. I am also a trustee of the National Recreation and Park Association, headquartered in Ashburn, Virginia. NRPA is a national advocate for stewardship through parks and for recreation experiences of the highest quality for all people.

We commend the Chairman, and other members of the committee for their leadership and legislative initiatives that bring us here today. We are especially pleased that the restoration and potential of Land and Water Conservation Fund state and local partnerships were central to early concerns. The fund, along with the Urban Park and Recreation Recovery Program and other national authorities, has the potential to conserve and appropriately expand local, state and national networks to serve the diverse recreation needs of the American people in the long term.

These proposals would directly impact Dallas. Our department's current budget is $51.2 million, and we have the full time equivalent of 1,033 staff who manage 20,825 acres of land. This acreage and facilities include 273 equipped and open play areas, 411 game courts, 22 community swimming pools, 321 sports fields, 72 holes of golf and 43 recreation centers. The use of these resources contributes to public health goals, and our system directly and indirectly contributes to the city wide and regional economy. We are responsible for the stewardship of several historic and cultural sites, including Fair Park, a National Historic Landmark.

Some 60 percent of our total area is largely undeveloped. These lands and waters are habitat for plants and animals, conserve watersheds and help attain air quality standards.

While Dallas is one of the larger public recreation and park systems in the United States our philosophy of recreation service and access to resources emphasizes the individual and neighborhoods, as well as city-wide environment and recreation needs. Dallas' recreation resources and services also function in a larger region-wide network of county, other municipal, and Texas recreation destinations and services and protected sites.

We are a goal-oriented board and department. Our 1998-2000 goals include:

1. To preserve and conserve resources and support infrastructure.
2. To continue strong prudent financial management and increase financial resources.
3. To recruit and sustain an efficient culturally diverse work force.
4. To market, promote and communicate our services and programs.
5. To research, develop and provide innovative, educational, cultural and leisure services.
6. To enhance the quality of customer services.
7. To maximize opportunities for minority and women-owned businesses.

The department accomplished 264 separate major actions to address similar goals for fiscal year 1997-1998.

THE IMPERATIVE FOR INVESTMENT NOW

I come here today to tell you of the tremendous importance of the public recreation and park objectives in the several pending bills. While the details of legislation differ, the objectives are clear: predictable and sufficient fiscal resources to approach

the enormous tasks before us—provision of recreation and park resources and services of the highest quality for all people.

Citizens and their advocacy groups increasingly express dismay and often anger that there is insufficient neighborhood play space for children to engage in healthy activities, and that public infrastructure is aged and worn and increasingly costly to maintain health and safety standards. There is distress, too, that each day in and near small towns and large cities the landscapes change. This can be positive, but the term sprawl is common, too.

I also come here to state clearly that local and state governments, largely the membership of the National Recreation and Park Association, are not seeking handouts. Collectively we are investing heavily in public parks, their restoration and expansion, and in public services which address human needs. Rather, I come here to urge this committee and through the budget and appropriation processes to move quickly to stimulate mutually beneficial and necessary partnerships through the sharing of outer continental shelf receipts. We were moving in the direction of partnerships in the 1960's and 1970's, not with large programs, but with tactically intelligent investment through the Land and Water Conservation Fund and later the urban park rehabilitation program. We were restoring urban waterfronts and village greens; we were creating play fields and conserving watersheds and wild species. We are still doing these things and many more. For example, nationwide in the last two years we citizens have approved perhaps an unprecedented number of bond issues, millage increases and other strategies to fund and conserve parks. We have been forced, in some cases too aggressively, to bring entrepreneurial practices to our public services and sites, thus leading to investment imbalance and the diminishment of non-revenue activities. Despite all of these actions we are increasingly overwhelmed by an aging infrastructure and public demand.

There is a growing imperative for investment now. It is based on social and physical circumstances; it is increasingly influenced by the changing demographics of the American people, and where and how they seek public recreation.

In a social context, prudent investment in public recreation resources and services addresses some of the most intractable challenges of the day—restoring public health and containing public and personal health care costs, personal security, and public recreation access. In the area of health, we are largely a sedentary nation. While overweight young people can often avoid the resulting health risks, as they age their health typically declines while health costs escalate. As the boomers move ever closer to retirement age the present $1 trillion per year national cost of health care may seem like a good deal. Further, as the nation ages and its ethnic composition changes so, too, will the very nature of recreation demand and access.

At the other end of the age spectrum, we spend large sums of public resources to address youth issues. For example, while the vast majority of America's youth avoid serious negative antisocial or criminal activity, many cost society about $30,000 each per year for incarceration and associated costs.

Close to home will continue to define the preferred location of sites and services.

The actions of this committee impact directly the quality of life for millions of people nationwide. Along with others responsible for budget and appropriation recommendations the committee is in a central position to determine the degree to which our nation invests in public recreation and park resources. Some argue that we do not have sufficient resources to appropriately fund recreation and parks, including partnerships. We disagree. Certainly we must be prudent. But we must adequately invest today or burden our children and their children with a deficit of opportunity and a legacy of diminished health and wellness and environmental quality.

It is inconceivable to us that the congress and the administration are prepared to take—or have already taken—so many actions related to public recreation and parks while grossly underfunding programs which directly support public recreation experiences. Consider the following, for example:

- A fiscal year 2000 budget request of $600 million to increase spending on after-school activities, including recreation services, through the U.S. Department of Education's 21st Century Community Learning Centers program is pending. Eighty-seven percent of a recent round of successful grant applications included recreation elements, yet a local public recreation agency can not directly apply.
- The proposed Juvenile Crime Control and Delinquency Prevention Act now pending in the House and similar legislation in the Senate proposes a substantial crime prevention block grant. It could be used for a variety of primary prevention activities to give youth the ability to avoid crime, yet reference to recreation as prevention, a proven strategy, is minimal.
- The proposed reauthorization of the Older Americans Act includes findings and policy which recognize that older adults can often stay healthy with moderate

physical activity, including walking, but congress has failed to act on this issue for at least two sessions.

- The fiscal year 2000 budget requests in excess of $600,000,000 for the federal Community-Oriented Policing program and $350,000,000 for "innovative programs" to combat crime, but police collaboration with public recreation entities is rare despite proven positive outcomes in numerous settings where collaboration does occur.

CAPITAL INVESTMENTS IN PARKS AND RECREATION

The adoption of the central element of each pending bill—appropriate and predictable levels of funding—would begin to address known capital investment needs and, indirectly, service needs. An attachment to this statement describes estimated capital needs more fully.

In brief, our national survey covering fiscal years 1995-1999 indicated that local park and recreation agencies required a total of $27.7 billion in capital investment for rehabilitation of public park and recreation facilities, conservation of land, and new construction. These agencies expected to have less than one half of that amount available. New construction—the creation of more recreational capacity—ranked the highest with an estimated need of $13.6 billion (49.9%) nationwide, and an average need per agency of over $3 million. Rehabilitation and restoration needs totaled $8.8 billion (32.3%) and an average of $2.2 million per agency. Land acquisition needs through fee simple or non-title action totaled almost $5 billion (17.9%) nationwide, with an average agency need of $2.4 million.

In January and February 1999, we asked state and local governments to identify projects that could be funded if LWCF and urban park grant funds were made available for fiscal year 2000. Information on over 1,600 projects with a total estimated cost need of some $1.8 billion was received during a 6-week period.

STIMULATING PARTNERSHIP

National programs that foster cost-sharing to reach public goals should be encouraged. The Land and Water Conservation Fund and the Urban Park and Recreation Recovery Program were conceived and have encouraged fiscal, and in some cases, resource management partnerships. In a fiscal sense, LWCF is largely funded as a result of the consumption of Outer Continental Shelf energy resources. These resources belong to each of us. The state/local program is arguably the most efficient way to let the American people determine how these resources should be reinvested, and it is also highly efficient to return them to accountable state and local decision-makers to address public recreation and park needs.

Beyond the numbers of projects and acres and dollars, the grant programs have effected the country's overall attitude and policies toward conservation and recreation. Much of this less tangible benefit has come about as the result of the long-term partnerships with states and localities. For example, when LWCF was authorized comprehensive state recreation planning was rare. Today, statewide recreation planning has encouraged state, local governments and citizens to analyze recreation needs and alternatives in a systematic and responsive way. Many states now require that local governments develop recreation plans as a condition for any type of federal or state recreation assistance. These processes are seriously threatened by the lack of appropriations.

NRPA RECOMMENDATIONS: AN OVERVIEW

This hearing specifically covers three bills—S. 25, S. 446, and S. 532. By extension it also addresses two presidential proposals—a *Lands Legacy Initiative*, and *Building Livable Communities for the 21st Century*. In candor, fully assessing the details, relative merits and likely long-term impacts of each proposal presents challenges. The details merit objective debate. Within the next ten days we will present a more detailed discussion and additional specific recommendations for your consideration.

However, anticipating that several proposals would emerge, the NRPA Board of Trustees on November 15, 1998 adopted a number of preferred outcomes which the association believes should result from the adoption of different elements from the several legislative and executive proposals and others yet to be introduced. These preferred outcomes include the following:

Findings: A statement of congressional findings—the basic rational for legislation—must present a compelling case for national action, investment and anticipated results. It must include clear reference to contemporary and future values and benefits arising from public recreation and park resources and service, among other objectives of the legislation. Findings should reference increasing evidence linking recreation and parks to public health, long-term environmental stewardship, com-

munity security and crime prevention, for example. They should reference the full range of benefits—economic and others—associated with high quality and appropriate public recreation and park resources and services. The several sets of findings in pending bills should be reviewed in this context.

Urban Parks and OCS: The Urban Park and Recreation Recovery Act of 1978 should be amended to identify Outer Continental Shelf revenues available to the federal government as the source of appropriations. The conservation of the built environment is of equal importance to land conservation. The restoration of larger urban places and creation of more livable environments could reduce the pressure to convert farm and forest resources to residential and associated developments.

Public Purposes/Eligible Activities: NRPA advocates continued eligibility for the array of public investments now possible through existing LWCF state assistance and urban park rehabilitation authorities, including appropriate planning; land conservation through fee simple acquisition and easements, among other strategies; development of new facilities; and the restoration of existing public infrastructure. We believe the legislation should specifically authorize applied research to help guide longer-term recreation and park investment strategies.

In general, the pending bills do not change eligible activities, but some individuals have questioned the nation's role in aiding state and local park systems generally, and the efficacy of certain facilities specifically. Further, an administration proposal would shift LWCF partnership away from development of facilities, establish a national grant competition (thus largely eliminating state/local decision-making), and authorize direct access to grant funds by private non-profit organizations. These scenarios should be rejected. The strength of LWCF has been its authority to consider small-scale investments that will generate little or no political profile beyond a neighborhood or community, and large scale multi-phase projects of, say, regional interest. Current practices of state and local recreation and park agencies and numerous private groups often result in mutually beneficial partnerships.

The final bill should anticipate that public recreation resource conservation and access needs are diverse and always subject to change over time. Thus, investment priorities should continue to be based on a statewide strategic planning process, with maximum discretion for action vested in local and state authorities. Federally-aided investments should be protected in perpetuity, with all proposed conversions subject to secretarial approval. On-going or cyclic maintenance activities should remain the responsibility of non-federal partners.

Predictable Funds: The Land and Water Conservation Fund and Urban Park and Recreation Program should be funded through a permanent appropriation derived from outer continental shelf receipts available to the federal government. The reasonable predictability of fiscal resources is critical to effective planning, priority setting and short and long term investment strategies. The committee should consider designation of the LWCF and urban parks program as two elements of a trust or endowment as a means of enhancing public awareness and political support. Prior to the fiscal year 2000 budget LWCF state assistance and urban park restoration funds have not been requested by the administration or provided by Congress since fiscal year 1995. This is in part because of the lack of broad congressional awareness of the program outcomes, and other perceived priorities within, for example, LWCF. Critical opportunities for resource conservation and recreation access have been lost.

Program Objectives/Administrative Efficiency: Legislation should encourage, not discourage, efficient state administration of related grant-in-aid programs. This should include vesting related recreation and natural resource grant programs in a single, likely cabinet level, entity. Several agencies currently serve as the state focal point for public recreation and related resource policies and management. The legislation should result in clear authority for the diversity of local and state agencies that are principally involved in resource conservation and public recreation to have access to the fullest extent possible to a "one-stop" application process. This should result in program efficiency and allow complimentary state and locally-determined priorities to advance.

This approach should include a proposed separate program for wildlife habitat conservation, education and enforcement. S. 25 would create a separate OCS-funded "sub-account" in the 1937 Pittman-Robertson act. That act presently authorizes and distributes revenues from excise taxes on an array of sporting arms products exclusively to about 66 state fish and wildlife entities. The 1937 authority, revenue sources, and management should continue.

However, the final legislation emerging from pending bills should embrace the native fish and wildlife emphasis in S. 466, with distinct separation from Pittman-Robertson resources. Further, the NRPA recommendation for a state cabinet level focal point for grant administration also recognizes that the array of state, regional and

local land conservation institutions today include many types and a far greater number of agencies and revenue sources than existed in 1937. The LWCF act authorizes access to it by essentially all public entities whose principal mission is resource conservation and recreation, including wildlife conservation. Similarly, wildlife funds should be fully available to agencies that administer state park, forest, and other land resources, and to local public entities where investment in native species habitat in perpetuity will result.

Distribution of Funds: Certain bills recommend significant change in the current LWCF formula (40 percent equally among all states and 60 percent population) by which state allocation is determined. LWCF assistance should continue to be allocated to the states through a formula which emphasizes relative state population and population density. Future resource conservation and recreation demand will likely be met by an allocation formula that is weighted more, not less, on population. However, we also recognize that population/land area considerations may warrant special consideration in some circumstances, including distribution to lesser-populated states. We urge consideration of a Rhode Island-type formula which would generally over-ride a population-based formula to provide a sufficient allocation for lesser populated states.

The City of Dallas Park and Recreation Board and the National Recreation and Park Association share the committee's deep concern for the health and welfare of the American people and others who live within our borders. We also share your views on the value of public recreation and parks to help create and sustain a high quality of life. I hope my observations will contribute to your consideration of these proposals and to public awareness of the national imperative for recreation service and stewardship.

CAPITAL INVESTMENTS FOR PARKS AND RECREATION: ESTIMATES OF NEED

LAND AND WATER CONSERVATION FUND AND URBAN PARK AND RECREATION PARTNERSHIPS

Two national programs—the Land and Water Conservation Fund and Urban Park and Recreation Recovery Program—help shape community growth and livability, conserve the built environment, landscapes and habitat, and enhance public access to recreation resources. The Land and Water Conservation Fund Act of 1965 authorizes grants to the states, and through states to local governments, to acquire, expand and under certain circumstances restore public recreation resources and to enhance access. Grants may not exceed 50 percent of total project costs. Outer continental shelf energy receipts are the largest source of LWCF appropriations.

The Urban Park and Recreation Recovery Act of 1978 authorizes grants mainly for the restoration of recreation facilities and lands in urban communities. The matching level is 70 percent federal. State and local recipients are responsible for operation and maintenance of projects assisted by each program. Appropriation authorities for both programs remain available, however, there have been no grant appropriations for either program since 1995. Between 1965 and 1995, there were 37,436 LWCF grants for $3.23 billion. From 1979, there have been 1,227 UPARR grants totaling $212 million. Programs are administered by the U.S. Department of the Interior/National Park Service.

CAPITAL INVESTMENT NEEDS

The National Recreation and Park Association in 1994 randomly surveyed nearly 500 local park and recreation agencies to determine the needs, priorities and probable funding sources for capital investment for fiscal years 1995 through 1999. A similar 5-year survey was complete in 1990, and the association will soon initiate a third national inquiry for the period 2000-2004.

Local park and recreation agencies reported a total of $27.7 billion in capital investment needs for restoration of recreation and park facilities, conservation of land, and new construction to accommodate public use. They expected to have less than one half of that amount available. New construction—the creation of more recreation capacity—ranked highest among investment requirements with an estimated need of $13.6 billion (49.9%) nationwide, and an average need per agency of over $3 million. Rehabilitation and restoration needs totaled $8.8 billion (32.3%) and an average of $2.2 million per agency. Land acquisition needs through fee simple acquisition or non-title action totaled almost $5 billion (17.9%) nationwide, with an average agency need of $2.4 million.

During January-February 1999, NRPA asked state and local governments to identify projects that would be funded if LWCF state assistance and urban park rehabilitation grant funds were available in fiscal year 2000. Information was received

on an estimated 1,600 projects totaling about $1.8 billion. Projects range in scope from acquisition of a few acres as additions to existing small parks, large land protection strategies to protect ecosystems, and to address public recreation deficiencies. They include proposals to develop basic features (roads, trails, restrooms, picnic and campground areas, youth sports and playground facilities) necessary to make places accessible to residents and to assure local and state taxpayer participation in and support for public recreation and park areas. These investments, like previously funded projects, would help shape community growth and livability, conserve the built environment, landscapes and habitat, and enhance public access to recreation resources.

Appropriation authorities for these programs remain available, however, there have been no grant appropriations for either program since fiscal year 1995. Between 1965 and 1995, there were 37,436 LWCF grants for $3.23 billion. From 1979, there have been 1,227 UPARR grants totaling $212 million. The current scale of financial interest identified in the 1999 call generally reflects competitive demand levels recorded, for example, when Land and Water Conservation Fund appropriations for local and state grants were last available. In fiscal year 1995, more than 3,700 applications requested in excess of $614 million. Only 495 grants totaling $33.3 million were awarded. Information from the 1999 request follows.

ILLUSTRATIVE LOCAL AND STATE NEEDS: FISCAL YEAR 2000 AND BEYOND

ANCHORAGE, ALASKA urgently needs to upgrade its Russian Jack Springs campground, which was closed in mid-year 1998 due to safety and pollution concerns. Despite intensive maintenance efforts over many years, the age of facilities and heavy use have reduced individual campsites, play areas and restrooms to unusable states. A proposed renovation effort will allow the city to restore camping pads and restrooms, access roads and water/sewer service so that it will be available to tens of thousands of annual visitors. $500,000.

THE CITY OF GADSDEN, ALABAMA is eager to acquire 373 acres for its critically-needed community park on the Coosa River, which will provide the city's first new community park in over 20 years. $8,000,000 (over five years.)

CALIFORNIA DEPARTMENT OF PARKS AND RECREATION, as part of its larger acquisition program, would purchase 2,000 acres of inholdings in Anza-Borrego Desert State Park, protecting plant and animal habitats and improving public access to designated recreation areas. $538,000.

CINCINNATI,OHIO must compliment approved restoration of the Over-the-Rhine Swimming Pool with restoration of other aquatic sites. Recreation opportunities at these outdated facilities will expand recreational sports learning and water safety programs for thousands of people who depend on inner city recreational facilities. $1,000,000 plus.

THE COLORADO STATE TRAILS PROGRAM has identified close to $4 million in urgent trail construction needs for 1999, ranging from the Denver Greenway to every corner of the state, and from city nature trails to extended routes in county forest areas. A maximum of $1.5 million (or 38 percent) in funding is available from all sources to meet these needs.

The EAST BAY REGIONAL PARK DISTRICT, CALIFORNIA, which serves six adjacent counties from its Oakland base, proposes to acquire 1,120 acres of open land south of its existing Brushy Creek Park in Alameda County. The property will expand the existing park and link it to an adjacent Livermore Area Park, helping to extend the regional trail system, coordinate delivery of recreation among several regional providers, protect wildlife migration routes and preserve ecological and visual integrity for a much larger open space/recreation area. $3,361,000.

FORT WORTH, TEXAS must rebuild its Sycamore Park Youth Sports Complex to bring recreational sports fields and courts in this under-served community up to modern standards and to expand them to meet recreational demands. The project will address the recreational needs of over 2000 young people. $2,800,000.

HILLSBOROUGH COUNTY, FLORIDA, a rapidly developing metropolitan area near Tampa, has identified many unmet land acquisition needs for three parks including: Apollo Beach on Tampa Bay and critical additions to two existing parks to preserve their integrity in the face of major urban development. $2,000,000.

JOHNSON COUNTY, KANSAS, in the Kansas City metropolitan area, has identified over $11 million in land acquisition needs for the next five years to meet minimal expectations of residents for key open space and park resources.

WASHINGTON, DISTRICT OF COLUMBIA must fully renovate or restore 8 playgrounds; rehabilitate 10 play fields; restore or replace outdoor lighting at 6 recreation centers and rehabilitate 11 play courts, all to address serious recreation deficiencies. $2,225,000.

SAN DIEGO COUNTY, CALIFORNIA has more than $10 million in urgent acquisition needs, including critical wetlands protection and river frontage in the Tijuana River Valley, critical wildlife habitats in adjacent fast-urbanizing areas and small parcels needed for expansion of existing neighborhood and community parks. A portion of these acquisitions would be coordinated with California State Park acquisitions of 685 acres in Coal Canyon for which the State has already committed $8 million with a remaining shortfall of almost $14 million.

SEATTLE, WASHINGTON and adjacent KING COUNTY urgently require substantial investments to expand and connect their urban trail systems, including specifically the South Ship Canal, Interurban and Southeast Regional trails. The trails serve a diverse low-income $3,500,000.

WISCONSIN STATE PARKS have identified over $127 million in basic development needs for existing parks over the next five years. These proposed projects are for trail, picnic, camping and fishing facilities in existing parks, and are in addition to some $60 million in unmet needs for land acquisition in designated new park areas.

WESTCHESTER COUNTY, NEW YORK has identified over $149 million in projects needed over the next 10 years to expand and improve its 110 year old park system.

WINSTON-SALEM, NORTH CAROLINA must renovate and redesign Happy Hill Pool, a 1955 outdoor swimming facility which has deteriorated badly from heavy use and age despite careful annual maintenance. Part of multi-purpose recreation complex, it is the only pool that serves a public housing community. $110,000.

KNOXVILLE, TENNESSEE will initiate creekbed clean up, and redesign, restoration and expanded public use of the Winona Ball Park/Caswell Park area. The proposed multi-purpose recreation complex will utilize an old industrial site and existing ball field to connect historic districts and other federal empowerment zone communities. Public access will also be enhanced by First Creek Greenway which will connect the project to the other sites. Estimate $4 million.

For further information contact: Barry Tindall, director of Public Policy, NRPA (202) 887-0290 or Denise Obert, assistant director, (703) 858-2184.

The CHAIRMAN. Thank you very much, Ms. Curry. We appreciate your statement.

I am going to be very brief with questions, and limit myself to 3 minutes. I also want to advise you that we have seven more witnesses. And I am going to bring up panel 2 and 3 together.

Victor, I want to apologize for being out of the room during your presentation. Tell me how you respond to private property right advocates who claim that the States and local governments will use the state-side grants for the sole purpose of buying land.

Mr. ASHE. Well, I will start out by saying it is not true in the city of Knoxville. We simply have not done that. Our city council has to appropriate the money. I cannot, as mayor, simply use the money. I have to go to my city council. They are elected by districts, and some at-large. It is a nine-member council.

I think at the local level—certainly a city of our size, which is about 180,000—we are very sensitive to what the public thinks and what the public wants. You know, we are not making any more land. And once a piece of land that could be used as a park is developed, however it might be, it is gone. Whether it is a new subdivision or shopping center, both of which might be very worthwhile. You have to have places, I think, if you are going to have a city that is whole in its outlook. That provides a place not just for kids, but for adults and grandparents, as well. All ages utilize parks, whether passive or active.

I realize the property rights issue is a major one at the Federal level, and inholdings and all of that. I guess the only thing I could leave is, do not let the State and local side get lost in the debate over the Federal issue.

The CHAIRMAN. Thank you very much.

Mr. ASHE. If there is some way of separating it, do. But that would be my answer.

The CHAIRMAN. Mr. Davis, tell us a little bit about what you have found, as you travel around the country, to be the biggest need in youth sports. Is it counseling? Is it role modeling? Is it places to play? What is it?

Mr. DAVIS. I think what I have found is it was just a lack of facilities, just places to play. A lot of times coaches come to me, or even little kids, and they do not have the facilities or the parks to go play sports in. So that is the things I have found. I have not toured every single city and went around with a survey list or anything like that, but that is just from what I hear. That is my understanding.

The CHAIRMAN. I noted, reading your biography, your most respected sports figure was John Elway. And that leads to a question as to whether or not you have any inside information on whether John is going to retire or be with you for another year.

Mr. DAVIS. I have no idea.

The CHAIRMAN. You have no idea?

Mr. DAVIS. No idea.

[Laughter.]

The CHAIRMAN. All right. Well, I guess that is the best we can do.

My last question is to Bernadette. Bernadette, what is a recreation easement in your mind?

Ms. CASTRO. Well, it is not a recreation easement. But, in other words——

The CHAIRMAN. You discussed it in your testimony.

Ms. CASTRO. Yes. A conservation easement. It can be anything from protecting farmland for the farmer, where developers come to a farmer and say: Do you know what your property is worth? We can put 500 houses on it. The New York State government comes along and says: You know what? We are going to buy a conservation easement. We are going to give you money if you promise never to develop your land, but just to keep farming it. And your taxes, of course, are agricultural now; they will continue.

But in some cases where people are not farming the land, but they own large tracts of land, and developers come to them. If we want to continue open space in a positive way, we say to the owner: We will buy the development rights. You own the land. You do what you want with it, but you just cannot turn it into a housing development one day.

And it is working very well for New York State. And I think we need to promote it in other States across the country with this program.

The CHAIRMAN. Thank you very much.

My time is up. And I am going to keep time on the members. I think Senator Campbell was next.

Senator CAMPBELL. Thanks, Mr. Chairman.

Rather than asking questions, I have to tell you, my own childhood will not allow me to be quiet. I was very interested in hearing both from the mayor and Terrell both, particularly, Mr. Mayor, as you alluded to inverse relationship between youth crime and facilities. I have to tell you, when I was a youngster, I did not have the

strong mother figure that Terrell had. My mom was in the hospital for 22 years with tuberculosis, and I was on the streets and in an orphanage.

And I was a member of a gang and I was a member of a team. And in later years, as I reflected on that, I can tell you, there are a lot of similarities between the two. One is positive, of course, and one is negative. But in both areas, youngsters look for acceptance and recognition. They admire skills, one positive, one negative. They admire strength and prowess. And they certainly look for understanding among colleagues. And sometimes it becomes almost a surrogate family. Both of those did for me.

I also know that, as you allude to, that a lot of kids simply cannot go to the country for a vacation, where the big, open spaces are. And they have to rely on areas downtown. And that means you have got to have some soccer fields. You have got to have some gymnasiums.

In later years, after my life straightened up, I was a policeman and a volunteer counselor in Folsom Prison. And there used to be a saying, and those of us who believed in trying to help youngsters before they got in too much trouble: You have a choice. It is gyms or jails. It is parks or prisons. And that may be oversimplifying the problem, because we cannot fix it all with the government, as you know. I mean we can provide some money, but we cannot be the surrogate church and the surrogate family and a surrogate youth group and so on. That has to come from the communities.

But I do know that if you track our prison growth, we have gone from a half-a-million to 1.2 million, and almost 1.3 million, in just 10 years. And I know we are always concerned about how much money we are spending as we try to get our deficit down in this country, but if you look at the cost of that, about a million dollars a cell to build, $26,000 a person to keep them incarcerated, we could send them all to Harvard cheaper than that. So it just seems to me that we need to spend more time getting ahead of the curve and not spending so much time talking to politicians.

If you really want to know what went wrong with youngsters, go into prison and talk to the warden or talk to the inmates or talk to the youngsters that are in trouble. And almost all of them will tell you that something went wrong when they were young. They did not have a support service, they did not have a strong family unit. Something went wrong and we should have been helping at that level rather than trying to patch up all the broken pieces after the fact with just more government money.

So I am a supporter of S. 25, and S. 532 also. And I just want to commend you for being here, Terrell and Mr. Mayor, and in fact the whole committee. And I will tell you that there are some of us who have been down that road. In fact, every year for the last 7 years, in a program that was started by Reverend Halverson, a Senate chaplain, we started a program to bring gang members to Washington every year—and privately funded by the way; government money is not involved—and take them to the National Prayer Breakfast. And we do not know if that is making a dent or helping a lot, but certainly they see an alternative to what they have been doing.

And it just seems to me that we are on the right track if we want to put more resources into facilities for youngsters. And I can tell you what, as of this morning's newspaper, I understand that we are now talking about rebuilding up to 25 percent of the costs of bombing in our new-found war. Holy mackerel, if we can find the money to do that, we can darn sure put more money into our youngsters in the inner cities.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Campbell.

Mr. ASHE. I was just going to respond very quickly. We all know youth have tremendous energy. They are going to do something. And better to have the places for them to do it, as opposed to being on the streets. And I always say, if anyone ever suggests cutting parks and rec, as a frill, I say get ready to increase your police department budget by a like amount, because that is how many new officers we are going to need to pay for it. And the COPS program will not be enough to go around.

Senator CAMPBELL. You are right.

The CHAIRMAN. Senator Landrieu.

Senator LANDRIEU. I want to just add my thanks to Senator Campbell for that heartfelt comment on the bill and the importance of this bill in many different ways, but of pointing out a tremendous aspect of it, that sometimes you have got to spend a little money to save a lot of money. And I believe with all of my heart that as this bill moves through this process, the investments that we are going to make in our environment will save money in the long run, the investments that we make in our inner cities and our suburban areas and our rural areas will come back to us 100-fold, exactly in the way, Senator, that you have outlined, by giving people an opportunity, giving communities and youth an opportunity.

So my questions, just a few, and this is to the mayor, if you could just give some comments for the record about either your own personal or the mayor's ideas about the youth parks structure. Should it be a competitive grant? Would you rather it be a block grant formula? Because hopefully we will be expanding and have the opportunity to—if you would want to give some comments in terms of how you think that expansion and improvement could take place.

Mr. ASHE. You are speaking of UPARR as opposed to Land and Water?

Senator LANDRIEU. UPARR.

Mr. ASHE. Senator, first of all, let me say your own mayor, Mayor Morial, has certainly been active in this area, the mayor of New Orleans. I think, first of all, as I mentioned in my testimony, I think UPARR ought to be moved from Interior over to HUD. And that is not a criticism of Interior, it is just that is not their mission—cities and urban parks. And let us put it in a place where that is their mission, and deal with it.

Should it be competitive or block grants? Perhaps it could be a combination of both. I think there should be a requirement for matching funds. I think it should be used to leverage. I do not think it ought to just be a grant to cities or counties. Because I know we can take money that comes to Knoxville and we can use it either to match with city money and go out and raise private money and, in effect, a challenge grant.

But I think perhaps a portion of it—whatever—and the administration's amount I think is $5 million, which obviously, if that is all it is, it is almost academic. If you are able to get a more significant amount of money, to where it would make a difference, then I think perhaps some could be direct grants. But certainly in competition, a portion of it might very well make sense to have it competition.

Senator LANDRIEU. Well, you know, there is no set figure, but we are hoping for substantially more than what the administration has in their Lands Legacy—maybe $40 million to $100 million, depending on how this comes out. And my question would then be maybe to Bernadette, would you envision, having the experience with Land and Water and Conservation, how your parks could work more closely together or with the state-side, or should they be sort run on a separate track? Or do you have any thoughts for the record?

Ms. CASTRO. The UPARR?

Senator LANDRIEU. UPARR. Hopefully we can expand and increase that program. But we want to, if we are able to do that, work in conjunction with the state-side, which is also a local, State parks and recreation. Could you briefly give a comment about any thoughts you have?

Ms. CASTRO. Well, I think certainly if we do not have it as a complete block grant, which means the States truly, based on your formula—and we kind of like the old formula, in all due respect, Senator, but whatever you all decide on the formula—the States need to have a tremendous amount of input, even if it is UPARR, even if it is a competitive system, even if it is only partially competitive. To think that the Federal Government, whether it is HUD or the Park Service, would say, Okay, here is where your money is going to go, and this is the grant we like—we think the States should at least have a dialogue, that there should be an opportunity for us to comment. I do not know if that has exactly answered your question.

Senator LANDRIEU. Okay, just more State involvement?

Ms. CASTRO. Yes. The more State involvement on State—I think you will find that I think there could be perhaps an overview. You know, give us a chance. It is very important that this program be reinstated as soon as possible. And I know some people have very serious areas which they do not want funded again. They do not want marinas. They do not want golf courses.

Perhaps instead of taking away the block grant, the Federal Government could say, Okay, you are going to have the block grant, but we do not want you to build golf courses and we think you should get private partners for marinas. We do not mind accepting some guidelines from the Federal Government. But we do not want to use the block grant. And I think I can speak on behalf of all the governors in this country.

Senator LANDRIEU. Thank you.

The CHAIRMAN. Thank you, Senator Landrieu.

Senator Craig.

Senator CRAIG. Thank you very much, Mr. Chairman.

Let me assure all of you that legislation that is finally produced here, if it allows a strong component for State and local levels and

cities, I will be a supporter of it. Because I agree with nearly everything all of you have said.

Dianne, you have mentioned the city of Boise, or that resolution, in your testimony. I visited with the mayor and the city council. We understand ourselves very clearly. And as somebody who spent most of his life in a rural setting, but spent, I guess I have to say, at least as important a part of my life in an urban setting, and having raised children in an urban setting, what Terrell has said is absolutely true. What all of you have said is absolutely true.

And I must tell you, mayor, I have never viewed a city park as the king's land. But if you want to look at a national forest today, then there is a different story. And my communications to you today and for the record in reference to the king's land was not to city parks. And the reason is exactly as you said it. If they are not run properly, the locals can get to the people who make the decision.

In Idaho, you cannot touch the Feds. They live in Washington, D.C. And we have become the buffer zone. And therein lies the differences.

So if we can arrive at the necessary compromises that will probably be made in this process, what all of you here are testifying to today is something that all of us support in a very sincere way. I have a young man in my family today who is graduating from college in a month, who probably owes a part of his direction and focus to soccer and to several soccer parents, who took the time that I did not have to coach him. But I could be there on the sidelines every weekend, cheering him. And it makes a lot of difference in young people when that kind of dedication is there, but, most importantly, when the facilities are there to allow it to happen.

Thank you, all, very much.

The CHAIRMAN. Thank you very much, Senator Craig.

Senator Beaver—I mean Senator Burns.

[Laughter.]

Senator BURNS. I do not have the same enthusiasm for soccer. I hate to disappoint you, but I have got 20 years refereeing football.

Senator CRAIG. You know, in soccer, a referee has to move a lot faster.

[Laughter.]

Mr. STEINBRECHER. Apparently the wolves are not out West, they are here.

[Laughter.]

Senator BURNS. I agree with that.

The CHAIRMAN. Do you have any recollection of the referee with a glass eye?

Senator BURNS. Yes. Do you want me to tell you a story?

The CHAIRMAN. Sure. Why not? We heard from the Beaver.

Senator BURNS. Umpires have—and I will look Terrell right in the eye—umpires have responsibility in football with the linebackers over there, facing the offense, tackle-to-tackle, all that stuff in there, ineligibles down-field, that stuff. This halfback comes jumping up through there one day, and he caught a thumb in the eye and a glass eye popped out. I stopped the clock. I do not know what you would have done.

It is an injury timeout. He has to leave the game for one play. Two plays later, he is back in the football game. At half-time, we were walking down the same ramp. I congratulated him on his desire to play the game. But I said, young man, sometime in your life you are going to have to use some common sense. What would happen if you caught the thumb in the other eye? He says, I would become a referee.

[Laughter.]

Senator BURNS. You know, we are talking about something today on the most serious end of it. And we are going to work on this legislation. Everything that you said, I completely agree with. Because I have got an investment in young people. That is the reason you are a referee, because you like the young folks and you want them to have a decent place to recreate, and yes, for the old people, too, because I am getting over in that old people section.

This bill goes much further than that. And I do not want to do anything that empowers the Federal Government over a city council or a county commissioner. I just do not want to do that. Because those are the folks who have to make the decisions. The block grants—I just do not want to send down a lot of rules and regulations that tells you how you are going to do your conservation easements. If they so choose to do that, that is fine. That is two willing partners.

If we get some money, I will help you out of this fund, help you with your parks and your recreation. You cannot build enough of them. Keeping in mind that our city/county zoning people are doing a lot better job now in providing open areas in what we call urban sprawl.

And I will tell you the reservations we have. It goes much further than that. We wanted to do what you wanted to do, but we also have government lands that we have very serious differences in philosophy in the management of those lands. And so I hope to be very constructive on this and on what you want to accomplish. Mayor, I have a daughter in Jackson, Tennessee.

Mr. ASHE. And you spoke in Knoxville at our Lincoln Day Dinner.

Senator BURNS. Oh, that was a long time ago.

Mr. ASHE. I was sitting at the head table with you.

Senator BURNS. I expect I probably told the same old story.

[Laughter.]

Mr. ASHE. I decline to comment.

[Laughter.]

Senator BURNS. But, anyway, we want to do what you want to do. Because I am aware of urban needs and the awareness to maintain open spaces and because I have got an agriculture background, I am very supportive of what you want. We hope we can get that done.

And I have overdone my time.

The CHAIRMAN. You have overdone your time, that is correct.

Senator BURNS. But we do not want this thing to overstep either, if you know what I mean. And thank you for coming today and doing this.

The CHAIRMAN. Thank you, Senator Burns. You told that story well. I am glad I reminded you of it.

Senator Graham.

Senator GRAHAM. Thank you, Mr. Chairman.

I want to also commend each of you for having shared your experience and your insights today. They have been very valuable in building an appreciation of why this is such an important national issue.

Let me ask a question, and maybe the mayor and Ms. Castro particularly could comment. One of the things that Theodore Roosevelt said was that each generation had a responsibility to leave the Nation with a greater treasury than it had at the beginning of that generation. And he was particularly focused on providing for our future public land needs. What are doing in terms of especially urban parks? As the population of the country grows and as we become more of an urban society, are we adding to our treasury of urban opportunities for recreational and park experiences?

Mr. ASHE. Senator, I think every mayor, regardless of party or background, is attempting to do that. During the 11-plus years I have been mayor of Knoxville, we have added to our park system, we have added to our greenway system, and it is probably the most popular thing the city administration does in terms of having broad-based support of all races, backgrounds, incomes, area of town, or whatever.

What I am saying here today is we could do so much more if we had the additional resources, and the philosophy being, obviously, as you deplete natural resources in the ocean, the money derived from that should be used to preserve natural resources on land. And certainly, going back to what Senator Craig said, Senator, my comments were not meant to be critical of him, and I do not think he took them that way.

The Federal land issue, whichever side you may fall down on, I think is a different issue than the State and local side. And I just hope that the State and local side would not be trapped and no progress made because of fundamental philosophical differences that people may have. And certainly I can understand, if someone is in Washington, they are not at the local shopping center, they are a little hard to get a hold of.

But the point is I think cities are making a concerted effort. We have added to the inventory. We are taking lands like flood zones that could not be used for development, turning them into greenways, but we are not doing as much as we should do. We are doing more than we did. But I think if you are able to get this bipartisan piece of legislation passed, you will have taken a giant step forward to enable all of us in this room to have, at the end of our careers, whatever they may be, look back and say, By gosh, we made a difference and our communities are better as a result of it.

Ms. CASTRO. Senator, I would like to make three comments on how cities can be improved for future generations with this program. Number one, although there may not be more acquisition within a city, there is usually a piece of property that a municipality owns, be it New York City and Harlem, that perhaps is no longer useful. Through development money, we can encourage that municipality to flip it to park use. Perhaps it is an old parking lot. Perhaps it is an old municipal building. Take it down. Put in the

soccer field. Put in some basketball courts. So we can reuse public property, even though there is no private property to acquire.

The second point is, some years ago, a very wonderful piece of legislation came from Washington, but it also must be accepted as an unfunded mandate, and that is the ADA requirements. I cannot begin to tell you that there is city, municipal and local buildings and parks and historic structures that are not ADA compliant. We need to be able to do that. It is an enormous burden to convert some of these properties.

And, thirdly, historic preservation—I am the State Historic Preservation Officer for New York State. That is a legacy that we must preserve. Main Streets of America, you know, sort of the activity that has been sucked out of Main Street through these wonderful, large wholesale—and believe me, I am not anti-business; as you know, I came from the private sector—but I do not want to see Main Street America go away, either. Historic preservation, whether it be a battlefield or a monument or just a row of houses or old shops, the matching funds through historic preservation grants are vital.

So those three areas—the swapping of old public buildings into new park facilities, historic preservation, and helping us meet the unfunded mandate of ADA requirements.

Senator GRAHAM. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator. I am sorry to cut the time short, but as I indicated, we have seven more panelists coming.

Senator Domenici, I believe you are next.

Senator DOMENICI. Thank you very much.

Let me first say that while I come from New Mexico and we only have one city that could be called metropolitan, and it is only, with its surrounding areas, about 650,000-700,000—I would like you to know I anxiously await an opportunity to be helpful to the inner cities of the United States. I have not heard very many good proposals. People talk about it a little bit. But essentially it is all being left up to local units of government what happens in the central cities and essentially in the education system.

I have a son, a lawyer, who runs a charter school in this city for inner-city black kids who are assigned to his school from the courts. Just before they go to prison, they are assigned there. And they do not go to prison, they get educated. And it is a whopping school. The thing that they need, however, is a lot of manpower. They need excellent teachers and people who can work with the kids.

Now, I want to tell you, I am not impressed with buying more land in the inner cities for whatever you call it, but I am going to be for a bill by the time we are finished. Because I would like to ask each of you, in your experience, if it is not true that a piece of property, equipped to play soccer or equipped to play basketball is not the end product for helping kids. You have got to have an adult program of some sort, volunteer or otherwise, like Pop Warner, which is mostly a volunteer one.

But just to acquire a piece of property and say it is in the inner city and it is for the inner city kids, without it being run by adults who really care and can manage and impress kids, it will probably

be a hangout for gangs instead of a beautiful jewel for recreating. You know, I was a mayor once. You mentioned that. It is so long ago that I am figuring I do not know anything about cities. It was fully 33 years ago, when I was very young, when I was elected the Mayor of Albuquerque. We knew this about recreation. We have a very powerful parks and recreation department that has organized activities.

Now, I would just like you, including you, Mr. Davis, to comment on that. Am I correct, that you have got to have not only properties, but you have got to have people?

Mr. DAVIS. Growing up, I think I was very fortunate to be surrounded by two schools, an elementary school and a high school, not to mention a park, by my house. So we had access to a number of fields, to where even if we did not play organized sports, we had communities who put together baseball teams, football teams. And we used those fields to play. And every day after school we could go down there and get together. And I think that in itself kept a lot of my friends out of gangs.

We would go out to the park. You would get so exhausted by playing sports that you would come home when it was dark. And at that point in time, I think we were so captivated in playing these other sports that—and there was no adults around at that point in time.

Senator DOMENICI. Who managed you kids, just yourselves?

Mr. DAVIS. We were the managers, yes.

Senator DOMENICI. Yourselves?

Mr. DAVIS. Yes, ourselves. So that was something we put together, neighborhood sports. So even without coaches and mentors around, I think it still could be a situation where you have kids who can organize their own football teams and soccer teams and baseball teams and utilize these same fields.

Mr. STEINBRECHER. Yes, Senator Domenici, one of the beauties, I think, of our country as I travelled around the world is the spirit of volunteerism. There are millions and millions and millions and armies of people willing to do the right thing. And I know that the infrastructure of this volunteerism is there and it exists. Whether at Pop Warner football or youth soccer, it exists in our country. But we have to have the ability to have a place for children to play. And I think the spirit of volunteerism that exists in this country will say the day through.

Mr. ASHE. Senator, I would agree with what you have said. I think the appropriate Federal role is through the offshore royalties to assist in land acquisition. I would not come to you as a mayor, seeking Federal support to run operating expenses. I think that is something the city of Knoxville ought to be paying for.

My boy, last night, which I missed, his 8-year-old team had baseball practice. And tonight I will have to be presiding at a city council meeting while he has his game. As Senator Craig said, you miss some of those during the week because of the jobs we have in public service, and you try to catch up on it on the weekend. And they are all volunteers. They are doctors, lawyers, plumbers, just folks who like to play with kids and coach them, and do a better job than I would ever do. But you have got to have the land to do it.

And it is not a matter of a city land-banking land. I do not believe in that either. It is just a matter of acquiring something and assisting. I think we are really all on the same wavelength. It is just a matter of figuring out how to get there. And I think we can.

Senator DOMENICI. Well, I was going to tell you, Mr. Chairman, I do not know that very many Senators know this, but the U.S. Congress has picked a club out there, and we fund it to the tune of $40 million. This year, we will fund the Boys and Girls Clubs of America at $40 million. And we do not ask them to change one thing about the way they conduct their business. We have found they conduct their business marvelously for kids. So we are out there and nobody is complaining.

And we are giving almost every club in America a certain amount of money—not 100 percent, maybe 20, 10—and, frankly, so we do not have to reinvent the wheel. We have to run around finding groups to do things. There was one sitting right there.

And my last concern, mayor—and I will just leave it here; you can answer it for the record from the Council of Mayors' standpoint—is there adequate working together by the schools, with their facilities and community use by the citizenry? We have great school facilities. Some are closed down, when they ought to be open, including the kind of facilities you have alluded to.

Mr. ASHE. I think it is getting better. I think there is more recognition of the need. But I am not going to sit here and tell you it is at the level it ought to be. But I think it is better. I know in Knoxville, in Knox County, I think there is that. The city, even though it is a county-run school system, the city has put in playground equipment and greenways and supported tennis courts and that sort of thing on county school property. So we have a cooperative relationship.

As for other cities, I think it varies. But I think there is an increased recognition that school property needs to be used more than just during the school day, and it needs to be used during the summer and vacation times.

Senator DOMENICI. Thank you, Mr. Chairman.

Senator CAMPBELL. Mr. Chairman, may I make a 5-second observation?

The CHAIRMAN. Go ahead.

Senator CAMPBELL. Listening to that last question of the Senator, I had a feeling that if Terrell Davis had gotten in any trouble when he was out there in the park, that Mother Davis would have taught him the error of his ways when he got home. Is that right? I thought so.

[Laughter.]

The CHAIRMAN. Well, unfortunately, there are some children that do not have that parental supervision. And that is something that government certainly cannot fill either. It is a very, very difficult set of circumstances.

Senator BURNS. Dianne, did you want to respond to that last question?

Ms. CURRY. I did. I sit here as a volunteer. And it is very much a part of Dallas. We do tremendous amounts of collaborations with our varying school districts. We share properties. We share facilities. And basically we share children. We all have the same pur-

pose in the area of recreation and in the area of having healthy recreation for young people. So Dallas is unique in the aspects of a lot of sharing of lands and building uses with our public school systems.

And there are a lot of young people who are not self-disciplined enough to be able to do what Mr. Davis has done. So it takes a large core of volunteers to see that those programs are in fact enacted throughout the entire city and make those types of programs available to everyone. And as a volunteer, I not only give my time, but also my energy and my money in terms of being able to afford others the opportunity to have volunteers and to coordinate volunteers for the many of the children who are not blessed with a good parental and mentoring people available to them. We do a lot of substituting for parenting as volunteers. So I think this is not just unique to Dallas, but many areas around the country.

Thank you.

The CHAIRMAN. Thank you very much.

I will now move on to our last member. Senator Dorgan has joined us. Then we will move to the next seven.

Senator Dorgan.

Senator DORGAN. Mr. Chairman, thank you very much. I have another hearing that is going on this morning, and so I regret that I have missed much of the testimony. But I have read your testimony.

I think it is the case that we have a responsibility to provide some predictable and consistent funding. When you look at that graph over there, we have not done well. And I will support those who want to construct a piece of legislation that provides that kind of predictability and consistency.

I might, however, just comment on a couple of points. One, Mr. Mayor, I think you indicated that there needs to be a local match. I believe that very strongly. I am not someone who believes this notion of just block-granting everything and shipping it all back because they know how to spend it better. In most cases, they do know how to spend it more effectively. But there also needs to be a connection between the interests of local folks and what they want to pay for. Otherwise it is all free money. There needs to be a local match here—I feel very strongly about that.

Second, I want to say to Mr. Davis, I have been a great admirer of your athletic skills and accomplishments, but, more than that, today I admire the fact that you come and witness on behalf of kids and give back. At a time when there is a lot of things written about selfishness in professional sports, thanks for giving back and thanks for being here on behalf of kids.

And I want to mention one additional point. Senator Domenici made this point, and I think it is critically important. We have a resource all around this country in our public school system that is substantial—and those facilities are used a minority of the time in most cases—indoor and outdoor facilities. And it is a shame. And we ought to find a way, through local governments, to make better use of those substantial facilities in every single community in America.

And one final point if I might. It is true we have substantial problems in the inner cities. We have poverty and unemployment

and economic blight. And we need to address that. And part of that deals with this issue of where do kids have to go and are they supervised.

In the middle part of our country, from North Dakota down to Texas, if I brought the map today that showed you where America is being depopulated, you would see county after county, a big, dark chunk of land in the middle part of America is being depopulated systematically. So it is the reverse of inner-city problems. Out-migration and job loss is the exact reverse of unemployment and poverty. Out-migration and job loss in our central part of the country and unemployment and poverty in the middle part of the country.

And as we work to fix all of these issues, we need to connect those circumstances. I will not ask a question, but I want to thank the panel very much. Your testimony is excellent. We will and we should do exactly what we should have done long ago, and that is provide some consistency and predictability in funding for you for this program.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much. Let me thank the panel for its contribution. It has been significant. I think we have had a good dialogue. You have gotten a flavor for the members and their individual concerns. And so as we look at your continued input, recognize that the record will be open for another two weeks, at least. So we would welcome your written suggestions, and we would encourage you to follow our other hearings, as well. And we will look forward to trying to develop consensus legislation from the four bills that we have before us. And, again, I want to thank Senator Landrieu for her efforts in recommending a significant portion of the panel. They have been excellent witnesses, and I commend you very much.

So thanks. And we wish you all a good day. And, Terrell, good to see you. Thank you very much.

We are going to bring one more chair up, because we have seven witnesses in the next panel.

In the interest of accommodating your schedules and the reality that we have been 2 hours with the first panel, I call panel 2 and panel 3 together, which I think represents a responsible effort to have some meaningful testimony. Again, I am compelled to limit your presentations to 5 minutes. And I will hold you to that. When that light goes on, recognize that there are two of us who are going to get edgy.

Let me introduce the panel. Panel 2: Theodore R. Roosevelt, IV, managing director, Lehman Brothers; Bruce Vincent, president, Alliance for America; Alan Front, senior vice president for Federal Affairs, Trust for Public Lands, San Francisco; Chuck Cushman, executive director, American Land Rights Association; on panel 3, Judith E. Bittner, Alaska State Historic Preservation Officer, from Anchorage, Alaska, Department of Natural Resources; R.J. Smith, senior environmental scholar, Competitive Enterprise Institute, Washington, D.C.; and the Hon. Jane Hague, council member of Metropolitan King County Council, from Seattle, Washington.

May I accommodate any of you from the standpoint of your time schedules? Chuck, are you going to catch a plane today?

Mr. CUSHMAN. I have a medical problem.

The Chairman: Why don't you go first, then.

STATEMENT OF CHUCK CUSHMAN, EXECUTIVE DIRECTOR, AMERICAN LAND RIGHTS ASSOCIATION, BATTLE GROUND, WA

Mr. CUSHMAN. I am Chuck Cushman, executive director of the American Land Rights, formerly the National Inholders Association. Thank you, Mr. Chairman, for allowing me to testify.

There are stacks of material that we have got here. The theme of my presentation is those that fail to remember history are bound to repeat it. These are National Park Service verbatim hearings ordered by Congress when the land acquisition abuses became so egregious that the appropriations committee took away the Park Service's condemnation authority in the late seventies. These reports up here are a series of General Accounting Office reports, critical of the Park Service and other Federal agencies for buying more land than they were supposed to, paying more money for it, not using easements, not working with the local community, generally destroying communities wherever their activities went. And this was not just the Park Service; other agencies, as well.

Over here are a series of socio-cultural assessments, paid for by a variety of nonprofit foundations, that are written history professors and others, looking at how we wanted to preserve some history as the process was going on of how these areas were being destroyed.

Also we have examples of Tom Snyder's Primetime Sunday national television show, critical of land acquisition by the National Park Service.

Public Television did a Frontline episode on land acquisition in the Cuyahoga Valley. And there is a film up here called "Big Park," which is done by inholders in the Santa Monica Mountains, but sends a message that the government can get too strong.

Why a trust fund? Why a new entitlement? An off-budget, dedicated trust fund?

I am for recreation. I was chairman of Mayor Bradley's Education Commission for the city of Los Angeles. I cannot understand why recreation cannot compete with other important social priorities in the appropriations process. Or is this really a subsidy for special interest groups?

If you turn the Land and Water Conservation Fund into a trust fund, there will be no going back. Congress has often lacked the will, when something like this gets started, even though individually they may be concerned about the horrors, they lack the will to go back and undo something. If the cow is out of the barn on something this huge, you are never going to get it back. Very careful thought has to be applied to this.

Senator Orrin Hatch has referred to some of the things discussed in these reports as cultural genocide, in the context of what is going on in Kosovo now. Others have referred to it as cultural cleansing, removing people from rural areas and creating new Federal reserves.

I am just going to read quickly—I do not like to read at these things, but in the interest of time—I want to read from a little portion of my testimony, called "Willing Seller: A Myth."

John Jones is a willing seller. He did not want to sell and held out as long as he could. First, the Park Service came in and purchased the homes and farms of his neighbors who did want to sell. There will always be some. Then the agency began to search out those families who were in some kind of financial distress, such as death, divorce, loss of job, and other reasons. Jones watched as his community was checker-boarded by the Park Service.

He remembered being told when the Park Service was created that he would not be forced out. But now the agency was targeting local businesses and the county itself. Many small businesses were purchased and put out of business. The Park Service purchased the timberland of several large owners. Small timber owners began to sell, as they saw that the logging infrastructure might eventually not be there. The mill eventually had to close because it could not supply enough wood. Like a natural ecosystem, the economic ecosystem of a community is very fragile.

As more timberland was purchased, more homes and properties began to disappear. Many residents wanted to hold out, but with fewer jobs in the county, the value of their homes and property began to go down. As the Park Service purchased them, they lay empty for months or even years, because the agency said they did not have the funds to clear them out. They became havens for vandals and drug houses.

As the properties were taken off the tax rolls, the school and counties began to suffer. Several closed, making long trips to school necessary for families. The school district did not have the money for the necessary buses. Roads began to close. As large areas were purchased by the Park Service, they put up chains across the roads. Some of these roads had been used for years by neighbors as access points to the river or to go camping, wood cutting, or berry picking. Usually we knew another way, but over time all the access was closed off.

Churches, clubs and community services began to close. The library was in trouble. The hours were cut for it, and other county services. There had been several markets in town and three gas stations. There is only one now, and it looks like the store will close. That means a 40-mile drive to Millersville for groceries. Over time, other essential services and stores began to disappear.

When the park was created, they promised tourism. I do not know where it is. We gave up a lot of good jobs for this park, and the tourists did not come. Several motels and restaurants were built in anticipation of the visitors. All but one restaurant is closed, and it cut its hours back.

We have two motels open, but they are struggling. The county had no choice but to raise our taxes. The tax base of the county was shrinking almost daily. We had one local bank and several bank branches. Now there is only one branch that is part of a market, and it may go away soon.

The banks have not made a loan in our town for several years because the future is unstable. No new houses have been built in some time now. The theater closed. The cable television company is considering shutting down. It feels like a ghost town. Some of my neighbors are determined to stay and suffer the consequences and

the severe hardships of living within what is now nearly an all-Federal enclave.

I love my town. I was born and raised here. I went away to college and came back. It looks like that even though I stood up to those Federal land acquisition agents, there will soon be nothing left to stand up for. I never thought I would be a willing seller. I am now.

I am done. Thank you.

[The prepared statement of Mr. Cushman follows:]

PREPARED STATEMENT OF CHUCK CUSHMAN, EXECUTIVE DIRECTOR, AMERICAN LAND RIGHTS ASSOCIATION

We appreciate the opportunity to appear here today and share our concerns about S. 25, the Conservation and Reinvestment Act (CARA) as well as S. 532, S. 446 and the Clinton/Gore Lands Legacy Initiative. We have considerable personal experience with how the Land and Water Conservation Fund really works, and the policies and practices of the Federal land agencies as they carry out their land acquisition programs. If S. 25 or any of these other bills and initiatives become law it will make land acquisition in America very different.

We compliment Chairman Frank Murkowski on his most distinguished career in Congress and the good he has done for multiple use and conservation in general. We feel, however, that S. 25 is a misguided response to a demand by several powerful special interest groups for a new entitlement and "subsidy giving them a disproportionate share of our country's natural resources and an automatic yearly hand in the Federal treasury.

I am Charles S. Cushman, Executive Director of the American Land Rights Association. My father was a ranger for the National Park Service and I served the Park Service in the second Student Conservation Corps in Olympic National Park in 1959. My son worked for the Park Service in the living history center in Wawona, Yosemite National Park and I served as a member of the National Park System Advisory Board. I also served as a volunteer with the Audubon Society at what is now known as Channel Islands National Park.

The American Land Rights Association, formerly the National Inholders Association, represents private landowners throughout the United States. Of special interest are those people owning private land or other interests within Federal boundaries or who are affected by Federal statute such as the Endangered Species Act and various Wetlands regulations. ALRA has over 18,000 members in 50 states and over 200 Federally managed areas. There are an estimated 1.2 million inholders nationwide.

Inholders are landowners in National Parks, refuges, forests and other Federal areas, recreation residence cabin owners and other special use permittees in National Forests, ranchers in areas managed by the Bureau of Land Management and Forest Service, small miners on Federal lands, all kinds of inholders in and adjacent to FWS Wildlife Refuges and many other types of rights holders. They are also people who are impacted by the management, regulation of and access to Federal areas.

The American Land Rights Association also works to support continued multiple-use and productive contributions from our Federal lands. Recreationists, miners, hunters, sportsmen, ranchers, landowners, permittees, handicapped, elderly, and many others are encouraged to cooperate to support access and multiple-use on our Federal lands and to oppose selfish single-use designations that limit access to millions of American families.

American Land Rights, National Inholders Association as it was called then, made a fateful decision in 1980 with the proposal by former Senator Alan Cranston to make Big Sur, California into a National Park. The idea of opposing parks was foreign to my personal beliefs but in the two years since our association was formed, we had been unable to stem the tide of abuses against landowners inside Federally managed areas. We had reduced them and stopped some when we heard about them in time, but overall, the wave continued.

We made a conscious decision that since we could not get the Park Service, and to a lesser extent other agencies, to stop abusing inholders inside Federal areas, we would begin to fight to keep people from becoming inholders. It was not an anti park decision. It was a pro people decision.

S. 25 clearly justifies our decision. If S. 25 passes, any families we had allowed to become inholders would now be subject to being aggressively eliminated over time. S. 25 is actually anti-conservation because it says that if people do a good job

of taking care of nice places, they will be rewarded by being thrown out of those places.

"THOSE THAT FAIL TO REMEMBER HISTORY ARE BOUND TO REPEAT IT"

To date little has been done by the Congress or the Federal agencies to respond to the following reports by the General Accounting Office critical of land acquisition policies and practices carried out by those agencies. In large measure, the response by Congress has been to give the Park Service, Forest Service, Fish and Wildlife Service and Bureau of Land Management less money to buy land. That greatly reduced the problem. More money will start the problems all over again.

Today there is largely a new generation in Congress who do not remember the horror stories of the 60's, 70's and 80's. Most Members of Congress don't remember the days when every Member of Congress had to become a management consultant to the Park Service because the agency was unable to solve its conflicts. The current situation at Saddleback Mountain Ski Area in Maine is a perfect example. For over twenty years the landowner had been unable to get the Park Service to resolve the route of the Appalachian Trail. Without Congressional intervention, there is not hope.

It is critical that the Senate holds regional oversight hearings so that it can get a better sense of the land acquisition abuses of the past. Some will say that the GAO reports listed below are dated. They are the most current reports on a problem that was greatly reduced with the reduction in funding. Since Congress is considering greatly expanded and guaranteed funding, these reports must be examined carefully to try to make sure any potential legislation does not cause a repeat of the same mistakes.

GENERAL ACCOUNTING OFFICE (GAO) REPORTS ABOUT LAND ACQUISITION

- "The Federal Drive To Acquire Private Lands Should Be Reassessed" (CED-80-14) (December 14, 1979).
- "Federal Land Acquisition and Management Practice" (CED-81-135) (Sep. 11, 1981).
- "Lands In The Lake Chelan National Recreation Area Should Be Returned To Private Ownership" (CED-81-10) (Jan. 22, 1981).
- "The National Park Service Should Improve Its Land Acquisition and Management At Fire Island" (CED-81-78) (May 8, 1981).
- "Federal Protection of Wild and Scenic Rivers Has Been Slow and Costly" (CED-78-96) (May 22, 1978).
- "Federal Land Acquisitions By Condemnation—Opportunities To Reduce Delays and Costs" (CED-80-54) (May 14, 1980).
- "Limited Progress Made In Documenting and Mitigating Threats To Parks" (RCED-87-36) (February 1987).
- "New Rules for Protecting Land In The National Park System—Consistent Compliance Needed" (RCED-86-16) (October 16, 1985).

PBS FRONTLINE DOCUMENTARY, "FOR THE GOOD OF ALL"

The committee should watch the hour long documentary, Public Television's "Frontline" about the Cuyahoga Valley NRA in Ohio which aired on June 6, 1983. It could have been filmed in areas managed by the Park Service, Forest Service and Fish and Wildlife Service. The only difference between when this film was made and today is money. You give the Park Service the money, and in five years, you'll get another film.

This tragic film documents the broken promises by the Congress and the Park Service in the Cuyahoga Valley National Recreation Area between Akron and Cleveland, Ohio. Only 29 homes were to be taken for the park. The law even promised the use of easements. Yet the number of homes purchased was well over 300, the small community was destroyed, churches and schools closed, their tax base eroded by unnecessary land acquisition. Cuyahoga Valley could have been a success without much land acquisition.

WILLING SELLER—A MYTH

John Jones is a willing seller. He didn't want to sell and held out as long as he could. First the Park Service came in and purchased the homes and farms of his neighbors who did want to sell. There will always be some. Then the agency began to search out those families who were in some kind of financial distress such as a death, divorce, loss of job and other reason.

Jones watched as his community was checkerboarded by the Park Service. He remembered being told when the park was created that he would not be forced out. But now the agency was targeting local businesses and the county itself. Many small businesses were purchased and put out of business. The Park Service purchased the timberland of several large owners. Smaller timber owners began to sell as they saw that the logging infrastructure might eventually not be there. The mill eventually had to close because it could not get enough wood. Like a natural ecosystem, the economic ecosystem of a community is very fragile.

As more timberland was purchased, more homes and properties began to disappear. Many residents wanted to hold out but with fewer jobs in the county, the value of their homes and property began to go down. As the Park Service purchased them, they lay empty for months or even years because the agency said they did not have the funds to clear them out. They became havens for vandals and drug houses.

As properties were taken off the tax rolls, the schools and county services began to suffer. Several closed making long trips to school necessary for families. The school district didn't have the money for the necessary busses. Roads began to close. As large areas were purchased by the Park Service, they put up chains across the roads. Some of these roads had been used for years by neighbors as access points to the river or to go camping, woodcutting or berry picking. Usually we knew another way but over time, all the access was closed off.

Churches, clubs and other community services began to close. The library was in trouble. The hours were cut for it and other county services. There had been several markets in town and three gas stations. There is only one of each now and it looks like the store will close. That means a 40 mile drive to Millersville for groceries. Over time, other 6sential services and stores began to disappear.

When the park was created they promised tourism. I don't know where it is. We gave up a lot of good jobs for this park and the tourists don't come. Several motels and restaurants were built in anticipation of the visitors. All but one restaurant is closed, and it cut its hours back. We have two motels still open but they are struggling.

The county had no choice but to raise our taxes. The tax base for the county was shrinking almost daily. We had one local bank and several bank branches. Now there is only one branch open as part of the market, but it may go away too. The banks have not made loans in our town for several years now because the future is unstable. No new houses have been built in some time now. The theater closed and the cable television company is considering shutting down. It feels like a ghost town.

Some of my neighbors are determined to stay and suffer the consequences and severe hardships of living within a now nearly all Federal enclave. I love my town. I was born and raised here, went away to college and came back. It looks like that even though I stood up to those Federal land acquisition agents, there will soon be nothing left to stand up for. I never thought I'd be a willing seller. But I am now.

The "willing buyer, willing seller procedure of acquiring land touted by park officials is 'meaningless' and a more proactive method is generally used," said William Kriz, chief of Land Acquisition in an article in the Concord Journal in 1988.

DO MOST PEOPLE IN PARKS WANT TO SELL? THAT'S NONSENSE!

The American Land Rights Association would not exist if that were true. People would not support us with their membership dues and extra contributions if all they wanted to do is sell. A very small part of the authorized backlog is people who are willing sellers.

But these relatively few cases are hyped by the green groups and some in Congress to justify their land acquisition goals. Let there be no mistake. If a person wants to sell, we support his ability to do so. But having the government involved corrupts the whole system. Once a person makes the mental decision to sell, he'll sell the easiest way possible. The Park Service and other agencies will have little reason not to want to buy with a trust fund behind them. The result will be even more of what has happened in the past—the Park Service and other agencies have become a dumping ground for open space.

However, often the only reason a landowner wants to sell is that he has been harassed and driven half-crazy trying to deal with the Park Service who generally fails to negotiate in good faith. After enough pressure and abusive tactics, almost any landowner can become a willing seller.

But the bottom line is that most landowners still do not wish to sell their land and GAO says that it is not necessary to buy them to achieve project objectives.

NEIGHBORS—FOLLOW THE MONEY

The more money the federal agencies get, the worse neighbors they become.

SOME SPECIFIC CASE STUDIES FROM THE 70'S

Lake Chelan National Recreation Area in Washington State—was created at the same time as the North Cascades National Park. Lake Chelan was made a NRA so that the small community of Stehekin could continue its pioneering subsistence way of life. It was necessary for the community to have access to wood, water and power to continue.

Lake Chelan offered a unique opportunity to provide the handicapped, elderly, and children a truly wild experience at the end of a 40 mile boat ride, the only regular method to get into Stehekin. There were only 1,600 acres of private land. According to the GAO, the Park Service purchased most of these, cutting off the ability of the community to provide for many visitors.

In fact, it has been said that by 1980 there were half as many beds available to disadvantaged recreationists as there had been in 1968 when the area was made a National Recreation Area. The Park Service had purchased some of the facilities and closed them down.

Lake Crescent in Olympic National Park—There had been more than fifteen recreation resorts and destinations at Lake Crescent before the Park Service went on its land acquisition rampage. Now there are only two. How many handicapped, elderly and children will not get that fine experience they would have had with those facilities still operating?

The Buffalo National River in Arkansas—While preparing for a debate on the "Today" show on NBC in 1988 between myself and Denis Galvin of the Park Service, the NBC staffers found that the Park Service had started out with 1,103 landowners. The law clearly encouraged easements and did not intend to destroy the special cultural communities along the river. The culture was so unique it was featured in National Geographic. However, NBC said there were only eight landowners left in 1988, the 20th anniversary.

I served with former Parks Committee Chairman Roy Taylor on the National Park System Advisory Board and Council in 1982. He told me personally that Congress never intended for the people of the Buffalo to be destroyed.

St. Croix River in Minnesota—According to a 1978 report on rivers by GAO, they found the Park Service had acquired 21,000 acres when they were only supposed to acquire 1,000 acres of access sites according to the legislative intent.

St. Croix River—Another GAO report issued in 1979 found the Park Service had 2,100 acres under condemnation, which was 900 acres over the legal limit. The Park Service agreed but said that when they concluded the condemnation trials on people enough to reach the limit, the rest would receive scenic easements.

St. Croix River—Park Service was found guilty by the Justice Department of using project influence to pay landowners less than fair market value. Justice planned to make the agency go back and re-appraise the land and pay for what it had taken illegally. American Land Rights had to pressure the Justice Department to follow through.

St. Croix River—Park Service is now over its legal limit for using condemnation to buy fee title. They are now threatening landowners with excessively restrictive public access easements that only leave the landowner with the right to pay taxes and liability for personal injury.

St. Croix River—Ironically, one of the best examples of the use of easements was not by the Park Service. The Kettle River is a tributary under the responsibility of the State of Minnesota. The state purchased land protection in the form of easements for a fraction of the average cost paid by the Park Service in adjacent areas.

Boundary Waters Canoe Area, Minnesota—The Forest Service used LWCF funds to buy up and remove many resorts throughout the whole region of Minnesota. The result was not more recreation but recreation transferred to the young and healthy at the expense of the elderly, handicapped and children. There was a massive loss of access to traditional hunting and fishing areas further reducing broad-based family recreation.

Voyageurs National Park, Minnesota—The Park Service admitted in a 1979 GAO report that they had acquired enough land for the park from the timber companies and did not need to acquire all the private landholdings that dotted this sparsely populated area. The agency went on to acquire the inholders.

Fire Island National Seashore in New York—The Park Service was found guilty by the GAO in a 1981 report of acquiring an expensive home completely surrounded by other homes and not available for any form of public recreation. The Park Service justified its condemnation simply because the landowner had built his deck a little

too large and had received a zoning variance from the local town. The cost to the taxpayer was $100,000 for nothing.

Mt. Rogers National Recreation Area in Southwest Virginia—A Forest Service area created in 1966. Congress had specified that the agency should acquire 39,500 acres, 40% of them in fee title that would have allowed the communities to stay. When questioned by congressional investigators and the author in 1979 about how many acres they had purchased in fee and how many easements, they responded that they had purchased over 26,000 acres in fee and no easements. The agency thought Congress didn't really mean what they said in the law. They viewed it as just a suggestion. It took a surprising amount of hard work by former Congressman Bill Wampler of Virginia to stop a massive new round of condemnation actions planned by the Forest Service.

Yosemite National Park in California—76 year old James Downey, a survivor of the 1906 San Francisco Earthquake, was threatened with condemnation in 1971 because he wanted to add a bathroom. He had no tub and had a double size septic tank and there was a covered breezeway under which the bathroom was to be built. There would be no new land coverage. The Park Service said what he was doing was an incompatible act and he would be condemned. They came back to him two weeks later after realizing their political insensitivity and said that if he would sell them his home, they would lease it back to him and then it would be OK to build his bathroom. Was the goal to stop the bathroom or buy the house?

Yosemite National Park—Harold Tischmacher's home burned down in December 1977. When he tried to rebuild it on the same foundation, the Park Service started condemnation proceedings because they said it was an incompatible act. He was saved by congressional intervention by Congressman Bernie Sisk (D-CA).

Foresta Fire, Yosemite National Park—In the late 80's a fire got out of control in Yosemite National Park, roared up a canyon and wiped out the entire village of Foresta, about 80 homes. Park Service Superintendent Michael Findley had turned down help from the Forest Service and the state forestry service. After the fire, Findley requested that Congress give him immediate permission to condemn all the home sites because he could buy them cheaply since fire insurance would pay for the lost houses. When he was denied, he then set up as many roadblocks as possible to prevent the landowners from rebuilding, thereby forcing some to sell.

Unfortunately these cases are just the tip of the iceberg. Hundreds and perhaps thousands more have not been recorded. Investigators can find these kinds of stories at nearly every park or other special designation Federal area.

NO LAW TO PREVENT THESE ABUSES HAS BEEN PASSED

In the 1980's condemnations went down because the Reagan Administration opposed the use of this tool wherever possible. Offshore oil and gas money was reassigned to other social priorities by sending it directly to the treasury.

THERE WERE ABUSES IN THE 80'S

Grand Teton National Park in Wyoming—In an important national case a landowner had been trying to sell his 160 acres to the Park Service for 10 years. They've had the money. The problem was the bad faith negotiations extending all the way up the highest levels of Park Service management. The landowner finally had to threaten to subdivide his land in order to get them to the purchase. The landowner did not want to subdivide and had been a good steward. The agency condemned him. During the next five years this case took, the landowner offered to settle with the Park Service and it was agreed to right up to the Directors level. William Mott overturned the agreement for $1.8 million. The case then went to trial and ultimately cost the government over $3.2 million, far more than the agreed upon settlement. The judge was not complimentary to the bad faith negotiating by the Park Service. To make the case more bizarre, this piece of land was the highest priority acquisition for the Park Service in the country and they still could not manage to negotiate in good faith.

Santa Monica Mountains NRA in California—In the Murphy Duane case the landowner spent years going through all the vast permitting process and Coastal Commission approval to get to the point were he could build his dream home. The Park Service strategy was to let him go. Only when he had spent thousands of dollars and man-hours to get local approval, did they say they were going to condemn his land. Intervention by Members of Congress stopped this abusive example.

Chesboro Canyon, Santa Monica Mountains NRA in California—The Park Service had enough money to purchase this Trust For Public Land Property for $8 million leaving hundreds of small landowners in another area of the NRA laying helpless and strangling. This is the exact kind of case that gives the impression that lots

of landowners want to sell and that there is the need for S25 because there isn't enough money.

The plain fact is that if the Park Service had used its money wisely to buy hardships and willing sellers they knew existed, there would be no cry for more money. It was lobbying by the Trust For Public Land that allowed the $8 million to go for property the Park Service did not need to purchase thereby preventing the truly needy landowners from being paid.

Golden Gate National Recreation Area, Sweeney Ridge in California—The Trust For Public Land acquired an option on this property for $8.5 million. They then negotiated a sale to the Park Service for $9.6 million. The Park Service really did not want to buy the property at all. Both the Carter and Reagan Administrations agreed that the land was not of park quality and should not be purchased.

However, as is often the case with large land trusts, TPL orchestrated a political campaign and forced a political confrontation. They obtained appraisals to show that the land was valued at anywhere from $21 million to $24 million. The landowner, part of a large oil company, hoped to obtain a large tax deduction. Our investigation showed the land worth from $7 to $10 million. Interior Secretary Bill Clark ultimately negotiated a sale near the $8.5 figure, due in part to our campaign against this unfortunate use of land acquisition funds. The figure was 8% of the entire land acquisition budget for the Park Service. Many other deserving landowners were left out because of this misuse of money. The problem is not that there wasn't enough money, but that the money was spent unwisely.

Appalachian Trail, Hanover, New Hampshire—The Park Service, working closely with the Dartmouth Outing Club, attempted to use LWCF funds to buy a greenway around Dartmouth College. They did this by moving the Appalachian Trail over to make it go through the middle of farmlands rather than along the fence lines as they were supposed to do and using a 1000 foot corridor to build their impact. They were found to be lying to Washington, officials about their activities when called in to explain and ultimately had to move the trail back to the fence line and share the impact among adjacent owners. They were forced to use easements even though they avoid using them. Only American Land Rights intervention saved their lands.

Appalachian Trail, Sheffield, Massachusetts—Park Service ignored the Land Protection Planning Process and ran the trail through town without consulting local officials, holding hearings or meetings or producing a land protection plan for the area that had been shown to either local landowners or officials. In fact, the Park Service had deliberately rerouted the trail at the request of the green groups to run it through the land that was planned to be used for a high tech, low impact recycling plant the greens wanted to stop. The Appalachian Trail has often been used as a weapon. This kind of abuse was repeated over and over along the Appalachian Trail by Park Service officials.

As in the earlier examples, this is the tip of the iceberg. When there is little oversight there is no reason for the agency to even attempt to obey the law. And they end up spending billions of dollars that do not have to be spent.

HOW ABOUT THE 90'S? THE ABUSES CONTINUED

Sleeping Bear Dunes National Lake Shore in Michigan—Riverside Canoes owned by Kathy and Tom Stocklen has been serving the public well for many years. Even the Park Service admitted they ran a good clean recreation business. But they would not sign over an easement type contract to the Park Service without compensation. The Park Service had already purchased two other canoe liveries and a campground either in condemnation or under threat of condemnation.

Finally, in 1990, the Park Service condemned the Stocklens. After several meetings with Park Service officials in Washington, no one at the agency could justify the condemnation, yet it went forward none the less. Finally, in 1992 just before the election, American Land Rights planned a huge demonstration in front of the Interior Building in Washington, DC. The Interior Department forced a settlement that gave the Stocklens back their land and compensated them for their attorney's fees prior to the demonstration.

Sleeping Bear was originally set up as a National Recreation Area. That is what a National Lakeshore is. It is tough to have full access to recreation when the managing agency buys out all the services providing certain types of recreation.

Moosehorn Wildlife Refuge in Maine—The FWS wanted to expand the refuge. They promised the local people they would only buy from willing sellers. The others relaxed. After the willing sellers had been purchased, the agency came back, denied they had ever said they would only buy from willing sellers, and began threatening condemnation. This is a pattern that repeats itself over and over again.

Saddleback Mountain Ski Area in Maine—Time after time, for over 20 years, the family that owns Saddleback has tried to work out a settlement of the route for the Appalachian Trail so that they could modernize and complete their ski area. Bad faith followed by bad faith by the Park Service in negotiations continues to this day. In fact, Saddleback recently offered the Park Service twice the land they could condemn under law just to settle the matter. Yet Saddleback sits twisting in the wind. The losers are the family, the community that loses jobs and $40 million of much needed economic activity per year for the region. The recreation ski community loses access to what would become one of the finest ski areas in America. The greens want new National Parks in Maine. It is hard to imagine why Maine or Congress would allow the Park Service to take over 5 more acres in Maine when they cannot seem to solve problems and get along on a simple trail.

Little River Canyon National Preserve in Alabama—Here is an example of pure politics at work. The former Congressman from the area essentially told the Park Service to find him a park in his district. He apparently needed another monument. Fortunately, the agency found the Little River Canyon, which we consider of national significance. It was owned by the State of Alabama and the Alabama Power Company. As usual, the Park Service wanted much more. They tried to include the homes and farms of over 500 nearby landowners. American Land Rights helped fight the proposal, which ultimately was settled by Congress using just the state and power company land. The cost to the Park Service was minimal. It was totally unnecessary to include the 500 landowners. This kind of expansionist process that is imbedded in the Park Service culture raises the cost of parks and hurts the taxpayer.

CAN IT HAPPEN AGAIN? S. 25 MAKES IT APPEAR IMPOSSIBLE TO AVOID!

Congress has passed no law that would prevent a return to the terrible days of the 70's. The only difference is money. A simple change in policy by the Interior Department or less enforcement of the present policy that already falls short is all it would take. S. 25 will bring on a nightmare to rural communities across America.

A SUMMARY

The problem

While S. 25 starts out more modestly, it will ultimately and inevitably increase to over $1 billion per year and probably more with modest additions each election cycle. That is not counting the likely possibility of a compromise with the more aggressive bills proposed by others. Once the Trust Fund is set up, the gradual expansion process is inevitable.

Why should the Park Service, Forest Service or Fish and Wildlife Service be given a new entitlement by this Congress which gives those agencies a higher priority for funding than the Defense Department, education, aids research, and many other important issues. Every program should have to compete for appropriations. No more entitlements.

No private property will be safe with the funds from S. 25 available. Gradually, over time, all inholder families will be wiped out. Special Interest Groups will seek to create new congressionally designated lands to apply their new-found largess. As was said about former Congressman Phil Burton, "if the only tool he had was a hammer, everything he saw would look like a nail." With S. 25, everything will begin to look endangered to certain special interest groups and in need of Federal purchase.

How much is enough? Is it the policy of this Congress to buy up all America? There should be a no net loss of private land policy in America so that any new acquisitions are accompanied by a corresponding sale of government lands.

What is the end game? Many members of Congress keep asking how America is gong to extract itself from Kosovo and the Balkans. We would ask how Congress would be able to shut off this new unappropriated, dedicated and off-budget trust fund entitlement once it is started. The experience of the past says you will be unable to do so. The end result for anyone who cares to look beyond the years of his own term is obvious. The solution is so much bigger than the problem that the solution becomes the problem. Land acquisition will overwhelm rural America.

There is little oversight of land acquisition now. There will be virtually none if this bill passes.

Why are inholder families targeted for acquisition and removal? Senator Orrin Hatch once referred to this process as "cultural genocide." Why cannot Federal areas be managed with families and communities still there? Why this hysterical rush to wipe out this cultural resource? Hundreds of small communities in existing Federal areas will be wiped off the map.

Land acquisition has always been used as a weapon to regulate and control private landowners. With billions of dollars to spend in a dependable and continuing stream, Federal agencies will be able to threaten landowners and control their activities. The reach of S. 25 into the very underpinnings of our Republic is remarkable.

Land acquisition destroys the culture and history of the U.S., often driving out old families. The Park Service is essentially the curator of our nations history and culture. Yet, Park Service practice in the past has been to buy out and destroy much or our cultural heritage.

Special Interest Groups will seek to designate hundreds of areas of private land as new government reservations. It will never stop. Just look at their current attempt to convert the 26 million-acre Northern Forests of Maine, New Hampshire, Vermont and New York into new Federal parks, refuges and other reservations of various kinds. Even the bill language of S. 25 appears to encourage this massive government sponsored population relocation plan.

Billions of dollars of private land will be taken off the tax rolls, forcing local taxes up. The taxes for those people who are not acquired will go up forcing some to sell, others not to invest and generally place a negative push against community development.

The basic tax base of many jurisdictions will be damaged or destroyed. It is true that S. 25 will provide money to the states, which they can choose to build swimming pools and other recreation alternatives. But S. 25 also funds the purchase of land by the state and Federal government which ultimately and permanently weakens that community or jurisdictions ability to provide basic services or even maintain those same swimming pools.

Reports over the past twenty years by the General Accounting Office document an ever increasing trend of poorly maintained National Parks. From an estimate of $2 billion in maintenance backlog in 1981, the estimate by some seems to indicate that the backlog may approach $10 billion or more. Does it make sense for this country to buy more land when it cannot take care of what it already owns?

The Payments In-Lieu of Tax Program, PILT, has never been fully funding by Congress. Local communities don't get near enough money to replace the tax revenue they lost to Federal land acquisition. What is worse, PILT is essentially a "snapshot" concept where future payments are based on the value of land as of the date of acquisition. Thus a county that must meet the needs of 1999 gets payments based on 1976 values for example.

S. 25 will fund the buying out of new mining ventures, a vast array of the timber supply and ranching operations all over America. Thousands of jobs will be lost and with them a tremendous loss in economic opportunity and vitality. Rural communities don't take much economic upheaval to permanently damage the economic ecosystem.

PARK SERVICE IS BEING DAMAGED

Unfortunately, Cuyahoga Valley is not an isolated example of how our Park Service areas are being managed. It is rather common place. Yet Congress has largely failed to examine the abuses discussed in this important film or how they could be corrected. The loss is to the Park Service. Because Congress failed to provide proper oversight, the Park Service feels it is immune from criticism. People who don't have to compete generally fail to be the best they can be. Congress, the Administration and yes, even the environmental groups, are cheating themselves and the American public out of a better Park Service.

CONSERVATION AND REINVESTMENT ACT WILL BUY LAND AND DESTROY PEOPLE

Inholders are the targets of S. 25. They are the families in communities that will be removed at will by the National Park Service and other Federal agencies who will no longer be constrained to attempt to be good neighbors because they don't have enough money. If they cannot condemn people, they will simply threaten them, harass them, cut off their access, cut off Federal loans and grants and disaster relief and eventually drive them out. It's easy. It just takes a little more time.

The Conservation and Reinvestment Act (S. 25) will make victims out of people who are discriminated against because of where they live. These people will be rewarded for taking care or their land by having it taken from them.

Condemnation is a terrible tool often abused in its use in the past by the Park Service and Forest Service. Only limited funds have kept it under control. It is vital that any legislation adding financial strength to the Land and Water Conservation Fund also carry with it the restraints necessary to monitor and control that strength. We would be glad if S. 25 ultimately applies funds only to willing sellers

but find the likelihood of that happening not very high. Even if willing seller passes this Congress, it will be easy to add condemnation back in next Congress. It's the Trust Fund, the money that does the damage.

In the near term, the Fish and Wildlife Service may be the most dangerous Federal agency. They are the only agency that can set up a Federal area without authorization by Congress. S. 25 says that money will only go to areas designated by Congress. It will be a simple matter for the Fish and Wildlife Service to set up a new refuge, then go for congressional designation. The FWS has such a huge constituency behind it that Members of Congress are afraid to put any real oversight into this agency or its abuses. S. 25 will only make matters worse.

S. 25 WILL HELP CREATE A SLUSH FUND SUBSIDY OR ENTITLEMENT

Certain powerful special interest groups have lobbied to set up their own single-use entitlement program, the Conservation and Reinvestment Act. It is curious that under the cover of the "word-tool" called "recreation" these groups actually support legislation such as S. 25 which is anti-recreation. At least for the broad-spectrum of the American public families; children, handicapped and the elderly are largely locked out of areas created with the Land and Water Conservation Fund. Instead these areas are set aside for the privileged few that are young and healthy enough to gain access and enjoy them.

Why an entitlement or subsidy? Should we be setting up special interest entitlements for every segment of society? Shouldn't resource preservation and limited-use recreation have to stand in line with everyone else during the budget process? Shouldn't wilderness and parks have to compete with other important social priorities like the Defense Department, education, AIDS research, childcare, children's programs and other important social priorities.

Why should the environmental groups get a special deal? They have become the privileged class. The Sierra Club advertises that the median income of its members is well in excess of $60,000 yet it joins other environmental groups equally as wealthy standing in front of the line to the door to the Federal treasury. And they do it with tax-exempt dollars too. How many subsidies would they like?

THE LAND TRUSTS—LEADING OR FOLLOWING? WHO IS SETTING THE PRIORITIES?

It is very clear that the Nature Conservancy, Trust for Public Land, Conservation Fund and other giant trusts are essentially taking over the role of deciding where our new national parks and other conservation areas will be. They are setting our future conservation policy instead of Congress. This seems to us to be a very dangerous course of action.

Already the land trusts are buying huge amounts of land in the Northern Forests of Maine, New Hampshire, Vermont and New York in what appears to be a plan to render moot what Congress thinks or plans. The land trusts would not do this if they didn't think there was a very good chance they would eventually be reimbursed by the Federal Government for their efforts. Most of the land they purchase is eventually transferred in some way to the Federal agencies.

Local officials in New England cannot go to bed at night knowing they will still have a tax base in their town or county the next morning. These land trusts are essentially deciding who lives and who dies from a community standpoint. The potential for corrupting the system and the Federal agencies is tremendous. The land trusts stand to make huge profits as they often do from sales to the government. Yet they are deciding where our next parks are coming from. Congress needs to visit this issue and make some decisions. Who is in charge? We believe the land trusts need to be put on notice that just because they buy something, there is no obligation to Congress to reimburse them. Further, as we have said elsewhere in this testimony, no land trust should be able to sell land to the government that does not make their books available for review by the General Accounting Office and Congress.

Congress needs to decide just who is in charge. One Nature Conservancy official said several years ago that no developer or community should make plans about undeveloped land without going to the Nature Conservancy first. Their reach and their computer database are so large that they have that kind of power. It is clear that Congress needs to take charge of this situation. The self initiating park manufacturing system now in place with the large land trusts offers too much money, profits and opportunities for corruption without some careful regulation.

LAND AND WATER CONSERVATION FUND—NO MONEY FOR MAINTENANCE

The General Accounting Office, the "non-partisan" investigative arm of Congress has released several reports over the past 20 years that say Park Service super-

intendents believe there is a shortfall in maintenance funding ranging in the billions of dollars. None of the money for Federal agencies from S. 25 can go for anything but buying land. Shouldn't we be able to take care of what we already own?

PARKS WILL BECOME POLITICAL TRADING STOCK

For those with short memories, the late Congressman Philip Burton used parks as a tool to achieve great political success in Congress. A Billion Dollar Trust Fund with a dedicated money source will allow all Members of Congress to create new parks and other reserves at will. They can say, "Let the trust pay for it." No one will be financially responsible . . . except the taxpayer.

S. 25 will make parks the political trading stock of the 90's. The Park Service will become the "Pork Service" as we head into the era of what the Washington Post referred to in 1980 as "one man one park." In the late 70's the Park Service became a dumping ground for open space because they were used in the pork barrel trading process. The University of California Press has released an important book about the life of Phil Burton called *A Rage For Justice* by John Jacobs. This book rivals the *Power Broker, Robert Moses and the Fall of New York,* written in 1975 by Robert Caro. Both books document the use of parks as political trading stock to control the political playing field and Congress.

During my term on the National Park System Advisor Board, other members appointed by the previous Administration, may not have agreed with me on some issues. But they were almost united in feeling that the resources and the will of the Park Service were being diluted by areas not deserving of inclusion in the National Park System. They felt that the National Park System was being damaged by its use as a political tool by trading parks for votes.

PARK SERVICE HAD TAKEN THE LAND OF OVER 115,000 LANDOWNERS THROUGH 1995

S. 25 will support the condemnation and destruction of landowners and small communities all across America. More than 115,000 landowners have already lost their land to the Park Service alone since 1966 because of the Land and Water Conservation Fund, which will be amended by S. 25.

LACK OF CONGRESSIONAL OVERSIGHT

The National Park Service and to a lessor extent other agencies, have been immune from Congressional oversight because they manage nice places. Parks are good in political terms and it is bad to appear to be against parks. The result is a runaway bureaucracy with little or no accountability. These land buying agencies are buffered by support groups who intimidate and overwhelm opposition.

LAND PROTECTION PLANNING PROCESS

There has been a definite trend for the better. Mostly related to funding. One of the true success stories of the Reagan Administration was the Land Protection Planning Process. The fact that the planning process is largely still in place testifies to the common sense nature of the policy. Responding to the severe criticism by the General Accounting Office in previous years, the Interior Department published the Land Protection Regulations in 1982. And many in the Park Service and Fish and Wildlife Service have made an effort to make them work.

Land Protection Plans were supposed to help the Park Service and other Federal agencies obtain protection for more land at less cost. They were supposed to encourage the use of cost effective easements and other alternatives to fee acquisition. They were supposed to buy the least amount of an interest necessary to meet congressional objectives.

Unfortunately, lack of support from certain Members of Congress and the long held belief that we will buy everything anyway so why bother prioritizing has led the Park Service and other agencies to largely ignore the Land Protection Planning Process. S. 25 could be improved by including the 1982 Land Protection Planning Policy into the bill.

We should make it clear that even though we have suggested improvements to S. 25 in various places in this testimony, we do that only to help landowners should this bill be made into law. As long as it creates a Trust Fund, increases land acquisition funding and those funds do not have to go through the appropriations process each year; our opposition remains total, complete and unequivocal.

THE EAST-WEST CONFLICT OVER PARKS

The East is overcrowded and needs more open space according to some. The West feels it has been abused by having too much land locked up. S. 25 may well be a

response to calls for more parks in the East, but much of the damage will still be in the West. The West understands what condemnation, land acquisition and loss of tax base will do. In some cases, the West never was given the tax base in the first place. The East kept control by keeping the land in government ownership to restrict Western growth.

We hope Eastern Congressmen and Senators will be truthful with their citizens about what S. 25 means. Massive land acquisition of private lands, much of it in the Northern Forests of Maine, New Hampshire, Vermont and New York. Yet, the public wants parks near where they live. Ask them if they want their neighbor to lose his home as a price for making the park? Ask the urban resident if he is willing to pull the dollars out of his pocket to pay for the park? Don't extort the money from him without letting him understand the price he is paying.

Let's be honest about the Land and Water Conservation Fund. Any money that is appropriated for the fund, or that comes from the sale of public assets and put in the fund, is public money. That money could be used to reduce taxes or take care of our existing parks. Lets not kid the folks back home and tell them they won't have to pay for all this land acquisition. They are paying for it all right . . . only it's being done in a sneaky underhanded way.

S. 25 SAYS ONLY WILLING SELLER BUT CONGRESS MAY DECIDE OTHERWISE

S. 25 contains no oversight provisions. The numerous General Accounting Office reports listed above have criticized the Park Service in particular and other Federal agencies for buying more land than they are supposed to; creating projects with huge cost overruns; not prioritizing their land acquisition so that they buy land they don't need instead or lands intended by Congress; failure to use easements and other cost effective protection alternatives; and failure to pay attention to the needs of local communities, landowners, and local government.

Use of eminent domain or condemnation must be severely restrained if money is added to the Land and Water Conservation Fund. On the St. Croix River the Park Service has exceeded its condemnation limit. It continued to threaten to condemn easements that include public access over a person's entire property instead of just river access as the law intended. Otherwise unwilling sellers have gladly sold willingly rather than have nearly all the value of their land taken leaving them with little resale value but the right to pay taxes.

Land acquisition money is used as a giant regulatory umbrella. The Niobrara River Wild and Scenic River had a provision that limited condemnation to 5% of the land. When asked how they would use this limited condemnation power, the Park Service said they would hold back condemnation and threaten everyone with it to keep them from making unwanted developments to their property.

The agency pays little or no attention to the legislative history of areas managed by them. According to GAO, they are just as apt to buy land they don't need as land that is critical. They assume they will buy it all anyway so why plan. Therefore, many condemnations take place that wouldn't have if more easements and other alternatives were used.

A court will not examine the taking—it is assumed that if it is for a "public purpose" then it is OK. The power comes with the power to govern. Courts only ask two questions. Does the agency have the money and the authority to spend it? They never ask if they have the authority to spend it on that land or at that project.

Therefore, the landowners cannot contest the taking. The Park Service uses condemnation as an abusive tool to intimidate. They know that the only thing that can stop them is congressional oversight and they have little to fear from that. Many landowners are squashed like bugs without a chance to fight back. Yes, they get paid. And sometimes they even get enough to replace what they had. But what is the price of land you don't want to sell?

The Reagan and Bush Administrations held down condemnations and funding for mass condemnation but even their Justice Department would not review the thousands of condemnations in process when they came into office. If the willing seller provision fails to survive, S. 25 will allow the Federal agencies to return to the wholesale condemnation era of the late 60's and 70's. According to a report to Senator Ted Stevens by the Justice Department released in 1979, of 21,000 condemnations in process nationwide by all Federal agencies that year, the Park Service had over 10,000 of them. That number is skewed somewhat by the Big Cypress condemnations.

Despite the Willing Seller-Willing Buyer provision in S. 25, we believe that any bill coming out of Congress will include condemnation. Declarations of Taking will increase if S. 25 passes. DT's, as they are called, are used by the Park Service as an abusive tool to intimidate and depress opposition to local land acquisition

projects. They give the government immediate title to the property and can be used to force the landowner off the land in 90 days even if he has no other place to go. Small businesses and farmers have been especially hard hit by the use of this tool.

In the past, the congressional committees have often approved a DT without ever taking the care to ask local elected officials or landowners whether a DT is appropriate. Some are but most are not. The Resources Committee in the past was often counted on by the Park Service as an automatic sign-off to get a DT approved. It failed to investigate the facts. As a result the Park Service often gave Congress information that was not accurate. The Park Service did not have to tell the truth because it knew the Committee was not likely to check.

The Committee has often not fulfilled its oversight role. By passing S. 25, Congress would be placing a loaded gun in the hands of the Park Service. S. 25 should carry some very carefully crafted oversight provisions for the use of Declarations of Taking.

S. 25 will eliminate any motivation on the part of the Federal agencies and particularly the Park Service to use easements to protect land while saving money. The GAO says that the Park Service objections to easements are more perceived than real. For example, on the St. Croix, (Kettle River Section) the State of Minnesota purchased hundreds of easements at a cost of 30% or less of fee title. On the St. Croix just a few miles away, the Park Service was condemning fee title costing far more money for the same kind of land. The difference in management is money. If they have enough money they don't have to negotiate. They take the easy way out. They don't have to be a good neighbor. They always threaten condemnation. They use condemnation. The use of a high percentage of easements would cut land acquisition costs by a minimum of 40% while saving valuable cultural communities. More land could be protected at less cost if Congress enforced the use of easements.

Public Law 91-646, the Uniform Relocation Act is supposed to protect landowners from overly aggressive bureaucracy. IT DOES NOT WORK. If S. 25 passes it will be turning loose powerful bureaucracies to prey on their own people. Money is the key. If the land acquisition agencies do not have quite enough money to do their job in the old way, they become creative and fiscally responsible. To some extent this has happened in recent years. Without very tight controls over land acquisition and the condemnation process, private land in rural America will face a grave threat at the hands of its government.

Multiple-use on Federal lands will be damaged by S. 25. Multiple-use lands will be converted into single purpose restricted areas where only a small minority of citizens can go. Congressmen and Senators are able to change multiple-use lands into parks now, but they must be responsible for huge costs associated with buying private lands in those areas. Mineral rights, grazing rights, water rights and other private interests must be paid for too.

If there is a Billion Dollar Trust Fund, Congressmen will simply have to say: "Let the trust PAY for the new Park." They will not have to take fiscal responsibility for their actions. S. 25 will lead to virtually no congressional oversight over land acquisition. S. 25 is not the final Trust Fund. It is a transition bill that amends the Land and Water Conservation Fund so that it has a dedicated source of funds that will eventually grow to $1 billion and more. The goal is to position the LWCF so that it will be removed from the congressional appropriations and oversight process. This would complete the plan laid out in June 1979 in the late Phil Burton's secret seminar where this whole process was planned. The goal of that meeting was "to get the Land and Water Conservation Fund out from under congressional oversight and give as much money as possible to land trusts" where there would be even less oversight.

Anyone who pays recreation or user fees on Federal land will eventually have to pay higher fees because of S. 25. Like night follows day. The environmental groups will use the excuse of paying for the Trust to prod Congress into raising user fees. Their goal, of course, is not really to raise money, but drive commodity production and other multiple-uses off the Federal lands.

S. 25 will eventually give the Park Service, Forest Service, Fish and Wildlife Service and Bureau or Land Management 200%, 300% and even 400% of the land acquisition funding that has been provided by Congress over the past ten years. The threat to rural America is staggering.

If S. 25 passes we will end up with a $25 billion backlog in 10 years. The appetite of some in Congress, the Park Service, and the environmental groups is very big. Their eyes are bigger than their funding. Instead of the current $8 billion backlog as we have now (if you can believe the President's Commission on Americans Outdoors ten years ago) you'll simply see a $25 billion backlog as Congress loads up the process with new ego-political parks. Remember, they no longer have to be accountable for costs because the "Trust will pay."

We will be mortgaging our children's future and setting impossible goals while guaranteeing to raise their taxes because LWCF funds that could have passed through to the general fund to help reduce the deficit will now be siphoned off.

It is suggested that we must take funds from an asset we are using up (off shore oil) to build another asset. There is some logic to that argument. Often, however, the Land and Water Conservation Fund is taking assets or their uses important to all Americans from them. We may buy land, but it is placed in a non-use category. Small communities are being destroyed and the local tax base damaged. S. 25 will remove millions of additional acres from the tax rolls throwing the burden of supporting necessary community services on other property owners. Often counties support the LWCF to pay for the swimming pool while giving up the tax base that could pay to keep up the swimming pool.

None of the money from S. 25 can be used by the Park Service, Fish and Wildlife Service or Forest Service for anything but buying land. No maintenance, no rehabilitation, nothing else. Yet the backlog in maintenance grows bigger with each passing year.

It seems inconsistent for the environmental groups to be suggesting the sky is falling about the preservation of land when advocating huge land acquisition increases while at the same time resisting to the death any attempt to add maintenance and rehabilitation funding to the Land and Water Conservation Fund.

If Congress passes S. 25, it will send a message to the Federal agencies. Remove private uses and commodity production from Federal lands. The logic is that if the government is spending so much money to buy private land for recreation and preservation then of course Congress must mean to rid existing Federal land of permits, leases, and other private uses for the same reasons.

The President's Commission on Americans Outdoors recommended massive increases in land use controls. These will be paid for by the Billion Dollar Land Acquisition Trust Fund. Examples: 2,000 Wild and Scenic Rivers by the year 2000; a national network of greenways—modeled after the 1,000 foot wide Appalachian Trail from Maine to Georgia; a nationwide "scenic byway" program placing half-mile viewshed or buffer zones on either side of secondary highways across America; expansive new wetland and shoreline controls; growth shaping controls; and many more costly red-tape regulations. Some of these proposals like the "scenic byways" have been put into place on Federal land in areas managed by the Forest Service. Also the wetland, shoreline and growth controls. So far the impact on private land from the "scenic byways" has been minimal. What happens when there is a Billion Dollar Trust Fund?

WHERE WILL THE TRUST FUNDS BE SPENT?

There is a whole list of programs and plans ready and waiting for the money from this new Trust Fund. The National Parks and Conservation Association 1988 Park Plan Hit List included 88 new national parks and additions of 10 million acres to 212 existing parks. 25% of the additions would come from private landowners. No one knows how much private land is in the 88 new areas. Conservative estimates in 1988 suggested this plan would have cost a minimum of $30 billion and could well be more than twice that.

The Wilderness Society and other groups have followed suit with the "Blueprint For The Environment" which sets out a huge agenda. Dozens of other groups have their own ideas how to spend the new slush fund.

What is more onerous though are the secret future park projects that exist within the Park Service. The Park Service has one called the National Natural Landmarks program. Never authorized by Congress, this back room project gets landowners to list their property by promising that it will not be purchased and that they do not list people against their will. It rewards them with special ceremonies and other ego gratification. On the surface, it sounds like a good program.

However, lots of evidence surfaced a few years back that in fact people's land is listed against their will without even telling them. Despite protests to the contrary, this program is really a plan for future additions to the National Park System. The NPCA calls them "Ladies in waiting". An Interior Department Inspector Generals investigation has clearly shown that the Park Service grew impatient waiting for landowners to give their permission and simply began bypassing them, designating millions acres of private land as landmarks without even telling the landowner they were under consideration. Land Trusts like the Nature Conservancy eagerly participated in this secret process in places such as Waas Island and Beals, Maine. Many more acres of Federal lands were planned to be designated with the result that other uses would eventually be removed.

The Biosphere Reserve and World Heritage Site program also appears to be tied into a program for expanding the parks while locking out the people. The first tangible evidence that these programs would be used in this manner was by the Superintendent of Yellowstone National Park, Michael Findley again, when he called in a United Nations inspection team several years ago to examine the New World Mine and its supposed threat to Yellowstone. The UN team recommended a huge buffer zone around Yellowstone and was the moral authority upon which the Clinton Administration based its successful efforts to shut down the project buy using LWCF funds to buy it out thereby depriving Montana of much needed jobs. It is our view that any threat to Yellowstone was largely successful propaganda.

The 26 million-acre Northern Forests of Maine, New Hampshire, Vermont and New York are the primary initial target of the green groups for much of the new Trust Fund. There are timber companies going through an economic transition and seem willing to again sell Manhattan Island to the Indians for beads, foregoing the economic future of the area. Vast numbers of communities and thousands of jobs lay in the balance.

The Billion Dollar Trust Fund was originally recommended by the President's Commission on Americans Outdoors (PCAO). The General Accounting Office released a report (RCED-88-86) in 1988 concluding that the PCAO violated the Federal Advisory Committee Act by writing its recommendations in closed, secret meetings excluding the public and press. Lamar Alexander was the Chairman of that Commission and Victor Ashe was the Executive Director.

According to the President's Commission on Americans Outdoors, visitation to Park Service areas close to where people live has increased modestly. However, visits to parks and Wilderness areas away from population centers are moving steadily downward as the nations population ages. Yet the PCAO, NPCA, and other plans include massive land acquisition in areas away from where the trends say people now generally go.

Some of the money from S. 25 will undoubtedly go to support local land trusts. There are very grave dangers in that. There are some large land trusts that portend to save the government money but there are indications now that they may in fact increase the cost of acquisition. They are acting very much like tax-exempt real estate companies, which cost the government (taxpayer) much more, when they stand between the landowner and the government than if the government could deal direct with the landowner.

In an investigation several years ago by GAO, they reported that they were not able to get the information necessary on the land trust in question because the trust would not supply the required financial records.

The Interior Department Inspector General was able to convict two real estate agents that were involved in a scheme to sell land to the Park Service at Santa Monica Mountains NRA at an inflated price through a land trust. The land trust was not convicted of any wrongdoing. S. 25 should carry with it a requirement that any land trust who receives Land and Water Conservation Fund money should be required to make full financial disclosure of its financial records in order to qualify for participation in the LWCF.

Local land trusts are a good idea. They promote conservation and enthusiasm on the local level. If they get Federal money they will become extended arms of the land acquisition agencies. This condition exists to some extent now but will be greatly expanded if S. 25 passes. Even the managers of local land trusts won't recognize their organizations in a few years if they accept Federal money. One of the main ideas of local land trusts is to raise public awareness and build public involvement in local projects. That comes from fund raising. If these trusts are financed with Federal dollars through the Land and Water Conservation Fund, that local spirit will die.

Most of the Federal part of the over $8 billion spent by the Land and Water Conservation Fund since 1966 is not available for general public recreation. It has been locked up with people uses generally limited and sometimes eliminated altogether. Recreation is an excuse or a code word to develop public support for preservation projects when the real goal is the elimination of people. Someday a major event will bring this process of exclusion to the attention of the public. The results will be dramatic and tragic. Those who now have the power to swing the pendulum need to be careful not to swing it too far. It always comes back with equal force.

The LWCF presently does not have money in it unless Congress appropriates the funds first. Trust Fund proponents carry on the myth that the fund has money in it or that money is owed to it. Congress passed legislation authorizing $900 million per year for the fund in 1978. It only approached appropriating that figure in 1979. That was also the year the former Congressman Sid Yates committee suspended the Park Service condemnation authority because of all the abuses. Congress must ap-

propriate money each year from the present source of funds, offshore oil and gas leasing money, or the money will pass through the fund to support the general government treasury and reduce your taxes. The greens and some Members of Congress who know better encourage the fiction that somehow $900 million per year has built up in the fund and now $8 billion is owed to the fund and that it doesn't cost the taxpayer.

S. 25 dedicates up to $1 billion per year from offshore gas and oil money to the Land and Water Conservation Fund, thus making it a Trust. The Trust Fund does not have to compete against other important national social priorities in the yearly budget process. Somehow, Trust Fund proponents think that the environmentalists and hunters need a special subsidy or entitlement to support their activities. Or perhaps they think they cannot compete in the budget process like everyone else and must receive special treatment.

If S. 25 passes, every special interest should insist on a dedicated Trust Fund for their own pet projects. Congress should consider doing away with the appropriations committees since they will no longer be needed.

S. 25 or the Land and Water Conservation Fund should not be used as a bargaining tool or trading stock to open the Arctic National Wildlife Refuge. While we support opening ANWAR, the funds from ANWAR should not be used to condemn land and destroy private property and communities in the rest of the country. We oppose making S. 25 part of other legislation involving ANWAR. It must stand alone and have to compete on its own merits and not be a result of election year vote trading. It would be appropriate to separate the LWCF from the current S. 25 so that Congress will not sell out private property rights as part of some goal to gain access to the Federal treasury by Coastal states or the Safari Club. We're not making a judgment here over whether that access for Coastal states is right or wrong. Slipping a Billion Dollar Trust Fund in the bill is wrong.

Park Service land acquisition has led to condemnation and removal of special cultural populations in small communities across America. S. 25 will fund the continuation of this process.

Over 115,000 landowners have lost their land to the Park Service alone since 1966 as a result or the Land and Water Conservation Fund. The impact on rural America has been destructive and tragic.

It is very important that field hearings be held around the country on S. 25. This bill is too important to have just a couple of hearings in selected states.

The Chairman of the old Interior and Insular Affairs Committee promised oversight hearings and a review of mistreatment of inholders in 1980. He failed to deliver on his promise.

S. 25 contains protection against condemnation if that provision passes Congress, a possibility we consider very unlikely. Whether or not condemnation is included in any final version of S. 25, the bill will do terrible social and cultural damage to rural communities across America. Willing seller, willing buyer is largely a myth. The government has ways to make you sell. It just takes the agencies fifteen years to do what they can complete in five years with condemnation.

The conclusions of GAO report after GAO report confirm past abuses. Newspaper and magazine stories by the hundreds have told the story. National television shows documenting the horror stories on public television and network news magazine shows add to the documentation. Purchase and relocation by the thousand. It is true . . . terrible things have been done to the American people and their communities in the name of preservation.

HOW did this happen?

There are lots of little reasons, and TWO BIG REASONS.

First, our Constitution is written the way it is because the founding fathers knew that big government would always try to expand its power over those beneath it. It's why we have all those laws about unreasonable search and seizure. Big government, even big corporate government, always tried to get bigger and more powerful.

Second, for many reasons, most of them good, we have a huge and powerful movement for the conservation and preservation of our natural resources in this country. The American Land Rights Association believes in sensible conservation . . . some of our volunteers helped found conservation organizations.

But this movement, this bureaucracy, is like all the rest. It believes in itself . . . and its goals . . . above anything else . . . including your rights and the rights of every American.

And they are very smart. They know that American politics and politicians depend upon organizations—like the environmentalists—for political support through their publications and for money . . . money at election time and money to expose them in a good light in their many and large publications and broadcasts of a "non-political" nature.

So they have power and influence. And they are dedicated. Regardless of what they sometimes say, the basic goal of the environmentalists is to "get people off the land." There are many quotes from the leaders of these groups to show that they really want to keep everyone out of as much of the Federal lands . . . our land . . . as they can.

One example is a 1991 statement by Brock Evans, then Vice President and Chief Lobbyist for the National Audubon Society. He was comparing the environmental groups (greens) campaign for Federal acquisition of 26 million acres of the Northern Forests of New England to his successful campaign to shut down the forests and rural communities of the Northwest, using the spotted owl as the tool. He told a group of environmentalist leaders at an activist workshop at Tufts University:

> This will be an even bigger campaign in the next few years than the Ancient Forest Campaign we're just going through in the Pacific Northwest . . . I don't agree that we can't get it all back [sic] . . . I don't agree that it shouldn't all be in the public domain.

And they don't give a rat for your rights . . . or my rights. They get most of their money from people who don't depend on the land . . . who pay their dues and lend their names to "good causes," because its the "right thing to do."

These good people, as many Members of Congress, never think about the human rights being trampled every day in the name of their good cause.

"So what can I do about it?" you ask. That's what I thought when it happened to me. I have a cabin-inholding in Yosemite that the Park Service decided to take. My family had been there for a long time, and I didn't believe in simply being tossed out because some bureaucrat said I was in the way.

So a group of us started the National Park Inholders Association which became the American Land Rights Association. And it has become my life.

God has given me reasonably good health, good friends and employees, and dozens, even hundreds of intelligent hard-working volunteers, decent people to help me.

And we have made a difference.

Before we were here, the National Park Service had seized nearly 100,000 pieces of property from American Citizens since 1966. Thousands of others . . . miners, stockmen, ranchers, farmers, cabin owners, landowners, recreationists, and other users of the Federal lands have been told they had to go . . . that they "didn't belong."

Thousands of people were being deprived of rights and property that had been assured by their government that they could stay. Families of good men and women had to pack their bags and leave. Why? For preservation. Never mind the promises that were made to create the new parks. Forget about the assurances that the new funding would not take their home. They had to go.

And so it goes . . . in hundreds of "preservation" areas across the country. Rare and beautiful cultures and lifestyles are broken up and destroyed. In America, a culture must be 100 years old to be valued. The Park Service has committed "cultural genocide" or "cultural cleansing" over and over and Congress often has seemed not to care. But we fight on.

We can't say we have stopped the carnage every time. But we have stopped it, slowed it, made it more fair and made the bureaucrats think twice about doing it again, just about every time.

Park service bureaucrats talk in jargon that makes people feel stupid . . . real stupid . . . and intimidated. They do that without maliciousness . . . these are not bad people, but they are people. Even ranchers, miners, and truckers have jargon . . . we all do it . . . it's human.

But it does make it hard on ordinary citizens . . . and it does make the bureaucrats see the world in a special way. They come to see their actions as part of a huge complex operation of which they are only a part. To them, as to us, their job takes over their life.

Help us keep the system fair . . . help us protect the rights of rural Americans. Don't give the giant environmental industrial complex free access to the Federal treasury with an unappropriated trust fund. Why do they need a subsidy or entitlement?

Write strict protections for families and communities into S. 25 . . . defeat this bill. Don't discriminate against certain groups of people because of where they live. Remember that the issue is not just a few people in one place, it is the freedom of us all.

We do what we do because we believe that this system, this country, is based on some remarkable ideas, principal among which is that individuals and individual rights are important. Our Constitution was designed to protect the individual

against the overwhelming power of a huge government that would take away rights and property.

We are Americans who are willing to work for our belief that it is individuals . . . and individual rights . . . who make this country important. We must never allow the single-use people to make their world better at the expense of the rights of all Americans. That's what this country's about.

Please . . . we cannot afford to buy all the nice places in this country. Try making landowners into partners . . . not enemies. S. 25 will not help this country . . . it will destroy the fabric of its rural communities.

ALRA—ASSORTED READING OPPORTUNITIES

A SOCIO-CULTURAL ASSESSMENT OF INHOLDERS ALONG THE APPALACHIAN TRAIL IN THE STATE OF NEW HAMPSHIRE by Kent Anderson. A report funded by the American Land Alliance located in Mountain View, California in 1983. Copies may be obtained through the American Land Rights Association, P.0. Box 400, Battle Ground, WA 98604. (360) 687-3087. FAX: (360) 687-2973.

PEOPLE OF THE BLUE RIDGE: A SOCIO-CULTURAL ASSESSMENT OF INHOLDERS ALONG THE BLUE RIDGE PARKWAY by Kent Anderson. A report funded by the Institute For Human Rights Research located in San Antonio, Texas in 1980. Copies may be obtained from the American Land Rights Association.

THE PEOPLE OF THE BUFFALO: A SOCIO-CULTURAL ASSESSMENT OF INHOLDERS ALONG THE BUFFALO NATIONAL RIVER by Kent Anderson. A report funded by the Institute for Human Rights Research in 1981.

A SOCIO-CULTURAL ASSESSMENT OF INHOLDERS IN THE MOUNT ROGERS NATIONAL RECREATION AREA (U.S. Forest Service) by Kent Anderson. A report funded by the Institute for Human Rights Research in 1980.

AN ASSESSMENT OF THE ADMINISTRATION AND DEVELOPMENT OF VOYAGEURS NATIONAL PARK by Donald D. Parmeter. Mr. Parmeter was Executive Director of the Citizens Committee on Voyageurs National Park under the State of Minnesota. Copies may be obtained from the Committee in International Falls, Minnesota.

NATIONAL PARK SERVICE LAND ACQUISITION HEARINGS, SUMMER 1978. These were the only real hearings ever held on land acquisition by the Park Service. Former Congressman Sidney Yates Appropriations Interior Subcommittee took away the authority of the Park Service to use condemnation until they held hearings. The agency expected just a few people to show up but hundreds attended nationwide.

The hearings were held in Fresno, California; Seattle, Washington; Denver, Colorado; Atlanta, Georgia; and Washington, DC. Verbatim transcripts are available from the Park Service.

The CHAIRMAN. Thank you very much. I appreciate your statement.

Our next witness is Alan Front, senior vice president, Federal Affairs, Trust for Public Lands.

STATEMENT OF ALAN FRONT, SENIOR VICE PRESIDENT OF THE TRUST FOR PUBLIC LAND

Mr. FRONT. Thank you, Mr. Chairman. And I hope the committee will not be surprised if I offer a slightly different perspective.

I am Alan Front, senior vice president of the Trust for Public Land. And I am pleased to appear before you today to discuss the legislation that you are now considering. As many of you know, the Trust for Public Lands is a national nonprofit land conservation organization that works with willing sellers and with public agencies and with local communities and community groups to secure lands and landscapes of significance to those constituencies.

Before offering perspective on the Federal conservation provisions of these pieces of legislation—and I want to mention that in my written statement, I have also discussed the Trust for Public Lands' strong support for State and local recreation, even though I myself am a recent victim of local recreation—I would like to ex-

press the Trust for Public Lands's gratitude to Chairman Murkowski, to Senator Landrieu, to Senator Boxer, to Senator Feinstein, now to Senator Graham, and to others who have shown such leadership in recognizing the need—a need which we here expressed daily with the landowners that we work with and see daily in the communities in which we work—the need for enhanced and expanded funding for conservation.

Senator Landrieu mentioned the philosophical underpinning of the Land and Water Conservation Fund. Overlaying that for the Trust for Public Lands is a pragmatic experience, working in the real estate marketplace. And what we have discovered is that timely acquisition is often an ideal meeting place between the immediate needs of private property owners and the long-term needs of the public.

Senator Domenici had mentioned his concern about inholdings as opposed to new park areas. And I would venture to say that most of the acquisition that now takes place—certainly most of the acquisition that the Trust for Public Lands is involved in on the Federal level—involves inholdings, those properties where landowners find themselves in the context of public ownership.

And in those instances, what we see is that most landowners in the real estate marketplace, if they are not going to develop their properties, need to sell them. They need to sell them, and they cannot wait for outyear funding. Which is what makes standing funding for Land and Water purposes so very important.

Timely acquisition is the right thing to do. It is the right thing to do for landowners, who otherwise will have the public land base balanced on their own backs.

And looking around the dais, I had noticed that many of the members who are here today have recently had inholding acquisition experience with us. And I am grateful for your support for some of the work that we have been able to do in the units in your States.

Timely acquisition can be a happy marriage between public and private interests. But somebody has to pay for the wedding. Funding has not been absent in recent years, but it has been stretched very thin. And in that taffy pull, you all know about the backlog of acquisition need, the backlog of authorized yet unappropriated Land and Water Conservation funding. Rather than harp on that backlog, I would like to take a minute just to talk to you about a few of the examples of successful projects that have recently been done because the 105th Congress attempted, as you can see on that chart, to address the backlog by providing a one-time infusion of Land and Water funds into the mix.

Because of the availability of that funding and a first-time ever full funding of the Land and Water Conservation Fund, in Hawaii, we were able to create the most important connector between the crater and the ocean front at Haleakala National Park, where otherwise a private landowner faced financing requirements that would have caused him to sell and develop.

In Florida, if you will excuse the pun, a bellwether project, the Ding Darling National Wildlife Refuge was acquired because of the availability of this funding.

In Louisiana, we were grateful for Senator Landrieu's support for acquisition of some of the most important black bear habitat hunting and fishing ground in the State.

And those successes have shown us something. They have shown us that money can solve this problem if, as was discussed before, you all can figure out a way to find the money. It shows us also that once is not enough. Because despite our ability to address inholdings in Montana and in New Mexico and in Louisiana, the backlog continues. And so something else needs to be done.

It also shows us, I think, that maintaining the kind of congressional flexibility and opportunity that you all currently have is important to the process. And so the Trust for Public Lands is not in support of some of the restrictions in S. 25 that would hem in Congress' ability to steer that money where it was most needed. And it also suggests that the Land and Water Conservation Fund itself cannot do it all. Which is why the family of funds idea that is embraced by the Resources 2000 proposal is so worthy of your support.

With that, I thank you all for your time, and I hope that we will be able to work toward a bill that technology can support. Thank you.

[The prepared statement of Mr. Front follows:]

PREPARED STATEMENT OF ALAN FRONT, SENIOR VICE PRESIDENT OF THE TRUST FOR PUBLIC LAND

Mr. Chairman and members of the Committee, my name is Alan Front, and I appreciate the opportunity to appear before you today on behalf of the Trust for Public Land (TPI), a national nonprofit land conservation organization that works with communities, landowners, and public agencies across the country to secure recreational, scenic, historic, or other important resource lands for public use and enjoyment—as you consider the much-needed establishment of a truly dedicated federal funding source for land conservation.

I also appreciate the focused and expeditious attention that the Committee is affording to the various proposals addressing the Land and Water Conservation Fund (LWCF) and related programs. While the approaches in these proposals may differ, Chairman Murkowski and Senator Landrieu, Senator Boxer, Senator Feinstein, their respective cosponsors, and the Administration all have recognized the importance of enhanced, sustained federal investment in our public lands. Given the common threads in their proposals—and the time-sensitive nature of many willing-seller resource land conservation opportunities now confronting us—TPL is extremely hopeful that today's hearing will be an important early step on the path to enacted, environmentally optimal permanent-funding legislation.

As a private organization with public-interest goals, TPL works in the real estate marketplace to address the real-world needs of many of these willing sellers, to meet their desire to see their lands protected, and to forestall the loss of landscapes that define the character of communities across the country. From this perspective, we are acutely aware of the importance—to these willing sellers, and to these communities—of reinvigorating LWCF, which for 35 years has stood as the principal federal engine for parkland protection at all levels of government as well as for state and local recreation projects. In our nation's cities, we also have seen the profound, specific need for the kind of park protection partnerships that a revitalized and modified Urban Parks and Recreation Recovery Act (UPARR) program would enable. And in the working landscapes of America's forests, farms, and ranchlands, we have witnessed the benefits of programs that maintain traditional lifestyles while conserving the landscapes that shape them.

From the standpoint of this on-the-ground work, TPL is pleased to offer some observations on the land conservation provisions you are considering, and some specific modifications we suggest, particularly regarding Title II of S. 25, the *Conservation and Reinvestment Act* (or *CARA*). First, though, I will share a few thoughts as to why permanent funding is so urgently needed.

THE NEED FOR INCREASED, IMPROVED, PERMANENT CONSERVATION FUNDING

The Land & Water Conservation Fund was established in 1964 to enable priority additions to federal conservation areas and grants to states and localities for land acquisition and recreational facilities projects. LWCF was founded on a simple, elegant premise of finance: a portion of federal revenues from the sale of non-renewable assets are reinvested in other irreplaceable assets for the nation's benefit. I would be pleased to provide the Committee with a recitation of statistics on annual Outer Continental Shelf (OCS) receipts and annual LWCF levels, though I suspect these all are known to you; for today's purpose, suffice it to say that the fund's unappropriated balance exceeds $12 billion.

Many members of Congress have worked to sustain LWCF through challenging budgetary times and have advocated for specific projects and programmatic uses of the fund. But because LWCF, despite its elegant logic, was not truly set aside from OCS receipts but rather is addressed annually within the Interior Appropriations allocation, funding has varied widely from year to year and has fallen far short of the needs in America's parks, forests, refuges, and other public landscapes. Consequently, there is an immense backlog of willing-seller acquisition needs, support to state and local agencies essentially has dried up, and key opportunities are lost each year.

The shortage of LWCF dollars has posed extreme challenges to resources, effective public management, landowner needs, and community needs. The inability to acquire lands as they become available often leads to private inholding development that can take a toll on resource quality and recreational opportunities of adjacent public lands. Where inconsistent uses occur on private lands amid protected parklands, the true costs of "managing the holes" in public ownership can drain agency budgets, and in fact can far outstrip the cost of acquisition. The paucity of purchase funding can place willing-seller property owners in a difficult and unjust position; those who have public-spirited aims for their lands, or face excessive controversy over proposed private uses due to the public resources they host, often have to wait years for the just compensation that acquisition provides. For communities that depend on public land protection not only for recreation but also to provide safe drinking water, support tourism, or meet other local needs, the inability to secure public lands can have severe economic consequences.

LWCF AND THE FEDERAL LANDS

Recognizing these challenges, all four of the proposals you are considering today seek to provide reliable, permanent funding to fulfill the original purposes and expectations of LWCF, including the acquisition of high-priority inholdings and other key properties by the National Park Service, U.S. Fish & Wildlife Service, Bureau of Land Management, and U.S. Forest Service.

As the Committee knows well, LWCF appropriations in recent years have as a rule—with one interesting exception that I will highlight in a moment—lagged well behind authorized levels and recognized need. And each year, willing sellers of priority properties left unfunded by these generally low annual sums for federal land conservation have faced a painful choice: either to pursue parkland-inconsistent uses or private sale that would frustrate the public interest, or to bear the frustration themselves by joining the ever-growing list of backlogged land acquisitions. These landowners and their economic interests are frequent victims of the chronic underfunding of LWCF; just as often, when landowners simply cannot or will not wait, the public lands and their constituents suffer the loss.

The exception to this rule came in FY 1998, when Congress and the Administration sought together to address the long laundry-list of deferred inholding acquisitions by providing, through the Balanced Budget Agreement, some $700 million in backlog-targeted LWCF funds. When this one-time infusion of LWCF funds came to bear last fall on the willing-seller pool, the patience of many landowners was rewarded, and land-use disputes in myriad federal areas were resolved. Consider the following TPL-facilitated land protection efforts completed in the past few months and made possible by the availability of these extra dollars:

- At Haleakala National Park in Hawaii, 1,500 acres of beachfront and old-growth koa forest property were the key to protecting five separate endangered species, preserving ancient Polynesian archaeological sites, and establishing an ocean-to-crater connector for park visitors. The property owner's imminent financing deadlines would have forced extensive timber harvest and shoreline development had $4.5 million not been available for the recent NPS purchase.
- In the Los Padres National Forest at California's famed Big Sur, one of the few remaining private parcels on the ocean-facing hillsides above the heavily traveled Highway 1 scenic drive came on the market. The owner, who already had

purchased another home and made his relocation plans, would have been unable to wait another year for funding. Further south, a higher-than-usual funding installment for the national wildlife refuges and BLM areas associated with the Natural Communities Conservation Plan protected several now-or-never properties affording core habitat for multiple endangered species, in the process freeing up other less vital lands for private development and economic growth.

- Funding for acquisition of anadromous fish habitat through the Forest Service's Pacific Northwest Streams program has allowed the timely purchase of lands available under short-term option agreements. Protecting these stream corridors is a central element in the recovery of salmon runs at the heart of a Pacific coast commercial salmon fishery valued at over $1 billion per year. Elsewhere in the Northwest, substantial progress is being made to address the list of willing sellers in the Mountains-to-Sound Greenway, the Columbia River Gorge National Scenic Area, and Ebey's Landing National Historic Reserve.
- Some of America's most important grizzly bear migration-corridor lands, important recreational access, and the character of a community were safeguarded with the purchase of the lion's share of the 2,500-acre Lindbergh Lake inholding in Montana's Flathead National Forest. The property's owner, a major national timber company, had reached agreement with local residents not to harvest its timber or to develop its lake frontage, but only if a meaningful start could be made in 1998.
- In the critically important Atchafalaya Basin Ecosystem, the owner of the bulk of Bayou Teche, home to the world's largest and most biologically important population of Louisiana black bear, has made these lands available for public management through a multi-year phased acquisition, thanks to the appropriation of sufficient LWCF funds to secure the initial phase.
- On Florida's Gulf Coast, LWCF funds for the J.N. ("Ding") Darling National Wildlife Refuge secured a habitat-rich island slated for, and permitted for, development that would have proceeded immediately had public purchase not been possible.

In these and many other cases, the recent release of this extraordinary LWCF "booster shot" has provided just compensation to landowners; conserved important recreational, historic, and wildlife resources; and protected the investments already made in our public lands. Just as significant, though, is what these funds have not done: despite this progress, an acquisition backlog persists, and each year new inholding protection opportunities arise. As in the examples above, many of these opportunities involve real landowner needs and short financial fuses. And as these cases continue to crop up during this Congress' consideration of FY 2000 priorities, the extra money simply is not there.

TPL therefore enthusiastically supports the intent of the several legislative proposals before you to set aside a portion of OCS revenues each year, without further appropriation, to fund LWCF at its currently authorized level. In a number of salient details where the bills diverge, however, TPL has substantial concerns regarding provisions in *The Conservation and Reinvestment Act* that we believe would result in undue restrictions and delays. Among these are the following:

- S. 25 would limit federal LWCF funds to lands exclusively within exterior conservation area boundaries. But while most acquisition currently takes place inside these lines, our work with such agencies as the U.S. Forest Service sometimes takes us near but outside the boundaries to secure priority lands that contribute to established agency programs. In some cases, single ownerships are transected by agency boundaries. Congress and the agencies now pursue these sorts of "outholdings" with LWCF funds; hemming in this already-existing flexibility would be counterproductive.
- CARA also would direct 2/3 of federal LWCF to the eastern United States. There are pressing needs in these states, but the needs are no less pressing elsewhere. Currently, annual Congressional direction of LWCF and Administration budget proposals can focus dollars on priority projects when and where properties become available, irrespective of geography. To remain responsive to communities and property owners in these priority areas, Congress needs to retain this existing flexibility.
- S. 25 would require enactment of new law for any LWCF project whose federal cost exceeds $5 million. Such a requirement would create enormous and often insuperable obstacles to timely project completion. Congress routinely deliberates and appropriates funds substantially in excess of this proposed limit with no new enabling legislation; in fact all acquisitions rely not only on those deliberations but also on existing authorizing statutes that already provide for these land purchases.

TPL firmly believes that this provision mandates duplicative enabling legislation and threatens to overload the apple-cart of this Committee's workload. Moreover, the resulting inevitable delays are certain to leave landowners and communities hanging, and in many cases to doom win-win projects that happen (as is so often the case) to be on short deadlines. We therefore believe it is absolutely essential that you retain the kind of project scrutiny that the Hill and the Administration now exercise, as S. 446 provides for, but that you not unnecessarily add to it.

STATESIDE LWCF AND UPARR—MEETING NONFEDERAL NEEDS

Each of the three bills and the Administration's budget proposal also envision a restoration of the historic federal funding commitment to partnerships fostering land conservation and outdoor recreation at the state and local level. More specifically, substantial, predictable annual funding within the LWCF program would allow for restoration of Land & Water's stateside program, striking an important and overdue balance between essential funding of federal needs and appropriate investment in state and local projects. From our work with constituencies, landowners, and agencies on both sides of this equation, the Trust for Public Land applauds this big-picture approach.

TPL appreciates the inclusion in S. 25 and S. 532 of Indian Tribes and Alaska Native Corporations as eligible recipients of stateside LWCF funds. We are now working in a number of areas on tribal land conservation projects. To foster that work, we ask that this eligibility be extended, as it is to other stateside recipients, to include land acquisition.

All three bills also guarantee restoration of meaningful funding levels to the Urban Parks and Recreation Recovery Act program. As an organization dedicated to meeting community conservation and recreation needs, particularly where people live and work, TPL witnesses daily and first-hand the urgent backlog of urban park protection and reclamation needs. We therefore strongly support the proposed recommitment to this vital program. We also are grateful for the proposed updating of the program to better address the facilities and land protection demands facing our urban partners.

Given the demonstrated need across the nation for a fully-funded LWCF and for adequate UPARR investment, we urge the Committee to fund UPARR from OCS revenues beyond those intended for LWCF, as proposed in *Resources 2000*, rather than relying on LWCF funds for both programs as provided for in *CARA* and in S. 532.

Other conservation provisions

Beyond LWCF and UPARR, *Resources 2000* and the Administration's *Lands Legacy Initiative* also includes a number of other titles that TPL fully endorses, and to which we hope the Committee will give its full attention and support. Taken together, these provisions would establish a strong and integrated family of funds for resource protection, restoration, and management. We appreciate this holistic approach to the nation's environmental infrastructure.

Among the important threads in this fabric of stewardship is *Resources 2000's* Title IV (Farmland, Ranchland, and Forestland Protection), which extends the conservation reach of the bill in extremely important ways. It provides for a steady investment in the Forest Legacy Program, which TPL has participated in extensively and which has done much to preserve working timber landscapes in a number of areas. Similarly, it provides critically needed funding to protect agricultural lands from loss to urban sprawl or other conversion. We hope the legislation the Committee advances will include this exceptionally useful, voluntary mechanism for sustaining traditional resource-based livelihoods and lifestyles.

In addition to recommending increased funding for these purposes, *Lands Legacy* also proposes to provide additional support for Cooperative Endangered Species (also known as Section 6) programs. In several hot-spot areas around the country, including Southern California's NCCP area mentioned above and the Balcones Canyonlands of Texas, current Section 6 funding is leveraging significant nonfederal action to expedite and enhance species recovery efforts and strike an appropriate balance between development and conservation. Supported by both economic and environmental constitencies, these areas serve as important models to improve the habitat conservation plan approach elsewhere. We believe these successes merit beyond question the inclusion of increased, sustained Section 6 funding in the legislation the Committee advances.

The road ahead

TPL greatly appreciates the opportunity to share these perspectives with you as you review this landmark legislation. We look forward to providing any additional

help we can to assist the Committee's consideration, and we hope that the 106th Congress will take advantage of this unprecedented chance to restore and enhance its commitment to conservation.

Senator BINGAMAN. Thank you very much.

The chairman stepped out. We will go ahead, though.

Mr. Vincent, why don't you go ahead.

STATEMENT OF BRUCE VINCENT, VICE PRESIDENT, PEOPLE FOR THE USA AND PRESIDENT, ALLIANCE FOR AMERICA

Mr. VINCENT. Thank you, Mr. Chairman. Good morning. My name is Bruce Vincent. I am vice president of People for the USA and president of the Alliance for America, two of the largest grassroots organizations in the country that advocate a balance between environmental protection and economic growth, while protecting private property rights. I was also offensive and defensive lineman for the Olympia Loggers, Western Division champs 1972, and I am now all-start to my family of four children.

We do not support any of the land and water conservation bills as they are currently written. As for S. 25, we feel it is proper to establish a 27-percent royalty share to States impacted by oil and gas production off their shores. We could and would support those provisions as a stand-alone bill. But we are concerned that in the political give and take, much more is being lost than gained.

We do not oppose the general intent of the Land and Water Conservation Fund. We recognize the need to set aside places where Americans can enjoy outdoor recreation opportunities. But as a society, we have already set aside vast areas for public enjoyment. And incremental assimilation of ever-more private land into the public domain has too often proven to have been cumulatively bad for our communities and bad for the environment we are seeking to protect. So we have suggested some amendments to S. 25.

First, a no appropriation decoupling. Reasonable people are asking some reasonable questions, like, why is the Federal Government—why is it that they cannot afford to fully implement the Northwest Forestry Plan that is so important to the species, we are told, of that area and the communities of the area? Why cannot they afford to expend the money from the Federal agencies that—they need to bring our public road system up to modern BMP standards? Why cannot we afford the management required to restore the health of our ecosystems? Why cannot we afford to fully fund the PILT payments for counties, to offset the local impact of Federal ownership, but we can somehow consider a permanent allocation to take more land off the tax rolls and put them on the backlogged maintenance program?

Senators, since we hear managers telling us, who live in, work in, play in, and love the public domain, that they do not have enough money to care for what they have got, there is absolutely no support for hundreds of millions more dollars being dedicated to buy more.

Second, no net loss of private property. The Federal Government currently owns over 650 million acres that they claim they cannot take care of. We strongly feel that the Federal Government, all governments, should concentrate on taking care of the land and infrastructure already under its stewardship rather than purchasing

more. And we propose language that for each dollar's worth of private land acquired under these funds, the equivalent land is returned to the private estate, and that acquired lands be managed for productive multiple uses.

Next is a no nonprofit profits. It is glaringly obvious that profit is replacing conservation as the goal of many nature or land conservancies. Nonprofit land trusts often purchase willingly surrender land for a song, and then turn right around and sell to whichever government agency will ante up. Often the trust makes a substantial profit. On the other hand, the taxpayers, the public at large, winds up footing the bill forever.

We have offered amendments to fix this. We think it is not fair. We think it is pork. And we do not want to see this bill turned into a pork pipeline. Americans have had enough.

Next is fair value for all. There have been too many cases where private landowners have been regulated into submission by government agencies, to the point where the landowner is so frustrated and intimidated that they will sell at any price. We feel their fifth amendment rights must be protected. And we propose a prohibition against any form of coercive condemnation or down-zoning or targeted restrictions by any and all government agencies. Further, we propose valuation for acquisition using these monies be available or based on allowable and reasonably foreseeable uses at the time of purchase.

And, finally, local control and commitment. Land decisions must be made by those affected. And we are proposing amendments which we hope will ensure that land conservation and use decisions are vested in local institutions and private citizens. My home in Montana is in Lincoln County. It is already 85 percent publicly owned. We have 2.5 million acres of forest land that grows 492 million boardfeet of timber a year. We are losing 300 million boardfeet a year to mortality, and the Forest Service is harvesting between 50 million and 60 million boardfeet.

Our mills are shut down. But jobs are not the only factor here. Forest scientists tell us that forest health problems will ultimately yield management by catastrophic fire. Our forest road system is in need of repairs to bring it up to modern best management practices, so that we can protect our waters and enrich our management options. But the managers, the Forest Service, tell us their hands are tied in more aggressively caring for the land, because of budget restraints and a myriad of conflicting, overlapping laws and regulations.

Tragically, our nonsensical experience with Federal ownership of public land is not the exception in the United States, it is the rule. And hard experience has convinced us that local citizenry must have a seat of authority in the process of any incremental assimilation of private land into the public domain. And we propose language inserted throughout the bill that will give affected State, local and private entities that have existing jurisdiction over the property a good say in the disposition over time. We also propose that any affected entity can chose to opt out.

In conclusion, I would like to express the hopes that People for the USA and the Alliance for America, our many affiliates and allies, that you will see fit to include these and other reasonable pro-

posed changes in this bill. And we look forward to working with you to make this a law that works not just for the benefit of special interests, but for Americans now and in the future.

It has been an honor and a privilege to come here today, and I will be happy to answer questions.

[The prepared statement of Mr. Vincent follows:]

PREPARED STATEMENT OF BRUCE VINCENT, VICE PRESIDENT, PEOPLE FOR THE USA, AND PRESIDENT, ALLIANCE FOR AMERICA

Thank you Mr. Chairman, and good morning/day. My name is Bruce Vincent, vice president of People for the USA and president of the Alliance for America. These are the two largest grassroots organizations in the country that advocate a balance between environmental protection and economic growth while protecting private property rights. People for the USA has 26,000 direct members and over 200,000 affiliate members. The Alliance for America is an umbrella organization comprised of 500 grassroots groups from across the United States.

I would like to make it clear that the organizations I represent here today do not support any of the Land and Water Conservation Fund bills as they are currently written. We find the open-ended funding and kitchen-sink approach taken by both the Boxer and Miller versions to be both politically extreme and fiscally irresponsible, and we hope that no part of either legislation makes it into a final version. We feel the same toward the Clinton Administration's Lands Legacy Initiative. To be blunt, the total package presented strikes us as nothing more than a direct special-interest subsidy pipeline to environmental activist groups, a cheap ploy to gather votes for the upcoming election. We find it sad that the desire to gather votes 18 months from now has led certain politicians to try to establish a program that our grandkids may wind up supporting against their wishes.

As for S. 25, the Conservation and Reinvestment Act of 1999, we feel that it is proper—indeed only fair—to establish a 27% royalty share to states impacted by oil and gas production off their shores. After all, states with oil and gas production on land are entitled to a 50% share of federal royalty revenues. We could and would support those provisions as a stand-alone bill. But we are concerned that in the political give and take, much more is being lost than gained.

We would also like to emphasize that we do not oppose the general intent of the Land and Water Conservation Fund, which was, and should still be, used to facilitate the conservation of land for the enjoyment of all Americans. As a sportsman and environmentalist, I personally recognize the need to set aside places where Americans can enjoy outdoor recreation opportunities. But as a society we have already set aside vast areas for the public enjoyment, and as time has passed the law's original intent has been lost.

Local communities are cut out of the process by large nonprofit land trusts acting as glorified brokerage houses that make equally glorified profits. Incremental assimilation of private land into the public domain has too often proven to be cumulatively bad for our communities and the very environment we seek to protect.

We recognize that political change is incremental. While we would prefer that the entire concept of land and water conservation be re-thought to truly reflect a conservation as opposed to a preservation ethic, we understand that positive changes have to be made incrementally. Therefore, we would like to see several changes made to S. 25 and its companion bill. We would hope this legislation sets precedents for certain principles that will be applied to all future federal conservation legislation. In general, these principles are: 1. No de-coupling of the acquisition process from the appropriation process; 2. No net loss of private property; 3. No profit for so-called nonprofits; 4. Fair value; and 5. Local control over local destiny.

NO APPROPRIATIONS DE-COUPLING

The funds that are expended by the Federal government to purchase private lands are generated in the private sector. Private citizens elect representatives to oversee the management of their federal government—including the critically important process of reviewing tax expenditures. Allowing off-budget expenditure of Land and Conservation Fund dollars to increase the size of the public domain that must ultimately be maintained through the budget process is not acceptable.

Reasonable people are asking reasonable questions such as:

- Why is it that the federal government cannot afford to fully implement the Northwest Forestry Plan that the federal government claims is necessary to

protect the species and the communities of the Northwest—but can fund a program to buy more land to manage?

- Why can't the federal government afford to expend the money the Federal agencies need to bring our public road system up to modern BMP standards—improving management accessibility and protection of water and soils—but can suggest finding the money outside of the budget to buy more land in need of protection?
- Why are the Interior Columbia Basin federal land managers telling the public that funds required to "restore" the health of our ecosystems will not be available—yet we are considering going off-budget to buy more land to restore?
- Why is it that a federal government which cannot afford to fully fund the Payments in Lieu of Taxes to our counties to offset the local impact of federal ownership can somehow make a permanent allocation to take more land off the tax rolls?
- Finally, most recently, why is it that after over a decade of acrimony and nearly half a billion dollars in state and federal money, the Headwaters redwood grove in California was closed to the public the day after it became public land? How can it be, even after years of so-called oversight, first-day visitation to the grove had so damaged the understory vegetation and trails that the government had to impose an emergency closure until a management plan can be written? How is that conservation? Is it really wise to lessen the existing checks and balances? We don't think so.

Senators, there are few people who deny that public land ownership in America has an important role. However, we hear the managers of the public domain telling those of us who live in, work in, play in and love that public land that they do not have the budget to properly care for that land. Until that situation is resolved there will be absolutely no support within our members or our member groups for taking hundreds of millions of dollars outside of your critically important budgetary process.

NO NET LOSS OF PRIVATE PROPERTY

Related to the matter of appropriate funding is the question of where funds come from in the first instance. The fact is, 28% of all land is already owned by various levels of government. The federal government alone directly controls well over 650,000,000 acres, which, if the current debate over user fees, park maintenance, road closures, logging costs, et cetera is any indicator, it cannot properly care for. Proper care and stewardship of land is what land and water conservation is all about.

We strongly feel that the federal government—all government—should concentrate on taking care of the land and infrastructure already under its stewardship rather than purchasing more, especially in public lands states where the tax base is already too small. It should certainly not compound the problem by seeking to remove land from the tax base—land which needs to be productive in order to raise the funds for proper stewardship. Therefore, under Title 2, Section 203 we propose language providing that for each acre or dollar's worth of private land acquired with these funds, equivalent land is returned to the private estate. The reason for this is straightforward. Although this bill attempts to protect private property rights, we cannot forget its impact on the institution of private property. We must keep in mind the long term effects on this fundamental American concept if the productive private estate continues to be reduced relative to the public estate.

Further, in the interest of keeping public lands productive for all Americans, we join in agreement with the National Cattlemen's Beef Association in requesting language under Title 2, Section 203 that acquired lands be managed for productive multiple uses.

NO NONPROFIT PROFITS

It is glaringly obvious that profit is replacing conservation as the goal of land conservancies. Nonprofit land trusts often browbeat private property owners into selling for a song, and then, rather than take on responsibilities of land stewardship, including the payment of taxes to the affected local community, turn right around and sell to whichever government agency will ante up. Often, the trust makes a substantial profit. On the other hand, the taxpaying public at large winds up footing the bill—forever.

Even as we speak, a Trust for Public Land deal is in the works in Maine, which will earn this "non-profit" some $1.5 million. TPL has optioned 15,000 acres of fair timberland in Bowtown for $3.7 million. They propose to exchange this land to Plum Creek Timber for a package of questionable shore land. This package will then be

sold to the State of Maine for $5.26 million. A spokeswoman for the Trust for Public Land stated that, "Essentially the state will reimburse us for the cost of purchasing Bowtown." I guess it depends on your definition of profit.

This deal is so structured that no one pays any taxes on the gain, though the cost base of the land in question is likely only a few dollars per acre. Maine's Governor plans to fund the purchase out of the state's surplus. Just imagine what he might do if he had Federal funds available.

To be frank, we can see why nonprofits like to do business with the government. I mean, what a sweet deal, right out of a political economics textbook. You lobby the government to pay you, and give you what you want, at everyone else's expense. That's not fair . . . that's pork. We don't want to see this bill turned into a pork pipeline for yet another special interest group. Americans have had enough. We'd like to see this bill stick to the old maxim: "You get what you pay for." With that in mind, under Title 2, Section 203 language should be inserted that nonprofits shall recover no funding under this act from any transaction brokerage role. Nor should they—or anyone—profit excessively under this program. Also under Title 2, Section 203, we propose language prohibiting speculative acquisitions. Lands held before the effective date of this act are exempted. Lands acquired after the effective date will be bought at fair value . . . no more, and no less.

FAIR VALUE FOR ALL

There have been too many cases where private landowners have not only been given a song and dance by land trusts, but been regulated into submission by government agencies who have fallen for the land trust pitch . . . to the point where the landowner is so frustrated and intimidated that they will sell at any price—or simply give up and walk away. We feel their Fifth Amendment rights must be fully protected.

We propose under Title 2, Section 203 a prohibition against any form of coercive condemnation, or downzoning, or targeted restrictions, by any and all government agencies, not just federal, but state and local. Further under this title, we have proposed that valuation for acquisition using these moneys be based on allowable and reasonably foreseeable uses according to existing land-use regulations and laws at the time of purchase. In light of several Endangered Species Act cases, we also propose that property up for acquisition using these moneys shall be valued as they were before any loss of use value due to ESA or other regulations.

LOCAL CONTROL AND COMMITMENT

We believe in the idea that if one owns something, it's theirs to use and enjoy—especially private property that people work all their lives to buy and maintain. We have less sympathy for the idea that if people can see something, they have a say in how it is managed. By extension, we vehemently oppose granting control of land policies to groups and bureaucrats who have never visited or seen or walked on the lands in question. Local land decisions must be made by those most affected—local governments and private citizens, and we are proposing amendments under Title 2, sections 701, 702 and 704 which will we hope will ensure that land conservation and use decisions are vested in local institutions and private citizens.

My home county in Montana is Lincoln. It is already 85% publicly owned, and much of the remainder is coveted by regulatory agencies. The cumulative impact of incremental assimilation of even more of our private land base into public ownership is a huge issue in our area.

We have 2.5 million acres of forest land that grows 492 million board feet per year. We're losing 300 million board feet a year to mortality, yet Forest Service projected harvest is only 50 to 60 million board feet per year. We're wasting a quarter billion board foot a year outright, while our mills are shut down, but jobs aren't the only factor.

Forest scientists are warning us of forest health problems that will ultimately yield management by catastrophic fire. Our forest road system is in need of repairs to bring it up to modern best management practice specifications, so we can protect our waters and enrich our management options.

As for the managers—the U.S. Forest Service—they tell us their hands are tied in more aggressively caring for the land under their stewardship because of budget restraints and a myriad of conflicting, overlapping laws and regulations.

Our nonsensical experience with Federal ownership of public lands is not the exception in the United States—it is the rule. Hard experience has convinced us that the local citizenry must have a seat of authority in the process of any incremental assimilation of private lands into the public domain.

We propose, therefore, to insert language under Title 3, Sections 301 and 305 that any and all land transfers under this law shall be initiated only under specific requests for funding from all affected state, local and private entities with existing jurisdiction over the property. We also propose that any affected entity can choose to opt out. Furthermore, in contrast to the American Heritage Rivers Initiative, that opt-out will remain in effect until specifically reversed by the originating entity.

In conclusion, I would like to express the hopes of People for the USA, the Alliance for America, and our many affiliates and allies, that you will see fit to include these and other reasonable proposed changes in this bill as it works its way through the lawmaking process. We look forward to working with you to make this a law that truly works . . . not for the benefit of special interests, but for all Americans, now and in the future.

It has been an honor and a privilege to come before you today. Thank you. I will be happy to answer any of your questions.

Senator BINGAMAN. Thank you, Mr. Chairman.

Mr. Smith, why don't you go ahead.

STATEMENT OF ROBERT J. SMITH, SENIOR ENVIRONMENTAL SCHOLAR, COMPETITIVE ENTERPRISE INSTITUTE

Mr. SMITH. Mr. Chairman, thank you for inviting the Competitive Enterprise Institute to testify today. My name is R.J. Smith, and I am the senior environmental scholar at the Competitive Enterprise Institute, and our Center for Private Conservation.

The Competitive Enterprise Institute opposes enactment of the Conservation and Reinvestment Act of 1999, and other similar bills and proposals. Our primary concern with S. 25 is with title II, which will create a permanent, dedicated, off-budget, unappropriated trust fund for the acquisition of private property and private lands by Federal, State, county, and local governments. This trust fund will provide a minimum of $900 million per year, in perpetuity, for the acquisition of private lands by government. Because the funds provided for the States for land acquisition must have matching funds, the bill will ultimately provide well over $1 billion per year to transfer still more lands from private ownership to government ownership.

Mr. Chairman, we view this as nothing more than a wholesale attack on the very institution of private property, which is the underpinning of our unique free and prosperous society. All of our freedom is built on the right of private property. And without private property rights, no other rights or freedoms are possible—they are merely illusory.

Yet, we now have a Nation where approximately 42 percent of all the land is owned by government at one level or another, including Federal lands, State lands, county lands, local and community lands, and the Native trust lands. Totals for government land ownership are so large and complex that it is even difficult to obtain exact figures on the total amount of lands ownership at each level of government and the various agencies within those governments.

One would think there would be some serious effort at inventorying what Government already owns before setting out on a massive permanent program of endless additional governmental acquisitions of private lands. It is important to stop and consider the significance of the fact that the Government at all levels already owns some 42 percent of the Nation's land. This is a staggeringly high percentage of government ownership of land and re-

sources in a free society, supposedly based upon the beliefs of the Founding Fathers that the cornerstone of our freedom depends upon the widest possible distribution of private ownership of property.

And a most interesting observation—the liberal economist, John Kenneth Galbraith, wrote: The public lands of the United States exceed the total combined areas of Germany, France, Italy, Belgium, Holland, Switzerland, Denmark, and Albania. When socialized ownership of land is concerned, he said, only the USSR and China can claim company with the United States.

Now, Galbraith made those observations prior to the collapse of communism, the breakup of the Soviet Union, and the termination of collective farms across China. Thus, it is probably likely that the United States of America already has the most socialistic land ownership system in the world. One would hope that this would give the Congress some second thoughts before they become engaged in an aggressive program to extend the tentacles of government land ownership still further and destroy still more land of the underlying private property that ensures the freedom of our people.

Mr. Chairman, where is the pressing need for additional government land acquisition? Supporters of this land acquisition trust fund have been saying, why do not the Nation's private property advocates come up with ways to make the bills better? Okay. The way to make these bills better is not to take any private property. Enough is enough. What is the goal of this legislation? How much land do you ultimately intend for the Government to own? One billion dollars a year forever is going to take vast amounts of privately owned land and transfer it to Government ownership. Is the ultimately goal 50 percent, 60 percent, 70 percent?

If the U.S. Congress cares about the Nation's land and the environment and wildlife and habitat, why create a vast trust fund to acquire still more private land, and transfer it to governments, which demonstrable cannot care for what they already own? Why not, instead, if we truly care, use that billion-dollar-a-year trust fund for better management, protection and maintenance of the land the Government already owns, and to work with adjacent private landowners in cooperation and collaboration? That would seem to be a rational first and highest priority.

We are also told repeatedly that these bills pose no threat to private property because private lands will only be acquired from willing sellers and from within the boundaries of existing governmental land ownership units. Well, this sounds like the traditional and much feared statement: "We are from the Government and we are here to help you." The American people know better.

The Government and the environmental community have become expert at turning unwilling private landowners into willing sellers, forcing them to become willing sellers by using a vast array of environmental laws and regulations, including especially the Endangered Species Act, to so regulate private lands that private landowners cannot use their lands. All they can do with their lands is to sell them to the Government. The members of this committee have heard of example after example of such horror stories across the country. This is not what "willing" means.

Furthermore, to suggest that there is no threat to private land ownership or private property rights because acquisition will only come from those people whose land and homes happen to lie within the borders of some governmental land unit is also misleading. Most of these inholders never chose to become inholders and never asked the Government to draw boundaries around their homes, farms, ranches, and lands. The only thing that is permitting them to still live in their homes is the fortunate fact that the Governments have not had the money to buy them out, to force them off their lands, and to burn down and bulldoze their homes.

Mr. Chairman, people are telling us that this legislation is necessary permit hunting in America. It is difficult to see how anyone can take this argument with a straight face. Most of the lands that have been acquired by Land and Water Conservation Fund and that will be acquired by this trust fund will go into park lands, recreation lands and refuge lands where hunting, in particular, is very difficult or all but impossible.

Furthermore, as long as land is held in private ownership, there is always the opportunity for hunters to knock on a landowner's door and to purchase the right to access the land for hunting. Does anyone seriously think that it would be possible to knock on the door of the Secretary of the Interior and purchase a right to hunt on government lands?

Mr. Chairman, in conclusion, creation of a massive, aggressive and virulent public land acquisition fund is certain to achieve a number of perverse incentives. What landowner is going to have an incentive to make his or her land so attractive to government land managers that it will entice the Government to step in and find whatever means are necessary to make that landowner into a willing seller? The only way then for private landowners to be secure in their property rights under such legislation and land acquisition programs will be to make certain that there is nothing on their lands that the Government would ever want.

I am afraid, Mr. Chairman, that that would be one of the unintended consequences of this legislation. I hope we can change title II, Mr. Chairman, from taking lands to using that money to better take care of government lands and to work with adjacent private landowners.

Thank you.

[The prepared statement of Mr. Smith follows:]

PREPARED STATEMENT OF ROBERT J. SMITH, SENIOR ENVIRONMENTAL SCHOLAR, COMPETITIVE ENTERPRISE INSTITUTE

Chairman Murkowski, thank you for inviting the Competitive Enterprise Institute to testify today on these important issues. My name is Robert J. Smith, and I am the senior environmental scholar at the Competitive Enterprise Institute and our Center for Private Conservation. The Competitive Enterprise Institute, "CEI" is a free market, limited government, private property public interest group.

The Competitive Enterprise Institute opposes enactment of the Conservation and Reinvestment Act of 1999 and other similar bills and proposals such as the Clinton-Gore Administration's Lands Legacy Initiative. While my remarks today are directed at S. 25, most of them apply just as well to S. 446, S. 532 and the Lands Legacy Initiative.

Our primary concern with S. 25 is with Title II, which will create a permanent dedicated, off-budget, un-appropriated trust fund for the acquisition of private property and private lands by federal, state, county and local governments. This trust fund will provide a minimum of $900 million per year in perpetuity for the acquisi-

tion of private lands by government. Because the funds provided to the states for land acquisition must have matching funds, the bill will ultimately provide well over one billion dollars per year to transfer still more lands from private ownership to government ownership.

Mr. Chairman, we view this as nothing more than a wholesale attack on the very institution of private property, which is the underpinning of our unique free and prosperous society. All of our freedom is built upon the right of private property, and without private property rights no other rights or freedoms are possible, they are merely illusory. Our Founding Fathers based our nation and our freedom on the rights of life, liberty and property. Men as different in their thinking as Thomas Jefferson and Alexander Hamilton all agreed on the need for wide devolution of the federal lands to ensure a nation of free and productive men and women.

Yet we now have a nation where approximately 42 percent of all the land is owned by government at one level or another, including federal lands, state lands, county lands, local and community lands, and the native trust lands. The totals for governmental land ownership are so large and complex that it is even difficult to obtain exact figures on the total amounts of land ownership by each level of government and the various agencies within those governments. One would think there would be some serious effort at inventorying what government already owns before setting out on a massive permanent program of endless additional governmental acquisitions of private lands.

It is important to stop and consider the significance of the fact that government at all levels in America already owns some 42 percent of the nation's land. This is a staggeringly high percentage of government ownership of land and resources in a free society, supposedly based upon the beliefs of the Founding Fathers that the cornerstone of all our freedom depends upon the widest possible distribution of private ownership of property. In a most interesting observation, the liberal economist John Kenneth Galbraith wrote: "The public lands of the United States exceed the combined areas of Germany, France, Italy, Belgium, Holland, Switzerland, Denmark and Albania. When socialized ownership of land is concerned, only the USSR and China can claim company with the United States."

Galbraith made those observations prior to the collapse of communism, the breakup of the Soviet Union and the termination of the collective farms across China. Thus it would appear that, and is probably likely that, the United States of America already has the most socialistic land ownership system in the world. One would hope that this would give the Republican-controlled Congress some second thoughts before they become engaged in an aggressive program to extend the tentacles of government land ownership still further and to destroy still more of the underlying private property that ensures the freedom of our people.

The efforts of the Republican leadership in the House and the Senate is especially disturbing because the Republican Party has traditionally been the party to defend private property rights and private ownership of land. Indeed a mere ten years ago when the Democrats were attempting to create a similar massive land trust fund for the acquisition of private lands by the government, the American Heritage Trust Act, it was the Republicans who said no, and stepped in to defend private property rights.

Indeed, one of the major reasons for the election of Ronald Reagan in 1980 was his pledge to defend private property rights and to stop government taking of private lands. His administration vastly slowed the rate of government acquisition. They pointed out that the federal government was unable to take care of what it already owned. At least four major General Accounting Office reports released from 1979 to 1981 documented the sorry state of the nation's government-owned lands and criticized land acquisition by the Park Service, the Forest Service, the Fish and Wildlife Service and the Bureau of Land Management.

Why would anyone give still more land to the government to mismanage? Any number of books, articles and reports have documented the sorry state of even the nation's National Parks. Indeed, even Yellowstone National Park, the crown jewel of the park system, and the world's first national park, is in deplorable condition. If the government can't and won't take care of their crown jewel, why should let them have even one additional square inch of the American land?

Mr. Chairman, where is the pressing need for additional government land acquisition? Supporters of this land acquisition trust fund have been saying why don't the nation's private property advocates come up with ways to make these bills better. O.K. The way to make these bills better, is not to take any private property. Enough is enough. What is the goal of this legislation? How much land do you intend ultimately for the government to own. One billion dollars a year forever, is going to take vast amounts of privately owned land and transfers in to government ownership. Is the ultimate goal 50 percent; 60 percent; or 70 percent?

If the Republican Party and the U.S. Congress care about the nation's land and the environment and wildlife and habitat, why create a vast trust fund to acquire still more private land and transfer it to governments which demonstrably cannot care for what they already own. Why not instead, if we truly care, use that billion dollar a year trust fund for better management, protection and maintenance of the lands the government already owns. That would seem to be a rational first and highest priority.

We are told repeatedly that these bills pose no threat to private property, because private lands will only be acquired from "willing sellers" and within the boundaries of existing governmental land ownership and management units. This sounds like the traditional and much-feared statement, "We're from the government and we're here to help you." The American people know better.

The government and the environmental community have become experts at turning private landowners into "willing sellers," forcing them to become "willing sellers," by using a vast array of environmental laws and regulations, including especially the Endangered Species Act, to so regulate private lands that private landowners cannot use their lands, cannot earn a living from their lands, and can find no one who will purchase their lands and banks that will find any collateral value in the lands because they are so encumbered by environmental regulations that all they can do with their lands is to sell them to the government. The members of this committee have heard of example after example of such horror stories across the American landscape. This is not what "willing" means.

Furthermore, to suggest that there is no threat to private landownership or private property rights because acquisition will only come from those people whose land and homes happens to lie within the borders of some governmental land unit is also misleading. Most of these inholders never chose to become inholders and never asked the government to draw boundaries around their homes, farms, ranches, and lands. The only thing that is permitting them to still live in their homes is the fortunate fact that governments have not had the money to buy them out, force them off their lands and bum down or bulldoze their homes. I just returned from a national property rights congress in Albany, New York where thousands of inholders throughout the Adirondacks State Park are living in fear of the day when the Republican Party switches from being the party of private property rights to the party that destroyed private property rights.

Mr. Chairman, many people are telling us that this legislation is necessary to protect hunting and fishing in America. It is difficult to see how anyone can make this argument with a straight face. Most of the lands that have been acquired by the Land and Water Conservation Fund and that will be acquired by this vast billion-dollar-a-year land acquisition fund will go into park lands, recreation lands and refuge lands where hunting in particular is either very difficult or all but impossible. Many, if not most, of these land categories preclude hunting. Furthermore, as long as land is held in private ownership, there is always the opportunity for hunters to knock on a private landowner's door and to purchase the right to access the lands for hunting. Does anyone seriously think that it would be possible to knock on the door of the Secretary of the Interior and purchase the right to hunt on government lands?

An additional concern, which should be taken very seriously, is that of the perverse incentives that this legislation and the threat of government land acquisition will have on the behavior of the nation's private landowners with respect to their traditional private stewardship and private conservation activities. Our Center for Private Conservation documents the history of America's unique tradition of private stewardship of public environmental amenities at private expense. Yet we have unfortunately seen a growing trend of private landowners increasingly becoming fearful of being good stewards, because the better stewards they are, the more wildlife habitat and wildlife they have on their lands. They live in fear that leaving windbreaks, hedgerows, riparian habitat, and older trees on their private lands will attract some endangered or threatened species, whose presence will prevent the landowners from any productive use of their lands. When private landowners are penalized for being good stewards and good conservationists, they stop those exemplary activities. We have all heard of the unfortunate "shoot, shovel and shut up" syndrome fostered by the disincentives in the Endangered Species Act, and we are all aware of the land and habitat sterilization that results in those areas of the country with major conflicts involving the Endangered Species Act.

Creation of a massive, aggressive and virulent permanent land acquisition fund is certain to achieve the same perverse results. What landowner is going to have an incentive to make his or her lands so attractive to governmental land managers and environmentalists that they will entice the government to step in and find whatever means are necessary to make that landowner into a "willing seller?" The

only way for private landowners to be secure in their property rights under such legislation and land acquisition programs, will be to make certain that there is nothing on their lands that the government would ever want. That, I am afraid will be the unintended consequence of this legislation.

Mr. Chairman, Title II of this legislation is not only a massive threat to the basic rights of our free people and to private property rights, but it also is a massive threat to the protection of wildlife and wildlife habitat and a sound environment. We should all be working together to maintain a free and prosperous nation and a sound and healthy environment—not working to destroy the private property rights which ensure our freedom and the private stewardship and conservation which is protecting so much of the American land. Instead, why not protect private property rights and private land ownership and work with America's private landowners instead of against them?

The CHAIRMAN. Thank you very much, Mr. Smith.

Next is the Hon. Jane Hague, council member of Metropolitan King County Council, Seattle, Washington.

Again, I apologize for going back and forth, but it is the nature of the beast, and I am going to have to do it again.

Please, proceed.

STATEMENT OF JANE HAGUE, FIRST VICE PRESIDENT, NATIONAL ASSOCIATION OF COUNTIES AND COUNCIL MEMBER, METROPOLITAN KING COUNTY, WA

Ms. HAGUE. Good morning, Mr. Chair, members of the committee. It is a pleasure to be here. As you understand, I am Jane Hague, from King County, the other Washington. And I am here representing the National Association of County Officials. And we are pleased to be here. And thank you very much for all the effort that you have put into this bill.

My comments will revolve around what I call the four P's: parks, protection, PILT, and property rights. First of all, parks—that is why we are here today. On behalf of the Large Urban County Caucus of the National Association of Counties, we applaud the efforts that you have especially on behalf of urban parks. We are facing, in the metropolitan areas around the country, tremendous growth pressures. In my own county, we are a mandated growth management county and a mandated growth management State. That means in-fill. And in order to provide for the quality of life of our citizens, we demand urban parks. It provides the play fields, the amenities and the quality of life that people expect living in cities.

In conjunction with NACO and the U.S. Conference of Mayors, we have commissioned a public opinion survey of 2,500 people nationwide. Two surveys' results were very interesting and should be interesting to you. First of all, 74 percent of the people surveyed said they believe that urban parks provide a positive amenity and a prevention tool for youth crime. Also, 86 percent of those polled said that they believe that in-fill parks offer an opportunity for economic development. And that certainly proves out in King County, Washington.

My second "P," protection. King County is the first major metropolitan area to be cited by NMFS for protection of the Chinook salmon. They are a threatened specie there. This particular bill would allow us the opportunity to buy the needed watersheds and sensitive areas in order to protect that threatened specie.

PILT, as a Western county, we believe very strongly in the value of PILT. We are reimbursed right now by the Feds for 17 cents per

acre. Taking those acreages off the tax rolls, where they could have been assessed for property taxes at a $1.48 mean a huge deficit for our threatened counties in the West. And so we strongly believe in PILT. And we suggest that you take a look at the House version of 701, and consider in your bill taking titles I and II, and investing it. And with the investment earnings, we could put substantial dollars towards increasing the mandate of PILT and the funding of PILT.

And my fourth "P" would be property rights. And we are very excited about a tool—and you have heard much about property rights today—called not conservation easements, but conservation leasing. This allows the underlying zoning to stay in place, but it gives local governments the flexibility to lease for a period of time for the protection, recreation and whatever else needs are out there. We encourage you to recognize the value for local government of the tool called conservation leasing. It is something that has worked well in Texas. We are interested in using it in Washington. And I believe that it could be a valuable tool in addressing the concerns that you have heard today.

In conclusion, we applaud the fact that so many of the House and the Senate and the White House versions contain so many of the common elements. We want to be a player at the table. We expect that there will be compromises. But it is wonderful to see so many diverse groups supporting this Act.

Thank you so much.

[The prepared statement of Ms. Hague follows:]

PREPARED STATEMENT OF JANE HAGUE, FIRST VICE PRESIDENT, NATIONAL ASSOCIATION OF COUNTIES AND COUNCIL MEMBER, METROPOLITAN KING COUNTY, WA

Mr. Chairman and members of the committee, my name is Jane Hague. I am a councilmember from King County, Washington and I am here today representing the National Association of Counties (NACo)* in my capacity as first vice president.

NACo is pleased to testify on behalf of this important legislation that, if enacted, will have very positive effects on our nation's counties and communities. This legislation presents an exciting opportunity because of the genuine support from such a broad range of interests and the fact that the administration, the U.S. House of Representatives and the Senate have very similar proposals. It is important to note the bipartisan nature of these proposals and the distinct possibility that something will be done in this arena in this Congress. Each bill uses Outer Continental Shelf (OCS) revenue as the source for funding the distribution proposed by this legislation, and each has similar uses in mind.

Today I will focus my remarks primarily on the Conservation and Reinvestment Act of 1999 (CARA), S. 25. However, I will touch on the other proposals.

At our 1999 legislative conference, our board of directors adopted a resolution in support of most of the concepts embodied in the Senate CARA legislation, and singled out the wisdom of including a provision that would help fund the Payments in Lieu of Taxes (PILT) program. While not currently in S. 25, such a provision is included in the House version of this legislation, H.R. 701.

Our resolution states: "NACo strongly supports the principles of the Conservation and Reinvestment Act of 1999 (CARA '99) that would reallocate Outer Continental Shelf (OCS) oil and gas revenues to the Land and Water Conservation Fund (LWCF), a coastal state revenue sharing program, add funding to the Urban Park and Recreation Recovery (UPARR) program and establish an innovative procedure for adding funding for the Payments in Lieu of Taxes (PILT) program, in addition

*The National Association of Counties is the only national organization representing county government in the United States. Through its membership, urban, suburban and rural counties join together to build effective, responsive county government. The goals of the organization are to: improve county government; serve as the national spokesman for county government; serve as a liaison between the nations' counties and other levels of government; achieve public understanding of the role of counties in the federal system.

to annual appropriated funds. NACo will advocate a change in the 'stateside' program to allow counties to directly apply for LWCF grants and provide authority for innovative and flexible methods for utilization of these grants such as a leasing program, rather than outright purchase of land that removes them from tax roles."

We also have another resolution, that was passed in July 1998, supporting OCS revenue sharing with coastal states, and NACo's large urban county caucus has made the funding of parks and open space a priority for their legislative agenda. I believe it is clear why NACo supports many of the provisions of this legislation.

Let me take this opportunity to comment on some of the issues surrounding this legislation.

First, NACo is very pleased that the bill recognizes the significant impact OCS development can have on coastal counties and have taken steps to assure that any shared revenue from OCS development is shared with coastal counties. It is critically important that coastal counties have the resources to make improvements in air and water quality, improve fish and wildlife habitat, secure and improve wetlands or other coastal sources, including shoreline protection and restoration. As King County faces significant challenges with the listing of important fish species in Puget Sound under the provisions of the Endangered Species Act, we are mightily aware of the needs to protect water quality, and the potential upstream habitats of coastal fish species.

Second, the bill acknowledges the need to fund the stateside portion of the LWCF and would assure that counties would share the revenues set aside of the states. We believe it would be preferable to have counties be able to utilize their share of the fund without having to work within the mandated structure of a state plan, but we believe an acceptable approach can be worked out during deliberations on the bill. We also believe we need to look at innovative approaches, such as conservation leasing to meet the goals of the LWCF without removing land from the tax roles.

Conservation leasing is a new concept that would utilize a new tool for counties and local government to meet open space and conservation needs, while maintaining needed flexibility for local officials to manage their open space requirements outside the traditional zoning approach. Zoning is a very useful tool for local government, however it can establish certain virtually permanent land use rights, which if modified unilaterally by local government, could be subject to litigation. "Downzoning" has strong opposition from some private property interests. Conservation leasing could allow local government the flexibility of using stateside LWCF funds for mid or long term leasing arrangements, in cooperation with private property owners, which could meet the land use goals of the community, without extinguishing private property rights or removing land from the local property tax roles in perpetuity.

I would like to draw the committee's attention to the innovative approach included in the House version of CARA, H.R. 701, to adding money to the PILT program that does not appear in S. 25. H.R. 701 would use interest generated by the deposit of the funds from titles I and II and apply them to funding the woefully underfunded PILT program. This could mean an additional $40 million to $100 million annually for the program depending on treasury rates. S. 25 requires that the interest accumulated from the deposit of funds from titles I and II be included in the payments to states. The House sponsors should be applauded for recognizing the need to fund the PILT program at reasonable levels. Let me share with you some interesting facts from a soon-to-be-released PILT study by the federal government:

- Overall PILT payments are about $1.31 per acre less than the property taxes that would be generated. PILT entitlement lands in the sample counties would have generated an average of $1.48 per acre if taxed by the county, but PILT payments only amount to an average of 17 cents, only 11 percent of the potential tax bill.
- To fully fund PILT another $100 million would have to be added to the $125 million currently appropriated.
- To achieve overall PILT/tax equivalency another $696 million would have to be added to full funding of the PILT program, and even then 18 percent of the counties would not be equivalent.
- In the case of the east, taxes would exceed PILT payments by over 1,000 percent.
- Counties in the interior West responded that moderate or substantial costs were imposed by the presence of federal lands, particularly in the areas of search and rescue, law enforcement and road maintenance.
- The presence of federal lands in a county provide virtually no direct fiscal benefits (other than PILT and existing revenue sharing programs) to counties. NACo is the only national organization advocating for additional funding for the PILT

program, and would heartily recommend this committee consider including language to assist the PILT program.

NACo, through its large urban county caucus, applauds the inclusion of funding for the Urban Parks and Recreation Recovery Act (UPARR). Parks and open space are important factors in improving the quality of life in America's urban counties. We believe improving our parks and preserving and acquiring additional open space will assist our efforts to attract new economic opportunities for our counties, and provide substantial benefits to our citizens by reducing crime and providing cost savings to the taxpayer.

In the early '60s, the federal government made a commitment to use funds collected from off-shore oil and gas drilling to support the development of local parks, but in the last 10 years has not fulfilled that commitment. In response to this legislation, NACo and the U.S. Conference of Mayors jointly sponsored a telephone survey of average citizens to determine their opinion of the parks in their communities. This survey, conducted by National Research, LLC, consisted of random telephone calls until 1,200 people in the 50 largest metropolitan statistical areas (as defined by the Bureau of the Census) had completed responses to a series of six questions.

The first question asked whether the federal government should be held to this commitment and continue to provide funding from this revenue source. Seventy-one percent of the respondents answered "yes" to this question, while 17 percent did not know. Only 12 percent answered "no".

Next, respondents were asked whether they agreed that parks and other recreational facilities and open spaces were beneficial to their communities. An overwhelming majority (89 percent) agreed or strongly agreed with this statement. Only 8 percent disagreed and only 1 percent strongly disagreed with the statement.

Seventy-four percent of the responding citizens (28 percent strongly) agreed that parks and recreational opportunities would help prevent juvenile crime and delinquency. Only 23 percent (3 percent strongly) disagreed with this concept.

When asked if they felt that the presence of parks and open spaces helped benefit the economic stability of their communities and their property values, 86 percent agreed (32 percent strongly). Only 12 percent of survey participants disagreed (1 percent strongly).

The highest responses in the survey were those in agreement with the idea that federal, state and local governments should take steps to preserve and expand parks and open spaces for future generations. A whopping 92 percent of responders, with 52 percent strongly agreeing, felt that all levels of government should work toward this goal.

Finally, and probably the most important stated opinion in the survey, 98 percent of the respondents feel that parks and recreational activities are important to the quality of life in their communities. Of this 98 percent, 61 percent indicated that parks were very important.

Let me provide some specific examples. According to Pete Soderberg, in a 1994 Monterey County, California parks department report called, "The Wheel of Service—Parks and Public: a Powerful Partnership", quote, "in total, over $150 million in benefit to the local economy was generated through the park systems 1994 activity for an investment of only $1,280,000 from the county general fund". Mr. Chairman, that is a very positive return on this investment.

In Maricopa County, Arizona, the Phoenix Parks, Recreation and Library Department helped bring about a 52 percent reduction in juvenile crime when it expanded its late night/weekend activities during the summer months. Such programs were provided at a cost of $0.74 per person whereas the cost to incarcerate one teen for a year is $38,000. They could not have done this without the parks and recreation facilities of the type contemplated by the use of the UPARR program.

The American Farmland Trust in a 1998 report uses Carroll County Maryland as an example of the real cost of open space. For every dollar in revenue earned from residential areas, it cost $1.29 in expenditures, while open land costs only 45 cents. These are powerful lessons.

NACo supports the additional funding for the Pittman-Robertson Act, but we believe counties should play a larger role in the allocation and utilization of the disbursements.

NACo is confident that this legislation does not adversely effect private property rights without due process and local involvement. This is an important consideration as this bill moves through the process. While supporting this bill approaches, NACo well make every effort to assure there are no unfunded mandates or requirements that would effectively preclude counties from participating and enjoying the benefits of this legislation.

We believe the synergism created by this legislation helps bring together urban, suburban and rural counties in support of this bill. It also brings to the debate other

interest groups, such as the U.S. Conference of Mayors, and others. The revenue sharing, the potential for open space protection, wildlife enhancement and urban and suburban parks, all make this legislation worth passing.

S. 446, the Resources 2000 Act, has a role to play in the consideration of legislation in this area. However, we do not believe it is as potentially "county friendly" as the CARA proposal and it attempts to fund a much broader array of programs that could reduce the amount of money available for counties to meet local needs. It also does not make any provision to assist the PILT program, which again is very important to the hundreds of counties nationwide that receive payments from this program.

This does not mean, however, that we are reticent to work with its authors, and the committee, to fashion an acceptable bill. S. 532 is a more modest approach than S. 446, but we believe the Conservation and Reinvestment Act of 1999, S. 25, has greater appeal to counties across the country.

As for the administration's Lands Legacy Initiative, it too has a plethora of programs built into its framework and it may be difficult to enact in its entirety. Again, the National Association of Counties believes that all of the proposals deserve consideration during the negotiations, and the Lands Legacy Initiative certainly should be part of the discussions leading up to a final piece of legislation that we all can support.

Mr. Chairman, this concludes my testimony. I have attached copies of the relevant policy resolutions adopted by the NACo board of directors. I would like to thank you, and members of the committee for your interest in the needs and concerns of America's counties. We stand ready to work with the committee, the House, other interest groups and the administration to hammer out an acceptable bill that will set the tone for conservation in the 21st century.

ATTACHMENTS

RESOLUTION TO RE-ALLOCATE STATESIDE FUNDING FOR THE LAND AND WATER CONSERVATION FUND

Issue: Support for additional funding for the Land and Water Conservation Fund (LWCF) and for other purposes.

Adopted Policy: NACo strongly supports the principles of the Conservation and Reinvestment Act of 1999 (CARA '99) that would reallocate Outer Continental Shelf (OCS) oil and gas revenues to the LWCF, a coastal state revenue sharing program, add funding to the Urban Park and Recreation Recovery (UPARR) program and establish an innovative procedure for adding funding for the Payments In Lieu of Taxes (PILT) program, in addition to annual appropriated funds. NACo will advocate a change in the "stateside" program to allow counties to directly apply for LWCF grants and provide authority for innovative and flexible methods for utilization of these grants such as a leasing program, rather than outright purchase of land that removes them from tax roles.

Background: The Federal Land and Water Conservation Fund was created in 1965 to provide matching funds to encourage and assist local and state governments in urban and rural areas to develop parks and ensure accessibility to local outdoor recreation resources.

In the past several years Congress has diverted Land and Water Conservation monies to programs unrelated to parks, conservation and recreation. This action has resulted in total elimination of state grant programs to assist counties to meet the needs of our rapidly increasing populations, and has created a backlog of upgrades, renovations and repairs to outdoor recreation facilities.

Past benefits to counties have been accessing, through a grant process, dedicated monies to provide important economic, social, personal and resources benefits to our citizens. Outdoor recreation reduces crime by providing positive alternatives and experiences for our citizens. Millions of state and county dollars have been invested in outdoor recreation and have been matched by local funds in the form of donated labor and materials and community force accounts.

Fiscal/Urban/Rural Impacts: Coastal state counties, both urban and rural, would receive substantial payments from the OCS revenue sharing program should this legislation be passed. Urban counties would benefit from additional funds for the UPARR program, rural public land counties would benefit from additional funds for PILT and all counties would potentially benefit from LWCF grants.

Adopted by: NACo Board of Directors
February 28, 1999

RESOLUTION IN SUPPORT OF OCS COASTAL IMPACT ASSISTANCE

WHEREAS, the coastal regions of the United States are fragile environmentally and under intense pressure from storms and natural disasters, population growth and, in some counties and states, from onshore support activities that are necessitated by the development of the nation's oil and natural gas resources on the federal outer continental shelf; and

WHEREAS, each year the federal government receives billions of dollars in revenues from the development of oil and natural gas resources on the federal outer continental shelf, a capital asset of this nation; and

WHEREAS, the federal government does not share directly with the coastal states or counties a meaningful share of these revenues, while the federal government share with states 50% of the revenues from onshore federal mineral development; and

WHEREAS, at least a portion of the revenues from this capital asset of the national should be reinvested in infrastructure and environmental restoration in the coastal regions of this nation; and

WHEREAS, states and counties that host onshore activities in support of offshore federal OCS mineral development should receive a share of these revenues to offset state and county impacts of this development; and

WHEREAS, the OCS policy committee of the United States Department of the Interior has recommended that all states and the territories should receive a portion of these revenues as an automatic payment annually pursuant to a formula based on proximity to offshore production, miles of shore line and population; and

WHEREAS, members of congress representing coastal states are preparing federal legislation to enact the proposal to share a portion of federal OCS revenues with all coastal states and the territories:

THEREFORE BE IT RESOLVED, that the National Association of Counties (NACo) commends the members of congress that are pursuing this initiative and the OCS policy committee for their recommendations; and

BE IT FURTHER RESOLVED, that NACo supports federal legislation to share a meaningful portion of federal OCS mineral revenues with all coastal states, their counties and territories pursuant to the formula recommended by the OCS policy committee.

Adopted by: NACo Board of Directors
July 21, 1998

Senator BINGAMAN. Thank you, Ms. Hague.

Ms. Bittner, why don't you go ahead.

STATEMENT OF JUDITH BITTNER, PRESIDENT, NATIONAL CONFERENCE OF STATE HISTORIC PRESERVATION OFFICERS

Ms. BITTNER. Mr. Chairman, members of the committee, my name is Judy Bittner. I am the State Historic Preservation Officer from the State of Alaska, and I am currently president of the National Conference of State Historic Preservation Officers. And thank you for the opportunity to testify today.

The committee has a copy of our written testimony, which has specific recommendations on the various sections of the bills before the committee. I am going to focus my testimony today on why we think the committee needs to include full funding for the Historic Preservation Fund as part of the bill reported out of this committee.

Conserving and preserving the natural and cultural environment has been integrally connected. In the 1960's, when the Land and Water Conservation Fund and the Historic Preservation Fund were established, the OCS revenue sharing revenues were directed to the conservation and development of both natural and historic resources. That connection is still valid today. It is a program that works, and it needs stable, predictable, adequate funding.

To reduce the pressure on lands that need conservation, there needs to be a reinvestment in existing building infrastructure in

our communities. Historic preservation programs provide the tools and the incentives for this reinvestment in our historic buildings. It makes our communities more attractive places to live, as well as reusing and recycling what we already have. It provides an incentive to not flee to the suburbs and to build those new developments on our existing farmlands.

The Historic Preservation Fund programs provide the framework for the Nation's heritage to be preserved. Ninety-five percent of our heritage properties are non-federally owned.

In the 1960's, the United States Conference of Mayors Special Committee on Historic Preservation produced a report, called "Heritage So Rich." And that led to the passage of the National Historic Preservation Act. It is a State and local based program. It is a program that provides flexibility to the States. It is a program with that flexibility that they appreciate very much, coming from Alaska, which is very different from the East Coast communities and the different kinds of resources that we need to protect. It is a large public lands State. It is very rural. Our history is very recent. But it provides us at the State level to decide how those resources are going to be spent.

Alaska has 13 local government partners that participate in this program. Nationwide, there are 1,000 communities that are certified local government. They also participate on how this money is to be spent at the State and local level. We cannot let this program drift away from the local- and State-based program that it is today. We do not want Washington to make all the decisions, which is the trend today that we are seeing—that they are making the historic preservation grant funds kind of directed grants out of Washington.

Historic preservation monies are highly leveraged. The States match the Historic Preservation Fund as well as initiate their own programs, such as tax abatements and tax credits. It stimulates private investment. Every dollar of the Historic Preservation Fund creates at least $30 in State, local and private investment.

Last year alone, $2 billion was invested in over 1,000 tax credit projects. Over 42,000 jobs were created. In addition, 6,616 low- and moderate-income housing units were created with these tax credit projects.

In Alaska, I have been the State Historic Preservation Officer for 15 years. And prior to that I was the Alaska State Parks Director. I see firsthand the connection between the Land and Water and State Historic Preservation Funds. They go a long way to making our communities a better place the live. They contribute to the quality of life—a better place for our children to learn about their past, and provide that connection.

The coastal impact of our resources is another important aspect of this. During the eighties, the North Slope burroughs used the Historic Preservation Fund to survey their coastline. Unfortunately that fund was not used in Prince William Sound. So when the *Exxon Valdez* oil spill hit, we had to scramble to survey that area, as well as work with them in terms of how to clean it up, with reducing those impacts.

In the middle of our Gold Rush Centennial, Nome, Fairbanks and other communities around Alaska are using historic preserva-

tion as an important element of their heritage tourism. We want to be able to continue that in the future.

Thank you.

[The prepared statement of Ms. Bittner follows:]

PREPARED STATEMENT OF JUDITH BITTNER, PRESIDENT, NATIONAL CONFERENCE OF STATE HISTORIC PRESERVATION OFFICERS

The National Conference of State Historic Preservation Officers appreciates the opportunity to testify in support of the dedication of offshore oil lease revenues to their intended purposes: natural conservation and recreation and historic preservation. For half a decade the National Conference has participated in the broad-based coalition working to secure the intent of the framers: to dedicate a portion of the income to the United States earned from the depletion of one non-renewable resource—oil—to the conservation and enhancement of historic and natural resources.

Our request is to include the conversion of the Historic Preservation Fund (16 U.S.C. 470h) into a permanent, annual appropriation similar to the proposed treatment for the Land and Water Conservation Fund.

I. SUPPORT FOR PERMANENT HISTORIC PRESERVATION FUND APPROPRIATION

The National Conference of State Historic Preservation Officers endorses and for two decades has endorsed the visionary concept of the Land and Water Conservation Fund and the Historic Preservation Fund: that a portion of the proceeds from Outer Continental Shelf mineral leasing revenues received into the Nation's treasury from the depletion of a nonrenewable natural resource—oil—should be dedicated to the conservation and enhancement of natural, recreational and historic resources. These OCS revenues should result in the creation of a permanent legacy that benefits all Americans in terms of enriched parks, recreation, open space, and human habitat: the historic neighborhoods and Main Streets where people live and work.

Since the 1980's, the original intent of the framers has been subverted. OCS revenues, while credited to the Land and Water and Historic Preservation accounts, were spent for unintended purposes. The time has come to fulfill the promise made to the American people. S. 25, S. 446, and S. 532 all honor that commitment. (S. 25 and S. 532 need the addition of language to include a permanent appropriation for the Historic Preservation Fund.)

The Administration's Lands Legacy Initiative a one-year increase in the fiscal year 2000 budget focuses on the natural environment. The Department of the Interior's initial proposal had included a $150 million withdrawal from the Historic Preservation Fund. The final budget eliminated any increases for the historic preservation program. (The budget proposes level funding States and tribes.) The National Conference believes this is a short-sighted decision. A healthy natural environment depends on a healthy habitat for humans. Historic preservation provides the philosophy and methodology to recycle neighborhoods and business districts into attractive places to live and work.

The Land and Water and Historic Preservation Funds give States and localities a pivotal role in heritage conservation. Because of competition for federal moneys, the requirement of an annual appropriation, and administrations who prioritized federal spending and federal land acquisition instead of State partnerships, the original intention of the Funds was abandoned. At the same time the growth of the population and the concomitant disappearance of open space has spurred an increased demand for recreation, conservation areas and historic preservation tools.

As the millennium approaches, America requires a new vision for our Land. Our legacy to the 21st century can be a better place, a place that says we of the 20st century were able stewards of our inheritance, not wastrels of precious gifts. Through the realistic funding proposed in these three bills, an opportunity exists to benefit American citizens today and future descendants.

The new vision embodied in these bills must see from "sea to shining sea." The OCS revenues in our national treasury benefit the entire country, not just the land owned by the federal government. Parks, recreation, historic preservation needs exist in every zip code. Resource needs on federal lands (where few Americans live) hold no more priority for the Nation's revenues than needs in small towns or cities where people do live. Our conservation investments from the federal treasury must be democratically expended to benefit land, wildlife, nature and human beings.

Historic preservation is a part of this "new vision" and must be included in the final Committee bill because . . .

1. The Nation's resources—whether natural or historic—exist off federal lands as well as on the federal estate.

2. To save natural environment, a positive treatment of the human habitat is a requirement. Historic preservation is recycling.

3. Historic preservation is essential to the success of any efforts to combat sprawl. Historic preservation makes existing areas attractive alternatives to the suburbs—with in-place infrastructure—as places to live and work.

4. Historic preservation activity directly enhances economic development through construction expenditures for rehabilitation. Historic neighborhoods draw visitors and cultural tourists stay longer and spend more. Improved neighborhoods and downtowns contribute to safer, high quality communities.

II. BENEFITS OF THE NATIONAL HISTORIC PRESERVATION PROGRAM

Background of the Act. In the 1960s two well-intentioned federal programs, urban renewal and interstate highways, produced devastating unintended effects on many American communities. To help mitigate those effects, Congress passed the National Historic Preservation Act of 1966, the first major piece of national environmental legislation. The Act made the States the front-line guardians of the nation's historic resources outside national parks. Over more than three decades, the States have faithfully carried out America's preservation program, encouraging private preservation initiatives, stimulating investment, creating jobs, and strengthening communities.

The Act and Its Cornerstone: the National Register of Historic Places. Congress called upon each State to establish a Historic Preservation Office to identify the historic buildings, structures, sites and districts that, in the eyes of local experts, typified the State's contribution to the nation's architectural and archaeological heritage. Congress also provided federal funds for the work (on a matching basis). The composite list kept by the National Park Service is called the National Register of Historic Places. The Keeper of the Register is a Park Service official who assures that standards are maintained nationwide. Contrary to persistent rumor, placement on the National Register in no way encumbers private property rights.

Keeping Federal Agencies Honest. Congress required in Section 106 of the 1966 Act that Federal agencies undertaking actions in the States and territories should respect properties on or eligible for the National Register. In planning projects, Federal agencies are required to consult with State Historic Preservation Officers on the significance of the resources in the project area and how best to protect them. This requirement provides some protection for owners of significant historic properties from Federal encroachment, and also gives the States a say in how Federal projects are structured. New regulations to be issued this year give States and tribes more authority than ever in the consultative process.

Historic Rehabilitation Tax Credit. To encourage rehabilitation of commercial buildings on the National Register, Congress in 1976 enacted a rehabilitation tax incentive in the Internal Revenue Code. That provision entitles owners of income-producing properties on the National Register to a credit of 20 percent of rehabilitation costs if the work is done in accordance with the Secretary of the Interior's Standards for Rehabilitation of Historic Buildings. In the past year alone, the provision has leveraged $2 billion in private investment in National Register properties and has created 42,394 jobs. Moreover, many States have enacted complementary State tax credits to leverage the economic impact of the federal credit still further. The program has been a net plus for the U.S. Treasury.

Certified Local Governments (CLGs). In 1980 Congress amended the National Historic Preservation Act to require that each State pass through 10 percent of its annual allocation to local governments certified as having outstanding local preservation programs. At a minimum, each CLG establishes its own volunteer commission and enacts a preservation ordinance tailored to local needs. A CLG can go so far as to assume from the State Office responsibility for National Register nominations and Section 106 consultation for its jurisdiction. Since 1980 more than 1,500 local governments have chosen to participate, more for recognition than for the modest pass-through grant money.

In Sum: An Economic Development Program That Strengthens Communities—and More! That's what America is already getting for less than the cost of a single fighter plane. Using the National Register as a tool, State Offices and CLGs help willing property-owners win recognition for historic properties, secure their protection from federal encroachment, and obtain tax credits to rehabilitate and reuse them in income-producing ways. States and localities leverage the federal program with added incentives to increase public benefit. Each $1 from the Historic Preser-

vation Fund to the States generates an investment of $30 by State and local governments and the private sector. States and localities know that:

- every million dollars spent on rehabilitating historic sites creates 29.8 new jobs (15.6 in construction and 14.2 in the professions and ancillary fields) and generates $779,800 in household income;
- that same million dollars creates 3.4 more jobs and adds $53,000 more to household incomes than a million dollars spent on new construction;
- many companies, especially those employing highly paid knowledge workers, prefer to locate in communities with historic character and interest;
- preservation pays dividends to homeowners, since property values rise faster in historic districts than elsewhere; and
- historic attractions form the basis of America's burgeoning heritage tourism industry.

And who can put a dollar value on these less tangible, but perhaps more important, benefits of historic preservation?

- community pride;
- the sense of belonging and citizenship;
- the feeling of connection with the nation's past;
- the educational value that comes from bringing history to life for young people; and
- the aesthetic value that comes from preserving our country's architectural heritage?

Funding the Nation's Non-Park Historic Preservation Program: The Historic Preservation Fund (HPF) is a line item in the Department of the Interior budget appropriated annually from offshore oil-drilling revenues to carry out the Act. Grants are made annually from the HPF to the 57 States and territories, to Indian tribes, and to certain important classes of resources and projects. The respective States' shares are apportioned by formula. Every State at least matches the federal contribution, and many States overmatch.

Historical Perspective on States' Funding. Appropriations from the Fund have never reached their authorized level of $150 million. In fiscal year 1981, the States' funding was cut from $45 million to $19 million. The States' appropriation for FY 1999 stands at $32 million, nearly 25 percent less in purchasing power than appropriations immediately after the 58% Reagan cut. Despite the increasing challenges the State offices face, the Clinton administration has consistently proposed level funding for States and territories, which translates into real cuts.

Declining State Share within HPF Appropriations. Moreover, the States' share of the HPF appropriation has declined. Since the 1992 amendments to the Act, Indian tribes have received grants for their preservation programs, and Congress has made special awards to politically appealing classes of resources—lighthouses and historically black colleges and universities—as well as individual buildings. As a result, the nation's basic program to help communities and property owners—the program run by the State offices has been starved.

Today's Challenge. Today as in the 1960s, America's communities are again struggling in the face of enormous challenges to maintain identity, cohesion, continuity, and a sense of place. The very existence of communities—both urban and rural—is threatened by these powerful social, economic, and demographic challenges. States need more tools to meet these new challenges. Whether dealing with issues of growth or decline, America's communities more than ever need strong State historic preservation offices to help them maintain their unique character and build upon it for the future.

What About the Built Environment? There is much public debate in the new Congress about how to protect and preserve the environment in the face of economic and population growth. Both political parties have proposed massive new spending for this purpose.

Notably absent from the debate, however, is a recognition that the built environment is a critical component of the environment as a whole. Unless our policy encourages investment in revitalizing and reusing significant buildings, districts, downtowns and neighborhoods, we cannot hope to restore our communities to health and preserve America's priceless natural heritage. Our communities must be strengthened as centers of economic, social and educational vitality—in short, as growth centers.

A Responsible Legislative Agenda for Preservation of America's Legacy. Neglect of the States' portion of the HPF does not provide the kind of federal leadership and support envisioned in the 1966 Act, and it erodes the federal-State partnership that has been so successful for three decades despite never having been funded to the authorized level.

Therefore, the National Conference looks to Congress to give the State Offices the necessary tools. We call upon Congress to enact the language of Title III in S. 446 to create a permanent, annual withdrawal of $150 million from the Historic Preservation Fund.

Public benefits

Vigorous registration of historic properties and use of tax credits will revitalize our older downtowns, neighborhoods, and districts and help restore viable communities.

Enacting the Historic Homeowner Assistance Act will extend the benefits of federal tax credits to residential property owners, revitalize older neighborhoods and districts across the nation, and dramatically boost the construction industry.

Reinvigorated effort to survey areas as yet inadequately surveyed can target important resources for preservation and reuse as assets to communities.

Restoring the grants program will enable direction of funds to projects using historic resources as catalysts of community revitalization.

Making available more than token funds for the Certified Local Government program will enable communities to preserve what is critical to their identities, pride, economic health and sense of place.

Encouraging education with historic places in our schools and communities will help our children learn volumes about citizenship and the shaping of our country.

Boosting heritage tourism, based on preservation and interpretation of historic buildings, districts, battlefields and archaeological sites, will provide much needed jobs and revenues for communities.

The Tools to Do the Job. As America is poised for the new millennium, we should remember that for a third of a century the States have been saving America's treasures and producing results that benefit citizens, communities, the States and the nation. The combination of federal leadership and State execution has worked well. Today, with America's communities threatened, it is time for Congress to reaffirm the partnership that has worked so well. It is time to give the States the tools to do the job the Act's visionary framers intended.

III. BACKGROUND ON THE NATIONAL CONFERENCE OF STATE HISTORIC PRESERVATION OFFICERS

The National Conference of State Historic Preservation Officers is the association of the gubernatorially appointed officials in State government who carry out the Nation's historic preservation program under the National Historic Preservation Act for the Secretary of the Interior and the Advisory Council on Historic Preservation. A nonprofit organization incorporated in 1976 in the District of Columbia, the National Conference facilitates communication among the State Historic Preservation Officers from the 57 States, territories and the District of Columbia and represents State historic preservation interests at the national level with the federal and private sectors.

IV. VIEWS OF THE NATIONAL CONFERENCE OF STATE HISTORIC PRESERVATION OFFICERS ON EACH BILL AND INITIATIVE

S. 25—Conservation and Reinvestment Act of 1999

1. Principal recommendation: add the permanent, annual, $150 million withdrawal from the Historic Preservation Fund to S. 25.

The National Conference of State Historic Preservation Officers urges the Committee to include a title in the Conservation and Reinvestment Act that converts the Historic Preservation Fund (Section 108 National Historic Preservation Act, 16 U.S.C. 470) to an annual, $150 million, permanent appropriation. The text of Title III of S. 446 accomplishes this objective.

The objectives of the Conservation and Reinvestment Act for the natural and recreational environments are enhanced by the inclusion of the historic, built environment. On the most practical level, improving the existing places where people live, shop and work—provides alternatives for the development of open space and the infringement of wildlife habitats. Historic preservation is the ultimate recycling process, re-using buildings for modern purposes. The more existing towns and cities attract people the less pressure on developing open space.

2. Views on other Sections of S. 25.

In the proposed new Section 701, Findings, beginning on line 16, page 2, the bill should include a new paragraph on the potential adverse environmental impacts from offshore oil drilling on historic resources, particularly prehistoric archeological sites.

In Title I, the bill should add a subparagraph (7) to the new Section 704 Uses of Funds of the Outer Continental Shelf Lands Act beginning on line 11 page 17 that authorizes funding for enhancement of historic properties listed on the National Register. Historic sites, like air quality, wetlands, wildlife, are part of the environment on the fragile shorelines of coastal states and merit eligibility for impact assistance funds.

In Title II, Land and Water Conservation Fund, Section 203(d) beginning on line 23 page 25, limits grants administration charges to 2% of the recipient's allocation. The Committee should examine this provision closely. Two percent is totally unrealistic for the Historic Preservation Fund administrative requirements of the National Park Service. For the past decade the actual cost of administering National Park Service grants by States is 11% of the allocation. It is possible that with increasing allocations the actually administrative cost percentage may decrease as the National Park Service requires the same degree of oversight for a Historic Preservation Fund subgrant of $5,000 as it does for a subgrant of $500,000.

The National Conference is interested in the concept on line 15 page 26, Section 203(f) that treats all tribes and Alaska Native Village Corporations as one "state" for the purposes of allocation of grants. This idea merits further investigation for the allocation of Historic Preservation Fund appropriations among Tribal Historic Preservation Offices.

S. 446—Resources 2000 Act

1. Principal recommendation: adopt the language of Title III: permanent, annual $150 million appropriation from the Historic Preservation Fund.

The National Conference heartily endorses Title III on page 29 of S. 446 which converts the Historic Preservation Fund to a permanent appropriation through an amendment of Section 108 of the National Historic Preservation Act (16 U.S.C. 470h).

We encourage the Committee to include this language in whatever bill is reported out of Committee.

It is our understanding that the effect of Title III is to make Section 108 of the National Historic Preservation Act read as follows.

Section 108

(a) To carry out the provisions of this Act, there is hereby established the Historic Preservation Fund (hereafter referred to as the "fund") in the Treasury of the United States. Subject to section 5 of the Resources 2000 Act, there shall be deposited into such fund $150,000,000 for each fiscal year after fiscal year 1998 from revenues due and payable to the United States as qualified Outer Continental Shelf revenues (as the term is defined in section 4 of that Act, and/or under the Act of June 4, 1920 (41 State. 813) as amended (30 U.S.C. 191), notwithstanding any provision of law that such proceeds shall be credited to miscellaneous receipts of the Treasury. Such monies shall be used only to carry out the purposes of this Act.

(b)(1) Of amounts in the fund, up to $150,000,000 shall be available each fiscal year after September 30, 1999, for obligation or expenditure without further appropriation to carry out the purposes of this Act, and shall remain available until expended.

(2) at least 1/2 of the funds obligated or expended shall be used in accordance with this Act for preservation projects on historic properties. In making such funds available, the Secretary shall give priority to the preservation of endangered historic properties.

(c) The Secretary of the Treasury shall invest moneys in the fund that are excess to expenditures in public debt securities with maturities suitable to the needs of the fund, as determined by the Secretary of the Treasury, and bearing interest at rates determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturity. Interest earned on such investments shall be deposited into the fund.

The National Conference understands that the change of verb from "covered" to "deposited" will ensure that the offshore oil lease revenues placed in the Historic Preservation Fund are actually available for allocation among the States and tribes.

The National Conference is concerned about the language of the proposed Section 108(b)(2) which currently requires one half of the Historic Preservation Fund annual allocation go to "projects". It is essential that the definition of "projects" include capital and non-capital, or construction and non-construction, activities. Future resource needs may exist beyond restoration activities. One current national priority is the digitizing of State inventory information into geographic information systems. This requires a substantial initial investment to encode site-specific information.

Once completed, however, a geographic information system yields substantial rewards. On the most practical level, it reduces the comment time in the Section 106 process dramatically thus reducing environmental review costs on federal agencies and applicants.

Further, the capability of State Historic Preservation Offices lags way behind the need of the private sector for expertise, technical assistance and advice. Every private preservation organization, led by the National Trust for Historic Preservation, agrees that the State Historic Preservation Offices are the principal point of contact from the private sector seeking historic preservation advice and seeking guidance on the national preservation program.

The National Conference supports the concept in the new Section 108(c) on page 30 which deposits Historic Preservation Funds excess to expenditures in public debt securities. This is a prudent step which will help create a self-sufficient Historic Preservation Fund which in the future may operate on the interest, rather than on offshore oil lease revenues.

The National Conference is concerned about protecting the intent of the Historic Preservation Fund from raids from other than intended users. The current language in Section 101(e)(3)(A) limits Secretarial grants to 10% of the annual allocation. The appropriators have continually ignored federal law and awarded increasing amounts from the currently limited Historic Preservation Fund appropriations. In fiscal year 1999, only 40%, not the statutory 90%, of the Historic Preservation Fund went to the intended recipients: States (and through States to local governments) and Indian tribes.

2. Views on other sections of S. 446.

Section 3(a)(7) on page 5 discusses suburban sprawl as threat to open space. A sentence should be added that indicates that historic preservation provides with an alternative to sprawl for residential and retail uses.

In Section 3(b) on page 7, a new paragraph (7) should be added indicating a purpose of the Act is the protection and enhancement of historic properties.

The National Conference has questions about phraseology concerning the Outer Continental Shelf revenues. In Section 4(4) page 8, the term "qualified outer continental shelf deposits" means to restrict the source of funds to those areas currently under lease. "Qualified outer continental shelf deposits" is intended to signal that no new drilling shall occur. The National Conference is interested in maintaining the annual deposits of $150 million into the Historic Preservation Fund. We understand that the use of this term will not have the effect of reducing the amount of the annual deposit for the foreseeable future.

The National Conference does heartily support the concept of investing unneeded portions of the annual $150 million deposit in interest bearing government securities. This will, over time, have the benefit of "growing" the Historic Preservation Fund working toward the possibility of a self-generating fund for historic preservation where interest earned funds annual outlays.

Section 6 on page 11, line 11, limits administrative expenses to 2% of the "activity." As mentioned above, the National Park Service rules for administering Historic Preservation Fund allocations cost states 11%.[1] When this bill increases the Historic Preservation Fund allocations to each State, it is possible that the cost per grant dollar of following the National Park Service's rules may decrease. However, the National Conference has concerns that the administrative limit is unrealistic.

In Title IV, on farmland, ranch land, open space and forest land protection the National Conference has two comments. First, the National Conference believes it is more efficient to work through the States for acquisition of land rather than through federal agencies. Second, the protection of acquired lands is dependent to some degree on the designated holder of the easement. (Section 404, line 12, page 33) Easements held by private, nonprofit organizations can be condemned by local or State governments and the original purpose subverted. Further, private nonprofits themselves can counter the purpose of the easement. Permanent protection of open space through easements is enhanced through a check and balance system with more than one holder of the easement.

S. 532—Public Land and Recreation Investment Act of 1999

1. Principal recommendation: add the permanent, annual, $150 million withdrawal from the Historic Preservation Fund to S. 532.

2. Views on other sections of S. 532.

The National Conference supports the language in Sec. 2 paragraphs (3), (8) and (9), pages 2 to 4. This text provides an apt analysis of the diversion of Outer Con-

[1] Source: National Park Service, Historic Preservation Services, State Products and Sources, Historic Preservation Fund, fiscal year 1998 and records for preceding ten years.

tinental Shelf revenues from their intended purposes for both the Land and Water Conservation Fund and the Historic Preservation Fund.

Section 3(c)(3)(C), conforming amendments, on page 13, amends the National Historic Preservation Act reference to coordination of recreation planning with the mandated historic preservation plan. The National Conference recommends that this subparagraph be amended as follows:

> (C) Section 102(a)(2) of the National Historic Preservation Act (16 U.S.C. 470(b)(2)) is amended by striking all that follows after the words "approved by the Secretary".

The National Park Service has re-engineered the requirements for statewide historic preservation plans. Rather than mandating a "one size fits all" plan for every State, each jurisdiction defines the scope of its plan within a statewide framework that reflects all relevant governmental and private sector components. In place for a half decade, this re-engineered system has worked well, certainly better than the previous, prescriptive planning system.

The National Conference regrets that Senator Feinstein, while reviewing the Act is such detail to change planning requirements, did not include the conversion of the Historic Preservation Fund into a permanent appropriation.

Administration's Lands Legacy Initiative

The National Conference was extremely disappointed that the Administration had dropped the $150 million Historic Preservation Fund withdrawal from the Lands Legacy Initiative. We understand that the Office of the President eliminated the historic preservation initiative, included by the Department of the Interior, because of cost. We believe this decision was short-sighted for several reasons.

1. Historic preservation provides the techniques and philosophy to enhance existing communities, to improve the "human habitat." Human beings are part of the environment too. Wilderness, park land, recreation sites cannot exist unless people have a place to live and work.

2. Historic preservation is a good investment that continues to pay interest over the years. The Historic Preservation Fund is not a land acquisition program involving a perpetual federal financial obligation for maintenance and management. Projects restored through the Historic Preservation Fund carry the caveat that the current and future owners must maintain the property in its restored state. Historic Preservation Fund-assisted projects are available and accessible to the public. The Historic Preservation Fund requires a match for any activity.

The Historic Preservation Fund plants seeds which grow and continue to generate benefits. The economic successes of the Garden District in New Orleans, Annapolis, LoDo in Denver, or Takoma Park in Maryland are examples. It is hard to believe decades later that the initial push for preservation of these places, often the National Register nomination, was met skeptically by the general public.

3. Historic preservation is the original livability agenda: using architecture and history to attract individuals to invest in existing neighborhoods and retail districts where the necessary infrastructure is in place.

4. The Lands Legacy Initiative and much of the Clinton Administration fiscal year 2000 budget request reflect a "top down," "Washington knows best" approach. We believe this concept works when the federal government is going to acquire the land and assume the perpetual care and management responsibilities.

We believe it is more appropriate to follow the Clinton Administration's reinventing government approach. Effective decisions are made closest to the affected resources, by the people not for the people. The existing national historic preservation program under the National Historic Preservation Act is "reinvented." Preservation decisions are made by the property owners with the option of help and tools from States and local governments.

V. CONCLUSION

The National Conference of State Historic Preservation Officers extends its thanks to Chairman Murkowski for the opportunity to testify. We urge the Committee and the Senate to enact a permanent, annual $150 million permanent Historic Preservation Fund appropriation.

The CHAIRMAN. Thank you very much.

Theodore Roosevelt.

STATEMENT OF THEODORE ROOSEVELT, IV, MANAGING DIRECTOR, LEHMAN BROTHERS, NEW YORK, NY

Mr. ROOSEVELT. Mr. Chairman and members of the committee, thank you very much for the invitation to testify before you today.

Briefly, by way of introduction, I am a strong believer in the conservation ethic which this country has pioneered and I think makes us different from most nations in the world. I also serve on the boards of several environmental organizations. I operate a ranch in Montana. I live in Brooklyn, New York. And I am an investment banker.

When I go back and talk to my partners tomorrow, they will be interested in the fact that I had the opportunity to testify before you. But when I tell them that Terrell Davis was here, then they will know this was an important issue.

[Laughter.]

Mr. ROOSEVELT. I am delighted, however, to see the breadth of bipartisan support for the concept of a new land and water conservation bill. To take the Conservation Reinvestment Act of 1999, spearheaded by you, Mr. Chairman, and Senator Landrieu, that is a good illustration of bipartisan support. The two of you cover a wide spectrum of the American political landscape.

I support the concept of a land and water conservation bill for three reasons. First, it meets a need that the American people overwhelmingly support. In 1998, 148 State and local open space ballots were on the ballot. Amazingly, 124 were approved, which collectively committed over $5 billion of taxpayers' money to preserving open space, making our cities greener and our country—preserving open space. That number does not include the carte blanche given by the Florida State Legislature to authorize bonds for acquisition. The American people spoke loudly and clearly with their wallets.

Second and third, it is good science, and it responds to demographic pressures. Not long ago, I was asked by a Congressman, Have not we set aside enough public land? It is a good question. And while we should be proud of what earlier Congresses and former Presidents have accomplished, the answer, in my opinion, is no. Many of our public lands were set aside without an understanding of the environmental needs that we face today.

For example, some of our most magnificent national parks are tremendously rich in scenery but are relatively poor in terms of biomass or biodiversity or, as the habitats, they are incomplete for the species which they were designed to protect. In the last 20 years, a new scientific discipline, conservation biology—the science of how do you keep ecosystems healthy and natural habitat from going extinct—has emerged and established several important principles for keeping such systems healthy.

First, larger tracts of habitat are more efficient and can sustain more species, and can sustain severe natural assaults, such as drought, fire and flooding. Second, it is important to animal populations that they disperse and can mix genetically. It is more likely that animals will be able to do so if there are islands which are nearby, rather than those that are far apart.

And, third, such habitat islands that are linked by corridors of habitat are clearly better than those that are isolated. Corridors,

we have learned, have an importance even for such prosaic things as bees and butterflies, because they need to migrate and pollinate our agricultural crops. And without them, we run a serious risk of doing damage to our agricultural industry.

Earlier I mentioned I live in Brooklyn. As an urban resident, I see daily the need for pocket parks and recreation areas as our cities continue to become more and more crowded. Brooklyn, as one of the 10th largest cities in the United States, has less park and recreation area than any other city in the United States. However, as a New Yorker, I am proud that every single county in New York has benefited from investments from the original land conservation bill. One of its best provisions was a fair and equitable split between the Federal Government and States in revenues.

I also see that in response to demographic pressures, our public lands are under more pressure than ever before. More than one in three Americans every year goes on a nature-oriented recreation trip. That is more than 100 million people every year. So when I hear Senator Craig talking about—and as an obtuse investment banker, I get his point loud and clear—I am concerned that we need to do more for our public lands. We need to expand Yellowstone National Park to provide corridors so animals can migrate to the north and have a good habitat.

In other words, demographics is driving suburban sprawl, highway construction, but it also should drive the acquisition and protection of our remaining open spaces. I firmly believe that the passage of a good land and water conservation bill will be a landmark legislation that future generations will look back upon with gratitude and awe.

Such a bill, in my opinion, need have four features. There should be no incentives for new offshore drilling. Second, the land and water conservation bill should be fully funded. And each bill before the Congress, and the administration's bill, has that provision. Third, it should continue the precedent of a fair split between the Federal Government and the States. Fourth, I am concerned about the land and water conservation bill being encumbered by new restrictions and how it operates.

I understand and I can sympathize with the motivation underlying these proposed restrictions. But I would suggest, however, that such restrictions might have unintended consequences, and all parties, over the longer term, would be better served by a bill that had more flexibility in its application. Having said that, I think it is very much in the desire of the constituencies that I represent to remember the adage, as Senator Bayh mentioned earlier, do not let the desire for the perfect become the enemy of the good.

Mr. Chairman, members of Congress, members of the Senate, you have taken a magnificent step towards having a good land and water conservation bill. We want to continue to work with you.

[The prepared statement of Mr. Roosevelt follows:]

PREPARED STATEMENT OF THEODORE ROOSEVELT, IV, MANAGING DIRECTOR, LEHMAN BROTHERS, NEW YORK, NY

Mr. Chairman, Senators, thank you for the opportunity to testify today. My name is Ted Roosevelt, and I am an investment banker, a Republican, a conservationist, and a rancher—in no particular order of preference. I serve on the Governing Council of The Wilderness Society and am Chair of the bipartisan League of Conservation

Voters. I also serve on the Board of the Institute of the Environment of Natural Resources at the University of Wyoming and have numerous affiliations with other environmental advocacy groups, including Defenders of Wildlife. As a matter of personal commitment and family tradition, I have a deep and abiding interest in the protection of America's natural resources and public lands.

I am here to speak to you on an occasion of great moment. Today, you have the opportunity to honor the bipartisan intentions of Congress more than thirty years ago, when the members of this great body passed a groundbreaking bill, the Land and Water Conservation Fund. What a stunning act that was—such a testament to the potential in this governing body to arrive at fair and pragmatic solutions. Now, all that is required for this Fund to serve its original purpose—a purpose which is more essential to the well-being of our nation than ever—is a simple commitment to its full and permanent funding.

It seems to me that you will need the answers to several questions in order to stand behind the LWCF: Why is it important? Do your constituents care? Will it do the job? Unfortunately, a divisiveness arises around environmental and land use issues that has little, if not nothing, to do with the answers to those important questions. I will, of course, propose some answers to those questions, but first I would like to take a moment to look at the divisiveness.

By the measure of our young country, this is an ancient argument: Whose land is it anyway? I have always taken some solace in the fact that Americans on both sides of the environmental divide (which seems to run somewhere near the course of the Mississippi or thereabouts) are so ferocious on this subject. No matter their agenda, we must acknowledge that Americans feel that "these lands are their lands."

As one of our great Western writers, Wallace Stegner, observed, it was the wilderness that transformed us into the people we are today. In facing the wilderness, however, not only was our identity as Europeans challenged, but so was our survival. Out of the wilderness, we forged both a new identity as a people and a prosperous future. Opportunity and danger were found in our wild places in equal measure. As a result, I think that our public discourse continues to be marked by a deep ambivalence toward the land that both threatened us and provided for us.

William Ashworth, in discussing the legacy of our frontier mentality, wrote: "It has caused us to seriously undervalue raw materials and undeveloped land; undeveloped things are by definition beyond the frontier, things that belong to no one and are therefore free. In this context, restrictions on land development, logging, and mining are difficult to impose."

Nonetheless, in response to "cut and run" exploitation at the turn of the last century, we began to set aside and retain lands in public trust. This was the result of some extraordinary and visionary leadership. But it was also a direct response to what could be called a grassroots' movement that arose among the American people at the time.

In his book, *Mountains Without Handrails*, Joseph L. Sax, a law professor and public land theorist, describes it this way: "The Yellowstone era was also the time of the Homestead and Desert Land Acts, when every American family was to have its share of the public domain free of monopolization by the rich. The application of that principle to the great scenic wonders could not be realized by granting a sequoia grove or Grand Canyon to each citizen. But is was possible to preserve the spectacular sites for the average citizen by holding them as public places to be enjoyed by all."

Paul Gates, the leading authority on the history of public lands in America, also reminds us that America's public lands include degraded arid often tax-delinquent forests and watersheds that were virtually abandoned and prone to erosion and flooding. An offer by the Hoover Administration, for instance, to cede western range lands to the states found no takers because of the low value and cost of administering the land.

Protection from reckless exploitation, providing a home for abandoned lands, and the preservation of special places—these were the motivations in the past for designating and protecting public lands. Today, we have new and even more pressing motivations, and these answer the first of our questions: Why are these lands important?

Or, as one of our Congressmen recently asked me: Haven't we set aside enough public land? It's a good question. And, while we should certainly be proud of what earlier Congresses and former Presidents accomplished for our nation, the answer is NO, we have not done enough. The public lands now in existence were set aside for purposes other than today's environmental needs, and, as they are now, they are not sufficient to the ecological tasks we are imposing on them. Some of our most magnificent national parks, for instance, are rich in scenery and poor in terms of

biomass or biodiversity. This is nothing less than a tragedy and one that will have serious repercussions for all of us.

While many of our public lands were originally established for timber, mining, scenic values, and recreation, they have become, by default, our nation's primary strongholds for species conservation. As habitat declines in quality and quantity, species vanish forever, taking with them all the values they provide. These include the natural functioning of their ecosystems, which in turn provide clean air and water. These include free agricultural services, such as pollination, pest control, and the protection of arable land through the prevention of erosion and salinization. These values include valuable genetic lines of wild species to rehabilitate crop and livestock gene pools. These values include the origin of 57% of the 150 most prescribed drugs and potential cures for many diseases, including those that we are unleashing on the world through our disruption of natural habitats. In fact, the EPA's Science Advisory Board under the Bush Administration reported in 1990 that species extinction and habitat loss pose one of the greatest threats to the environment and human welfare.

Today, development pressures on open spaces are unrelenting, gobbling up land resources that, as you all should recognize, are vital to the continued health, both economic and environmental, of our nation. Seven thousand acres of land are lost every day to development. Our wild lands are becoming increasingly like islands, surrounded by "oceans" of towns, shopping malls, roads, people, development.

Over the last 20 years, a new scientific discipline, conservation biology, has emerged and has established several important principles for keeping ecosystems healthy and species and natural communities from going extinct. First, larger tracts of habitat can sustain more species and can better withstand unusual natural assaults, such as extended dry spells, flooding, or forest fires. Second, it is important to allow animal populations to expand and disperse in order to maintain their genetic viability. As it is unlikely that they will foray across long stretches of inhospitable terrain, closer habitat islands are better than those that are far removed. Third, habitat islands need to be linked by "corridors" of habitat to further aid animal dispersal and maintain healthy populations. We also must recognize the need to maintain what are called nectar corridors along the migratory route of our pollinators, which provide that free service for 75% of the world's staple crops and 90% of all flowering plants.

Today, by combining ecological research with computer mapping and analysis, we can make better choices about which lands will yield the most conservation benefit per acre and per dollar, thus improving the efficiency of programs like the LWCF. We have also learned that lands do not have to be declared completely off-limits in order to serve as effective conservation tools. Many recreation uses, and even a number of uses such as logging, can be compatible with the conservation of wild species and habitats, but as our human population increases, our need for recreation lands is stressing those that remain and risks degrading them.

In sum, our current stock of public lands simply cannot do it all. The lands are stressed to the maximum, and, I will note here, so too are the personnel of some of our most exemplary service providers, the men and women who care for our parklands and refuges.

The next question is: Do the American people care?

In 1998, of 148 state and local open space measures on the ballot, 124 were approved. That's a resounding 84% approval rating on measures which, collectively, committed over $5 billion in public revenues to preserving America's open spaces.

Christine Todd Whitman, the distinguished Republican governor of New Jersey, has said:

> Few of our actions will affect future generations as much as the preservation of land today. Open spaces, including forests and farmlands, help purify the water we drink and the air we breathe. Open spaces provide habitat for wildlife, and a place for human recreation and refuge in a hectic world.

She is one of a large number of today's leaders, including the governor of my own state, Governor Pataki, who are stepping up to the plate to protect our natural heritage. Governor Whitman put her support for public lands to the test in last November's elections by championing a ballot measure committing $1 billion to conservation. It passed.

In the context of the overwhelming need for protecting open space and the broad support of the American people, we then turn to the third question: Will the Land and Water Conservation Fund do the job? A corollary to that question is: Why hasn't it done the job thus far?

As you know, when Congress created the Land and Water Conservation Fund in 1964, a portion of the revenues from federal offshore oil and gas leases, amounting to about $900 million a year, was earmarked for the Fund to purchase and protect "areas of natural beauty and unique recreational value." But Congress never spent all of the money for its intended purpose. Between 1987 and 1997, three out of every four dollars were spent elsewhere. During the same period, LWCF spending averaged just $230 million or 25% of the $900 million authorized to flow into the Fund. Congress did a little better in the early years of the Fund, but not much.

One of the principal motivations of this under-spending was to make the federal budget appear to be less out of balance. But the failure to take full advantage of the LWCF's potential has also been a result of insufficient commitment to the Fund's purpose in some corners of Congress. Senators, we can no longer afford that lack of commitment.

Despite operating with severely less funding than originally intended, the Land and Water Conservation Fund performed some small and large miracles for the American environment. This little known and, until recently, almost forgotten Fund was the invisible hand behind some of the most important and vital federal land acquisitions of the past three decades. On the Eastern seaboard, these include: the Cape Cod National Seashore in Massachusetts, the New Jersey Pinelands, the expansion of the Florida Everglades, and the completion of the Appalachian National Scenic Trail. The Fund has preserved fisheries, wetlands, and wildlife habitats. The state-side portion, when it actually received any money, created scores of parks, soccer and baseball fields, community swimming pools, greenways and bikeways in all of our neighborhoods, including some of this nation's harshest urban settings.

Almost 7 million acres of land were purchased with LWCF funds.

This committee has an opportunity to advance hundreds of additional projects such as these. It is an opportunity that comes in a time of both enormous need and extensive public support.

This committee has before it several pieces of legislation dealing with this issue. Senators Landrieu and Murkowski have introduced the Conservation and Reinvestment Act; Senator Boxer, the Permanent Protection for America's Resources Act; and Senator Feinstein, the Public Land and Recreation Investment Act. In accordance with the legislative process, these bills are works in progress. In my view and that of many members of the environmental community, there are four elements essential to the final legislation.

First, that legislation must permanently remove the LWCF from the financial sleight of hand that, for far too long, limited its effectiveness. 1999 is the year to take LWCF off-budget once and for all.

Second, the LWCF must be fully funded. After years of diverting as much as 75% of the intended money out of LWCF, partial reparations are not good enough. The original bipartisan intentions of Congress in 1964 should be honored by funding LWCF at the full $900 million level.

Third, the LWCF should enter the next century unencumbered by new restrictions on how it operates. The LWCF isn't broken, and there is no need to fix it. Those who are genuinely committed to its success will not, with one hand, finally give the LWCF the financial resources it needs, while, with the other hand, they take away its effectiveness by adding new and needless restrictions on how the Fund works. Why hamstring 30 years of success?

Fourth, there should be no incentives for new offshore drilling leases.

S. 25 would limit the Land and Water Conservation Fund on the federal side to the purchase of existing inholdings with exceptions only approved by an Act of Congress. The bill would also require that two-thirds of all LWCF dollars be spent east of the state of Texas. It further restricts the current fund for any single federal or state grant project at $5 million without further authorization.

Have there been flagrant abuses of the LWCF fund which need to be addressed? No.

Have Western Senators and Members of Congress requested the use of LWCF funds for purchases of lands west of the 100th meridian? Indeed, they have.

And don't the authorizing committees currently have the ability to pass authorization for projects, if they choose to do so? Yes.

The pressing needs of today are, in large measure, the result of the unmet conservation needs of the past twenty years, caused in part by the prolonged and substantial under-funding of the Land and Water Conservation Fund. An economist in the Wall Street Journal recently described what he called "the dinosaurs" of the old economy this way: "They still make decisions that systematically destroy their strategic assets in the interests of short-term profit." I know, Senators, that you would be loath to be called dinosaurs. I urge you, therefore, to make a commitment to in-

vest in the strategic value of our national resources and environmental health. We can begin by reversing the under-funding of the LWCF on a permanent basis.

I urge the members of this committee to forward to the Senate legislation that will fully and permanently fund the Land and Water Conservation Fund, while refusing to encumber the Fund with needless new restrictions.

In closing, I offer you the words of my great grandfather.

> To waste, or destroy our natural resources, to skin and exhaust the land . . . will result in undermining in the days of our children the very prosperity which we ought by right to hand down to them amplified and developed.

Thank you.

Senator BINGAMAN. Senator Landrieu, why don't you go ahead with your questions.

Senator LANDRIEU. Thank you. I want to thank all of the panelists. I had not had the opportunity to meet some of those representing the property rights groups, but I want you to know that I appreciate the comments, and I look forward to learning more about your perspectives as we work through this very challenging subject matter.

Now, I would like, though, to ask any of the other panelists that have the opposite views of this 42 percent ownership and too much already—maybe, Teddy, you could comment on that, and I have two questions. How would you respond? Do you agree, first of all, that 42 percent of the land in the United States is owned by a public body? And if so, do you think that is too much, not enough? What would the views be of the many groups that you speak so eloquently for in that regard? How could we take into account that point?

And then my second question—and I would open that up to Jane, to you, or to Judith to respond to that—and my second point would be considering that 90 percent of this offshore oil and gas revenue comes basically off the shores of Louisiana, Texas and, to a certain degree, Alaska, to some degree Mississippi, recognizing that many of the other States have put in—and properly according to their views, moratoria—how do you think the host States in this proposal should be adequately compensated for the fact that the money is actually coming not from the coast of Washington or California, but 90 percent from the coast of Louisiana, which has tremendous impacts?

And my final question—and if you all can jot these down—would be, Jane, to you. You said something, and I missed it, about taking title I—your suggestion would be to take something on title I and III or I and II, and use the interest earnings for III?

Ms. HAGUE. I and II.

Senator LANDRIEU. If you could elaborate on that point, and just the fairness of that proposal, given that 100 percent of this money—it has been $120 billion since 1955—has come off the coast of Texas and Louisiana—what in heaven's name would be our interest of sending all the money that we produce, at actually great environmental disadvantage to ourself in some instances, to send to your State? I mean what would you expect me to say to the people in Louisiana on our coastline?

I would like you to respond to that in a minute, but, Teddy, would you comment on the 42 percent?

Mr. ROOSEVELT. I would be delighted to. That is a statistic that I have not heard. It may be accurate and it may not. I just have

not had a chance to do the arithmetic to see. I am not concerned about this country falling prey to becoming socialized land. That is not an issue that this country is going to be facing.

Furthermore, some of that land was taken over by the Federal Government in the thirties and forties, under the Land Utilization Act. Effectively, it was abandoned by private owners. They could not make money out of it. And so the States did not want it, the counties did not want it. The Federal Government took it over, and it is part of the land that is now administered by the Bureau of Land Management.

So if you are going to look at the history, I think it is important to understand how the Federal Government got that land in the first place. I am not personally unduly concerned by 42 percent, if that is an accurate number. You are also comparing apples and oranges. Cities and municipalities and States obviously have to have land. And to compare their ownership with the Federal land, put it together, and come up with a large percentage like 42 percent, I am not sure that really helps you make an educated decision as to how you want to spend money.

Senator LANDRIEU. Well, I think that is a good answer. And we need that for the record. But I think that it is crucial to the development of this bill that we try to work through that. And we may never be able to agree. We may never be able to agree. But I think it is important for us to understand the nuances of that 42 percent. So if you have anymore details that you could send to me or any records that you all have—go ahead, Mr. Smith—if you could just give one comment.

Mr. SMITH. While I agree that some government land during the thirties and forties was acquired because landowners had abandoned it, I think we could find ample examples that are not so starry eyed. For instance, the creation of much of the Great Smokies National Park during the thirties, when the Federal Government sent the troops down there to drive these landowners off their lands in Cates Cove and those area, burned down their homes behind them. All they could carry off is what they could carry on their backs, or those people who were fortunate enough to have a wagon and have some oxen or burros that could save their holdings and belongings and personal property and carry it with them.

I mean we have had good and bad. And I am afraid that this may create more bad activities.

Senator LANDRIEU. And just one comment on that, and then I would like Judith, if you could, to understand, too, the committee members—and I was very happy to hear all the comments earlier this morning, because the difference of a Senator representing a State, where the Federal Government already owns 90 percent of their land is quite different from our perspective, where the Federal Government only owns 4 percent.

I have Sandra Thompson here and the mayor of Morgan City, who are looking for funding right now to help expand one of the greatest resources this country has, which is the Atchafalaya Basin. We desperately need these resources. And other States, they have a different perspective, which we have to respect as we work through this legislation, that one size does not fit all. And there is

an opportunity here to do something great, if we just are patient with one another and do it in the right way.

So, with that, Judith, could you comment on anything, on the 42 percent or the offshore oil revenue for me?

Ms. BITTNER. Yes, I would like to comment on the portion of the Federal ownership. I wanted to point out that the Historic Preservation Fund was established to keep the historic preservation resources out of Federal ownership, and that it would provide some guidance in a program that would stimulate private investment and provide the guidance and the program and just to have the opposite effect.

I think, in Alaska, the Land and Water Conservation Fund for the communities and the State is a very important, critical aspect for the State parks and the local parks. There are some critical borderlands and critical pieces that need to be purchased for a specific use. And it is not just trying to increase the Federal estate, but very critical strategic buying and use of property that is coming from the communities and the State, is something that is needed and fits in quite appropriately.

We are, in our State, with the Department of Natural Resources, giving land back to the municipalities. And it is the very difference between the municipal lands, State lands, and Federal lands, how they are managed and how they are used, and then letting the municipal governments then convey some of their lands into the private ownership and development.

Senator LANDRIEU. Jane, could you comment about your suggestion?

Ms. HAGUE. My suggestion on PILT, yes. And thank you for your question, Senator Landrieu. First of all, let me say that NACO has passed a resolution unanimously that supports your bill. And so I think the misunderstanding comes from my testimony that was not clear, that I am only asking for the interest investments from title I and II to be applied towards PILT.

Senator LANDRIEU. Okay.

Ms. HAGUE. And I believe that S. 25, right now, makes it totally state-side. And obviously we are very interested in full funding state-side, as well as the counties' ability to access funds. But PILT certainly is a mandate, and we believe that the Federal Government should recognize its commitment.

Senator LANDRIEU. Okay, so I did misunderstand. You were not testifying to take title I to use the interest of PILT.

Ms. HAGUE. Oh, no.

Senator LANDRIEU. It is to use some interest earnings to increase the funding for PILT?

Ms. HAGUE. Yes. Thank you for letting me clarify.

Senator LANDRIEU. Thank you very much.

And can I ask one more question, Jeff, if I could?

I do not know if it was one of the Senators or one of the panelists who made the comment about this potential land swap. If you were in a State where you already had a lot of your land owned either by the Federal Government or a State government, that if we went to purchase some additional land, you would put some currently public land back in the private sector. Does anybody want to comment about that? I think that is actually a very reasonable—I am

not suggesting it, but I think it is a reasonable concept. And if some of you think it is unreasonable, could you speak up now?

Mr. VINCENT. We have addressed that, Senator, in our amendments.

Senator LANDRIEU. Yes.

Mr. VINCENT. We suggested that if there is going to be an acquisition, that the Federal estate not be increased. And I can tell you, we come at it from the same position as the previous panels—a lady from New York City—when you said, we know that we need a lot of infrastructure work in our cities, but we have decided we are not going to buy or build anymore pools until we can take care of the ones we have got. Well, that is the way we look at this.

We are told, those who live out there, that the already acquired land mass does not have the budgetary capabilities of the managers taking care of it. And we have not funded the Spotted Owl Plan, not a third of what the President's team said it was going to need. We have not funded the Interior Columbia Basin Planning process. So until we do those things, if we are going to acquire a very important acre, like what you are talking about in Louisiana, we should look at divesting somewhere.

Senator LANDRIEU. But I am not suggesting that necessarily. In our State, we probably could not spend enough money to acquire the things that we would want to—with tremendous community support. I know there may be one or two people, but generally—and I know we have a strong property rights group—but there are clearly, in our State, some real needs for acquisition. I am talking about this bill that tries to do this for the whole Nation.

In some States that I have great sympathy for—I have not been to Alaska yet, but I cannot wait to go with the chairman—where 90 percent of their State is owned already—or, Frank, is it more than 90, or is it 85, or what is it?

The CHAIRMAN. Close enough.

Senator LANDRIEU. Close enough. We are close enough.

I think the chairman makes a good point about if you are going to purchase more land in Alaska, should not there be some release of some land into the private sector in the appropriate way? So if you think Alaska is unique, which some environmentalist argue that it was purchased for different reasons than the rest of the States, take another State, take Nevada, which is what, 75 percent or 80 percent. So when you talk to them about purchasing more land when they have already got 70 percent of their land already owned, do not you think their argument is reasonable for us to try to consider it? And I would like for you to just give it another try on that for me here and see what we can come up with.

Mr. ROOSEVELT. Well, I think you put your finger on a problem, Senator, that is felt with a great deal of intensity by people who live in such States. And spending a great deal of my time in Montana, I can understand that. I think I am reluctant, though, to make it so absolute and so black and white. And let me take an example to try to illustrate why I think the way I do.

We had, and I think exercised, a very good opportunity to buy the New World Mine north of Yellowstone National Park. There was a concern that if the mine was put in place, that despite all the efforts to keep the leaching fluids, the acid and so forth, out

of the watershed, there might be a break, and then we would do immense damage to the Park and to the Yellowstone watershed. Had that mine gone into place and had our worst fears come true, we would have felt like complete fools, trying to explain to our grandchildren why we did not buy the land when we had the opportunity to do so.

Had we had in place a provision which said no new net acquisition of Federal lands unless you find a swap, you probably would have incurred delays before you had a swap. We might have lost the opportunity to get it done. I worry about something like that, because it introduces an undue complication.

At the same time, I am sympathetic. I understand Senator Craig. You cannot misunderstand his feelings about that, and I am sympathetic to it. But I am very reluctant to say today that I think I am smart enough to anticipate what the future consequences of such a restriction would be.

Mr. FRONT. And, Senator, if I might add—there is a land exchange authorization already out there for the different land management agencies. And so the mechanism exists to do just these sort of swaps, but they are remarkably complicated. My organization works on land exchanges frequently. And more of them fail than succeed because of the complexities of moving land off of the public rolls and back onto the private rolls and because of the complexities of doing several different assembled land transactions to try to achieve one goal.

So there are places, like Lake Tahoe, where mechanisms have been set up. The Burton-Santini bill, of 1980, established a land sale authority of certain targeted lands that were cleared out of Federal ownership. And that was appropriately identified as sale stock, to then go to provide for acquisition. And the acquisitions have taken place at Lake Tahoe, and relieved some willing seller strife in the Lake Tahoe area.

But the process has shown just how complex it is in practice. And it is difficult, especially in a real estate marketplace that is very much opportunity-driven, to, as Ted says, rely exclusively on those sort of black-and-white swaps to take place.

Senator LANDRIEU. I thank you for your answers. They have been very thoughtful and very helpful.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Bingaman.

Senator BINGAMAN. Thank you very much.

Let me just ask Alan Front a question, and then if any of the rest of you want to answer: What do you think of this notion that we should write a preference into the law for acquisition of inholdings, how does that strike you? Does that make sense? Should we have a preference that we deal with this problem before we go about purchasing other unrelated lands?

Mr. FRONT. Well, certainly the inholding problem is acute, as Senator Domenici pointed out. And I am not aware of the statistic of how many billions of dollars' worth of inholdings there are in America, but it is certainly in the many billions, the multiple billions.

At the same time, this Congress does establish new areas. And there also are some properties that are severed in half by public

management boundaries. And so I would be curious about exactly what the language would be and what kind of a preference and how rigid it would be. But certainly an encouragement to Federal agencies to focus on the inholdings where different problems exist than the problems involving new areas, I do not think that that is a bad idea at all.

Senator BINGAMAN. Mr. Smith.

Mr. SMITH. Senator, I just returned from a national property rights conference that was held in Albany, New York. And there are thousands of inholders within the boundaries of the Adirondack State Park. And perhaps the major issue of concern that was debated at this conference was this particular piece of legislation and the fact that this might be the final nail in the coffin for buying out their lands, the people who did not want to be inholders to begin with. And they viewed this as a way of forcing them off the land and the loss of their family homes, their farms and their properties. And they are very concerned about this issue.

Senator BINGAMAN. So they did not want to be purchased? They are inholders who did not want to be purchased, as I understand it?

Mr. SMITH. Right, they would like to continue to own their homes and continue to live there.

Mr. CUSHMAN. Senator, I would say, when we started, we were the National Park Inholders Association. We became the National Inholders Association as we broadened out into forests and other areas. You have to go through a definition. Prior to 1960, inholders were promised by the Congress they would never be purchased if they did not want to be. The Park Service has tried to change that.

Since 1960, the Park Service does not call those people inholders, yet I think the implication from your bill is that you do. And the national forests are fill of millions of acres of all kinds of checkerboarded lands and lands that I guess, under the terms of your bill, would be called inholdings. Let me say this unequivocally—most inholders do not want to sell. If they did, we would not exist. They pay dues to us to try to keep bills like this from happening. And we have got to honor our promises. But there are solutions. There are ways to make landowners allies instead of enemies. Involve them in the process.

What is this notion that in order to have—does the Government have to own all the nice places? Why cannot we work with—I mean the same sort of sensitivity that our friends in the urban areas are working to set up urban programs—if they are working with landowners in rural areas and making them part of the solution, you would have a lot less problem. But threatening them with losing their property is not the solution.

Senator BINGAMAN. I do think we have both kinds in New Mexico. We have a lot of people who are inholders in our national forests that do not want to sell and should not sell. But we also have other inholders who would be very anxious to sell. And many of them have come to my office and said, please appropriate some money so that we can sell our property.

Mr. CUSHMAN. But they are not being inhibited from doing stuff, a lot of times, on their land.

Senator BINGAMAN. They feel like they are—the land has been surrounded or rendered unsalable to anyone but the Government, as they see it. And they feel very strongly they would like to sell to the Government, if we would just appropriate the funds.

Mr. CUSHMAN. Well, in some cases I am sure that is the case. But what is very important is that we do not make the Government the solution of first resort, that we do not have people say—once people make that mental decision to sell, they are going to go the path of least resistance. If we welcome with open arms and say the Government is always going to buy, then you will kill off a private market, you kill off the private sector, you destroy tax bases of local communities, and ultimately you destroy those communities.

Senator BINGAMAN. Mr. Front, did you want another comment?

Mr. FRONT. Yes, just to, I think, balance that picture of willing sellers a bit. My organization can only work on a willing seller basis. We do not have the capacity to coerce. We are a private entity, as private as any for-profit corporation. And the landowners that we deal with, many of them, most of them, the ones that we dealt with in New Mexico this last round, the landowner that we have been working with in Louisiana, who has been willing to make his property available on a long-term, phased basis, probably at economic loss to himself over what he might do if he were to pursue private market solutions—those landowners are in the game specifically because they have a public-spirited willingness to work with Government agencies and communities to see their properties protected.

And so I would not want to leave the record open on that question. There are a number of landowners who specifically would like this end to their property.

Senator BINGAMAN. Mr. Chairman, I need to leave. I will stop now.

Senator LANDRIEU. Mr. Chairman, can I follow up with one question of Mr. Cushman?

The CHAIRMAN. Sure.

Senator LANDRIEU. In all fairness, because I asked them to respond to you, would you respond to that? Do you disagree or do you deny or disagree that there may be hundreds or thousands of people as just described?

Mr. CUSHMAN. There may be hundreds.

Senator LANDRIEU. Not thousands?

Mr. CUSHMAN. I doubt that there thousands. And we hear about them as they hear about them.

Senator LANDRIEU. Would you want to be helpful to them?

Mr. CUSHMAN. Oh, absolutely. But I will give you an example—Sweeney Ridge, south of San Francisco, a Trust for Public Lands parcel, where the Park Service did not want it in the Carter administration, they did not want it in the Reagan administration—so the landowner went to the Trust for Public Lands, they marketed it to the Congress as the most endangered piece of land in the country.

And the subsidiary of an oil company was able to ultimately force the Park Service to buy a piece of land they did not want. And if it had not been for our intervention, the Trust for Public Lands

would have helped this landowner not only achieve the purchase price, which was commercial in the area, but a tax deduction equalling that means the taxpayers would have paid twice as much for the land. So we have to take a closer look at some of these acquisitions. If you want the numbers on that, we can go through exactly how it happens. But a lot of times these land trusts end up selling land to the government at a much higher rate than if the government had bought it directly. And you need to take a close look at that.

Senator LANDRIEU. Thank you.

The CHAIRMAN. Thank you very much, Senator Landrieu.

I think you have had an opportunity to sit through both panels and, as a consequence, have a better appreciation of the concerns about this legislation. And I am talking about all four bills, including the administration's bill. I think it is fair, from the standpoint of the concern of private property rights groups—and I want to commend those of you who have spoken on behalf of that for your concern, which is certainly a legitimate one—and I think you know me well enough to recognize that I consider and uphold the private property rights as sacred as virtually anyone in the U.S. Congress. However, I think you have also observed the reality that there is a growing need in the United States, particularly in urban areas, for relief of some kind.

And as a consequence, we had a State matching program that the budgeteers have seen fit, and the administration, to simply set aside and overlook in the funding mechanism. And that is indeed unfortunate. I personally think it is as important as virtually anything else to provide relief, as we have heard from Terrell Davis and others, who can utilize those facilities in the urban areas. Now, each urban area is different, just like each rural area is different. And how we strike a happy medium is a very difficult situation.

This hearing is a fact-finding hearing. You are going to have an opportunity to submit your written testimony. I would like to get some positive recommendations from property rights group on how they can be protected and how we can still provide a legitimate opportunity for those inholders who have been, dealing with the consequences of whether it be the National Park Service prohibiting mining in the new park preserves. And, Chuck, you are well-aware of the assurances that we had that they would be allowed to do so, but clearly they were not, because the Park Service simply would not issue a mining permit. I could go down a million rabbit trails with Judith on that, as well.

So there is a need for legitimate inholders to have an option. And I am concerned, too, with the aspect of a willing buyer, willing seller. You can get trapped in that, where you do not have a choice anymore. And we can look at some of the designs by some of the national environmental groups as to what they are up to, too. And they have a different motivation.

I was particularly struck by an article that Mr. Roosevelt wrote to the *Washington Post* on an issue in my State that involved King Cove. I wish I would have had an opportunity to personally take you out there and have you meet with the villagers and understand the circumstances with regard to the road that they wanted. They did not want $20 million of Federal money thrown at them; they

wanted some relief so they could, year-round, have access to medical care. These things take a different dimension depending on your point of view. That is what our society is all about and that is what this legislation is all about—trying to reach a consensus.

But it is fair to say that the train is leaving the station on the issue of a couple of basics. One is that the areas that have been impacted by OCS development—and Senator Landrieu comes from a State, as well as many others—feel the impact but share nothing in the appropriate proportion that they should. They are seeking legitimate relief. And that is going to stay in whatever bill comes out under some workable formula.

Now, in conjunction with that, we have to protect the property rights and not allow the government and some of the agencies to run amok, which they do, on more than one occasion. The very nature of the bureaucracy suggests that the tentacles reach out for more so they have more to manage, so they can justify to the public their presence and so forth. But, again, I do not have to tell you that; you are prepared for that and have observed that.

But what we need from you is some input on how to structure this thing, how to balance it. It is not going to be perfect in meeting all your goals and objectives, but we are going to be sensitive to legitimate private property rights. We are not going to establish a bill that is going to give the Federal Government carte blanche to go out and buy land for the purpose of acquiring it and managing it and so forth.

I strongly believe, as Senator Landrieu does, that the best government is a government that is closest to the people, that is local. That is why this matching grant was so important, because it involved the initiative of the people in the communities to set some priorities. And we cut them off from that. That was a tragic thing to do. We have seen fit to fund everything else. So out of this process is going to come some kind of a consensus.

We will just see what we are going to do, recognizing a lot of people from the environmental community will take the money, but they do not want to acknowledge that it comes from OCS revenue, oil and gas revenue. That is a dirty thing in the minds of some of those folks out there. But if this is going to work, you have got to have a healthy, responsible environmentally compatible OCS program that is supported. Because that is where it comes from.

It does not come from the sky. It does not come from a Christmas tree. And you have got to have a scenario where you have responsible development supporters as well as responsible people who want to provide—whether it is facilities, volunteerism, Terrell Davis, and all the kinds of things we talked about today.

So I am asking for your input in this process. This is not going to be an overnight situation by any means. I would hope that we can take care of your legitimate concerns in a meaningful way, and have something that the country and all of you willing to put your time and effort in can take part in.

I think, Mr. Cushman, you wanted to make a comment.

Mr. CUSHMAN. I just want to make a comment. You have got one thing hanging over this thing like a plague. It is the trust fund. You take away this entitlement, you make these things compete with our national priorities in the appropriations process, so that

the agencies have to justify their position. There is no chance that if there is a trust fund associated with the LWCF it is not going to turn into a plague and repeat all these things we are talking about. I mean you can put it in the bank; it is going to happen.

Take away that trust fund and make it compete for appropriations, and you have got something to talk about.

The CHAIRMAN. Well, if you look at the most recent criticisms that have been associated with the appropriations process—and that is not a perfect process—the appropriations process takes, as we discussed in Montana, an interested group of special interest groups. There is no local—well, I will not say no local involvement, but there is not as much as there was in the settlement of the Pacific Lumber. That was a financial situation that was very beneficial to them. It was beneficial to the environmental groups. Where was the local participation, matching grant or whatever?

There was not any. It was strictly a business deal. What we are looking at is trying to meet legitimate needs in areas that deserve to have an opportunity to set some priorities and have some people involved and do some matching grant programs which are very meaningful.

I have no further questions, Mr. Smith, but I will give you an opportunity to comment.

Mr. SMITH. Mr. Chairman, I would like to say that our fear is that if the trust fund is set up and money is given to governmental land managers to take land, they will acquire land whether it is necessary or not. I think every refuge manager, if he has money to acquire land, will say, gee, I have too many ducks and geese on my refuge, I have to acquire these adjacent farms. And if he has that power, he will do so.

But if we limit that trust fund, so the money is not available for acquisition but simply for better management and for working out partnerships and collaboration, then the refuge manager is put into a situation in which he goes and knocks on the door of the adjacent farmer and says, gee, could we rent some of your land from you? Could we pay you to grow more grain crops to feed all these excess ducks and geese we have? We could work out a win-win situation, I think.

And that is why we would like to see the change in the trust fund, so the money went for better management and for collaboration and partnerships rather than for taking land.

The CHAIRMAN. Well, would you specifically send us your language on that?

Mr. SMITH. Yes, sir.

The CHAIRMAN. Because this is what we are looking for. That is why we are having this hearing in depth, to try and address that concern, which is very legitimate—to see where you are coming from and where I am coming from. We are like two ships in the night.

I agree with you. But what I am trying to encourage is for those local communities to have an opportunity to participate in what they see as their needs that are not being met. They are not being met by the appropriations process, Chuck, because they never get there. They never get there. They are just too far back and down

on the lower community level. They are completely lost out. Many of them are subjected to the aspects of OCS activity.

Mr. CUSHMAN. If I may just say that this is, to some degree, though, like swatting a fly with a sledgehammer. The problem is built up by years of clamor generation by the environmental groups. Our side has not been as good at showing the other side. And so there is this perception out there that there is critical need. It is just not there.

The CHAIRMAN. Mr. Cushman, why don't you come in with some specific recommendations on how you feel the interests of private property owners can and should be protected. And we will certainly give that every consideration.

Alan.

Mr. FRONT. Mr. Chairman, if I may just add a note about the trust fund idea. When the title V fiscal year 1998 funds were provided in the balanced budget agreement, that $700 million worth of money was competed for, 3 to 1 or 4 to 1, in member requests in front of the appropriations committee. And so at least that suggests to me and to my organization that there is a pent-up backlog of genuine willing seller demand. Those funds were not requested for unwilling sellers.

I would also just want to point out that the trust fund proposals that are being discussed today do not—while they do provide for some increases in the Federal side of the Land and Water Fund, those increases are not as great as this discussion seems to make them appear. Typical appropriations in the last few fiscal years have averaged just slightly below the kind of numbers that you are talking about providing for Federal projects in perpetuity.

And so it is very difficult for me to look at these proposals and consider them a land grab. Rather, I look at these proposals and see them as a modest but important step at trying to address that backlog of genuine willing seller need.

The CHAIRMAN. And recognize, as you pent up your feelings on these various bills, that some approach your concerns at a different level of tension than others. For example, the administration's Lands Legacy Initiative is, in my opinion, just more big government. But, then again, I am supposed to be objective, and I will try and be.

I have no further questions. I am going to let Senator Landrieu wind up the hearing.

Senator LANDRIEU. Well, I will wind it up by saying thank you, Mr. Chairman.

The CHAIRMAN. I do want to thank you for what I think is an appropriate start on a tough mission. And whether it was the tenor set by our friend from the State of Washington, Senator Gorton, on the political and budget realities, or the concern over private property owners, as we conclude, I think it has been a good start on a road that is meaningful and on a train that is leaving. So let us see what we can do with this and address a consensus.

Senator Landrieu.

Senator LANDRIEU. I just wanted to thank you for running a great hearing. I am glad to know the train is leaving the station. I am on board. See you all there. Bye-bye.

[Laughter.]

Senator LANDRIEU. The meeting is adjourned.

[Whereupon, at 12:40 p.m., the hearing was recessed, to be reconvened on April 27, 1999.]

BILLS AND ADMINISTRATIVE PROPOSAL TO INVEST OCS REVENUES IN CONSERVATION PROGRAMS

TUESDAY, APRIL 27, 1999

U.S. SENATE,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC.

The committee met, pursuant to notice, at 9:35 a.m. in room SD–366, Dirksen Senate Office Building, Hon. Frank H. Murkowski, chairman, presiding.

OPENING STATEMENT OF HON. FRANK H. MURKOWSKI, U.S. SENATOR FROM ALASKA

The CHAIRMAN. Good morning, ladies and gentlemen. I call the Committee on Energy and Natural Resources to order.

The hearing today is on S. 25, the Conservation and Reinvestment Act of 1999, along with S. 446, the Resource 2000 Act, and S. 532, the Public Land and Recreation Investment Act, and the administration's Lands Legacy Initiative.

I want to thank Senator Landrieu. Senator Graham has a bill in this morning as well, and we will proceed with the witnesses very briefly.

As you know, this is the second in a series of legislative hearings on the OCS revenue-sharing proposals before the committee, along with the President's Lands Legacy Initiative. As I have indicated, we have S. 25, S. 446, S. 532, and, a little further recognition of Senator Graham, a full description of S. 819, the National Park Preservation Act, which is before us as well.

Last week we focused on State, local, and urban parks, Federal land acquisition, and we had an interesting discussion on private property rights and Federal land management agencies. I suspect we will hear more on that this morning. We will hear this morning on the needs of coastal communities and coastal impact assistance.

Earlier in the year we heard from the coastal States, which certainly are aware of the mixed blessings that OCS activity brings them. Currently, as a matter of comparison, if oil and gas are discovered on Federal lands say out West in Wyoming, the revenues from that discovery are split 50-50. However, as most of you know, the rules do not apply on oil and gas discoveries on the outer continental shelf from Federal submerged lands.

In fiscal year 1998, the Federal OCS leasing program generated about $4.5 billion in rents and royalties, but only $116 million, or about 2.5 percent total, was shared with the States which host this

development and underwrite the impacts. I am sure Senator Landrieu is prepared to eloquently express the significance of that impact on Louisiana.

But in any event, the remainder of that $4 billion, with the exception of $116 million, goes into the Federal treasury. Many of us do not think that is fair. The bills before us, S. 25 particularly, remedies the current inequity by allocating 27 percent of the OCS revenue to coastal States and communities that shoulder the responsibility of offshore oil and gas development off their coastlines. The funds will be used for a variety of purposes, coastal environmental, and infrastructure purposes as well.

We have a number of witnesses today. Two governors will be joining us briefly. They have got, I think, a 10 o'clock flight that is coming in. We are pleased to have the Honorable Leon Panetta. I believe Senator Wallop was on the list, but I do not believe he is going to be here.

The final panel will discuss open spaces and farmland protection issues. So I look forward to working with the other members of the committee along with the sponsors of the proposals to enact meaningful legislation which will benefit all Americans.

Senator Landrieu, do you have a statement this morning?

[The prepared statement of Senator Smith follows:]

PREPARED STATEMENT OF HON. GORDON SMITH, U.S. SENATOR FROM OREGON

Mr. Chairman, I appreciate your holding this second in a series of hearings on S. 25, the Conservation and Reinvestment Act of 1999, S. 446, the Resources 2000 Act, S. 532, the Public Land and Recreation Investment Act of 1999, and the Administration's Lands Legacy proposal. Your leadership is key to these efforts to stabilize and improve the administration of various programs to protect coastal areas and other natural resources.

I have long been an advocate of improving our environmental stewardship, while protecting our human stewardship and preserving economic opportunities for local communities. I think that the proposals under consideration here today will enhance this stewardship by amending a number of existing programs designed to protect environmentally sensitive lands and to enhance wildlife habitat, and by providing a new formula for coastal impact assistance.

I am also very supportive of the proposal contained in Title III of S. 25, which would distribute seven percent of outer continental shelf (OCS) revenues to State fish and wildlife departments for wildlife conservation programs, including education and activities designed to prevent species from becoming endangered. This proposal enjoys strong support from hundreds of organizations in Oregon, and I will work to ensure it is included in any final legislation.

I have also supported the use of Land and Water Conservation funds to acquire environmentally sensitive lands in Oregon. In recent years, I have sought and secured funding for the acquisition of the West Eugene wetlands; Opal Creek; the Chetco mining claims in the Kahniopsis wilderness; the Crook Point property to be added to Oregon Islands National Wildlife Refuge; and for certain land acquisitions in the Columbia River Gorge.

However, I am also sensitive to the concerns that federal land acquisitions can cause for local communities. Oregon is a state where the federal government already owns almost half the land. As additional lands are added to the public domain, they are removed from local property tax roles. The programs designed to compensate local governments for this loss of tax revenues are increasingly ineffective. The payments-in-lieu-of-taxes (PILT) program has been consistently underfunded, and receipts-sharing from the federal timber sales program have declined significantly. I hope that any amendments to the federal land acquisition program will consider local impacts, and allow for working more closely with local officials.

Mr. Chairman, I look forward to working with you on these proposals in order to craft a bill that can move forward this Congress. I look forward to hearing from the witnesses today, and I want to extend a special welcome to Governor Kitzhaber of Oregon.

STATEMENT OF HON. MARY LANDRIEU, U.S. SENATOR FROM LOUISIANA

Senator LANDRIEU. Yes, I do, Mr. Chairman. I want to thank you for putting together such an outstanding panel of men and women this morning, particularly Governors Whitman and Kitzhaber as well as the Honorable Leon Panetta. I had a chance to speak with Mr. Panetta just briefly earlier this morning on the sidewalk coming into work about this really exciting and innovative idea that many of us have and the vision that many of us share, which is to find a permanent source of funding for some environmental initiatives in this country whose time has long since come and if we are not careful will be gone. Leon, it is good to see you.

There is some urgency about acting now to preserve many of these lands and areas and there is a source of funding that many of us think is appropriate which is offshore oil and gas funds. We have found a better way to spend revenues that are being generated from a non-renewable resource. One day these resources will not be there.

We would like to have something to show for the money our States have contributed to the Federal treasury which as the chairman said, is significant. Since 1955, $120 billion has been generated off the coast of the United States. Approximately 80 percent of that money has come off the shores of Louisiana, while Texas, Mississippi and Alaska have also contributed to this.

What is particularly important as the chairman has pointed out, is that this is a more fiscally responsible way to take at least a portion of these revenues to invest back in our environment, in the coastal communities that are helping to produce these revenues and to be fair to these communities primarily, but also recognizing that even in coastal communities which do not produce oil and gas or do not want to increase production, still have needs for their coastlines.

Mr. Chairman, we will see as both Governor Kitzhaber and Governor Whitman point out in their testimony the great needs of coastal communities as well as the tremendous economic impact their coasts have on the overall wellbeing of their States.

So I just want to thank the chairman for putting together an excellent hearing. Also, I want to recognize Mark Davis who is going to be here to testify from our State. He represents a tremendous environmental coalition of people from Louisiana who are very intimately familiar with the mixed blessings of the oil and gas industry has had on our State. He can talk about how we need to reinvest back in our environment instead of just taking from it. We need to invest something back for the future of our children, our grandchildren and for our coastal communities.

So I thank you, and I will hold my other questions until after the panelists have had a chance to speak. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much.

Senator Graham.

STATEMENT OF HON. BOB GRAHAM, U.S. SENATOR FROM FLORIDA

Senator GRAHAM. Thank you, Mr. Chairman. I want to thank you for the series of hearings that you are holding on these important

issues of how we should use the resources derived, as Senator Landrieu has just said, from a non-renewable resource to make an investment in America's future.

We have a series of bills before us which propose different means by which that could be accomplished, and I look forward to working with Senator Landrieu, with the chairman and others during the course of this session of Congress in order to arrive at an appropriate resolution to this.

I want to express my appreciation that we are going to be joined today by a prominent Floridian, Mr. Allison DeFoor, who is the principal environmental adviser to Governor Bush, who will be discussing some of these issues as they relate to our very coastal State of Florida. Mr. DeFoor brings a variety of backgrounds to his current responsibilities and I believe will be a very valuable witness for this committee.

I have had a long concern about outer continental shelf oil and gas production for the State of Florida because of the potential threat that it represented to our coastal environment, which is one of our most valuable economic resources and also in many ways defines our State. If the Rocky Mountains are a defining feature of the State of Colorado, certainly the coastal areas are the defining feature of the State of Florida.

We have been diligent in our efforts to protect them, including a provision in a series of appropriations bills of moratoria on outer continental shelf drilling in the vicinity of Florida and an aggressive program to buy back previously existing leases, particularly in the area in which Mr. DeFoor has spent much of his adult life, the Florida Keys.

As we look at this legislation, one concern we have is that we not inadvertently create incentives or inducements for States to want to have outer continental shelf drilling because of the economic flow of Federal funds that such activities might generate. So we would be interested in provisions that would clearly state that the oil and gas revenues which would be the basis of any revenue distribution formula should be those which are currently in place and not those that would be developed in the future, so as not to create an incentive for further development.

We are also concerned that the amount of money that States or local governments would receive under such legislation would not be based on the proximity of these locations to existing or future OCS leasing or production activities.

Mr. Chairman, you have a very full panel which I am certain will contribute to our understanding of these issues and I look forward to active participation.

The CHAIRMAN. Thank you very much, Senator Graham. Your bill brings in an interesting dimension. Obviously, we would not have this proposed legislation if we did not have the potential of continued OCS revenues. Of course, the rationale of a continuing revenue stream with States participating based on the impact vis a vis those States that want to receive the money but make sure they do not have any OCS activity brings us in a little bit of a conflict as we look at the legislation.

But nevertheless, we are going to have a lot of time for that.

Senator Fitzgerald.

STATEMENT OF HON. PETER G. FITZGERALD, U.S. SENATOR FROM ILLINOIS

Senator FITZGERALD. Thank you, Chairman Murkowski. I would like to thank you for hosting these series of committee hearings on bills to preserve and protect open space in this country.

I would like to welcome Governor Whitman to the committee and our other witnesses. Representing, as I do, the State of Illinois and living in Cook County, Illinois, which is a highly developed part of a great metropolitan area, I noted that really the only parts of open space that we have at all in Cook County, Illinois, now are lands that are Cook County Forest Preserve, bought up many years ago. It was very controversial about 30 or 40 years ago when the Cook County Forest Preserve started setting aside some open space.

Today in 1999, virtually the only substantial tracts of open space land that we have in Cook County, Illinois, today are those forest preserve parcels.

I do think that our system of national parks and areas that we have set aside for conservation purposes has benefited our country greatly, and I look forward to working with committee members to continuing in the legacy of Theodore Roosevelt, who began that whole system. I do think we have to be the custodians for future generations to preserve and protect open spaces.

So I look forward to these hearings and compliment the chairman on holding them.

The CHAIRMAN. Thank you very much, Senator Fitzgerald.

We are very fortunate that we can begin the hearings without some of our budgeters that are usually on this side and have some more sobering reflections on the fact that the Federal Government will no longer have the benefit of this $4 billion going into the coffers, but might have to share it, and where will it come from. But I am not going to start down that rabbit trail this morning unless you want to.

Senator LANDRIEU. No.

The CHAIRMAN. We are going to have a distinguished panel that is going to be led by the Honorable Christine Todd Whitman, Governor of the State of New Jersey, if you would care to come up, Governor. You are going to have some company with the Honorable John Kitzhaber, Governor of the State of Oregon, who is coming in a few moments, joined by the Honorable Leon Panetta, director of the Panetta Institute, a lovely place in Monterey. I do not know when you retire from government how you manage to establish an institute in such an attractive surrounding, but I will have to ask.

And Robin Taylor, Alaska State Legislature. Senator Taylor from Juneau, Alaska, resides in my old home town of Wrangell. A man of few words, he will give us a few this morning.

J. Allison DeFoor, II, Environmental Policy Coordinator, Office of the Governor, State of Florida. And finally, Mr. Paul Kelly, senior vice president, Rowan Companies, Houston, Texas.

I am going to probably have a little break a little later because I am going to have to go to the floor, but Ms. Landrieu, Senator Landrieu, has agreed to, I think, come over on the second panel.

Mr. Kelly, if you would care to join us on the end, there is room for the Governor. We have got the Oregon Governor coming as well.

So Governor Whitman, I guess we had best start off with you. Please proceed.

STATEMENT OF HON. CHRISTINE TODD WHITMAN, GOVERNOR, STATE OF NEW JERSEY

Governor WHITMAN. Thank you very much, Mr. Chairman. I appreciate the opportunity——

The CHAIRMAN. I notice you do not have your ski pole with you today.

Governor WHITMAN. No, no. I am off the crutches now entirely, thank you. It is a pleasure, believe me.

The CHAIRMAN. You were a little slower the last time I saw you.

Governor WHITMAN. A little slower. I have picked up speed since then.

The CHAIRMAN. Some small State to the south of us that starts with an "f."

Governor WHITMAN. Yes, I have picked up a lot of speed since then. I do not worry about it.

The CHAIRMAN. Go ahead, go ahead.

I might add for the benefit of members, we have a general policy where members of the panel are limited to about 5 minutes for their oral statements, and we will proceed from there.

Governor WHITMAN. Fine. Well, thank you, Mr. Chairman. I appreciate the opportunity to be here this morning to testify on the various legislative proposals before the committee to address land and natural resource conservation.

States and local governments are, as you know, leading the way in preservation of land and natural resources, and we welcome Federal efforts that build on and complement what we already are trying to do.

I want to applaud the committee and the sponsors of the various bills for the bipartisan and inclusive process that recognizes the critical role of State and local governments in preserving and protecting our natural resources.

Before I comment specifically on the Federal legislation, I would like to discuss just briefly what we have already been doing in New Jersey.

By way of background, New Jersey is a State of 8 million people living on 5 million acres. We are the most densely populated State in the country, and yet we maintain five national wildlife areas, two national park areas, three nationally designated estuaries, the internationally recognized and environmentally sensitive New Jersey Pinelands, and 127 miles of ocean shoreline.

The Garden State has made consistent and aggressive efforts to preserve and protect its natural resources. In fact, between 1961 and 1995 our voters have approved bond issues totaling more than $1.4 billion to acquire 390,000 acres of open space and protect 50,000 acres of farmland, along with historic preservation and the development of parks. Just last November, by a two to one majority the voters approved a long-term stable source of funding to preserve forever one million acres of open space and farmland.

Saving our precious land is the centerpiece of New Jersey's effort to build a future in which we can sustain both the strength of our economy and the integrity of our environment.

That effort includes directing future growth to areas that have the infrastructure already in place, such as our cities and our town centers. In support of that effort, we are working hard to revitalize our cities as thriving centers of both culture and commerce. We are also committing some of our preservation funds to protect and preserve our most significant historic treasures.

New Jersey's commitment to land preservation dates back to the 1960's. Since 1965 the Land and Water Conservation Fund and Urban Park and Recreation Recovery Program have provided New Jersey with over $145 million in matching funds to acquire open space and develop and maintain recreational facilities and parks.

Some recent projects of the Land and Water Conservation Fund that they have supported include the first county park in Hudson County in 80 years and the development of the Liberty State Park, one of New Jersey's most culturally and historically significant attractions.

Clearly, while my State will continue to make open space preservation a priority whatever happens here, the need to preserve land exceeds State and local funding levels, particularly given the Federal Government's decision in 1995 to stop the flow of Land and Water Conservation funds to the States.

Restoring the statewide funding of the Land and Water Conservation Fund would assist New Jersey's open space and farmland preservation efforts by enhancing our ability to partner with local governments and nonprofit agencies in order to achieve our million acre goal.

Mr. Chairman, an important priority in New Jersey is preserving our farmland, and I would encourage the committee to allow Land and Water Conservation money to be used to purchase farmland conservation easements to assist us in this critical effort.

When it comes to wildlife, the reinvestment of outer continental shelf revenues will enable States to ensure that we bequeath to our children and grandchildren healthy and abundant species population and adequate habitat.

Federal funding would allow New Jersey to fully implement projects that protect critical wildlife habitats and species and encourage private landowners to do the same. We have saved the peregrine falcon and the osprey and we have increased the number of nesting bald eagles from one pair in 1998 to 22 pairs in 1999. Increased revenues would allow New Jersey to continue these efforts to develop a strategic plan for the preservation of all species and their habitat.

Mr. Chairman, I also want to comment on the coastal impact assistance provision in your proposal. The New Jersey coast generates more than $20 billion per year. Supporting a thriving coastline is critical to our economic success and to our environmental preservation efforts. Coastal impact assistance could be used for vital projects such as restoring beaches, dunes, and wetlands, as well as State and local growth planning.

New Jersey does not have oil and gas exploration or production off our coast and we support the existing moratorium on oil and gas production off New Jersey's coast.

Members of the committee, I recognize that approving the proposals before you would require a shift in the budget of other Fed-

eral programs. It is important that funds provided to States under this legislation not come at the expense of other Federally supported State programs.

I do believe, however, that since outer continental shelf revenues come from a non-renewable resource it makes sense to dedicate them to natural conservation rather than to dispersing them for general governmental purposes.

I would urge the committee to give State and local governments maximum flexibility in determining how to invest these funds. In that way, the Federal resources can be tailored to complement State plans, priorities, and resources.

I look forward to continuing to work with you as this legislation moves forward. Thank you for the opportunity to testify on these critical issues for New Jersey and the Nation, and of course I would be happy to answer questions at any time.

The CHAIRMAN. Thank you very much.

Can you be with us for the balance of this panel?

Governor WHITMAN. Yes, certainly.

The CHAIRMAN. We have been joined by the Honorable John Kitzhaber, Governor of Oregon. Good morning, Governor. How was your trip in?

STATEMENT OF HON. JOHN A. KITZHABER, GOVERNOR, STATE OF OREGON

Governor KITZHABER. Excellent.

The CHAIRMAN. Well, that is good. My trips from Alaska usually ruin your whole night or your whole day, but I am not going to go into that.

Please proceed.

Governor KITZHABER. Thank you, Mr. Chairman.

For the record, John Kitzhaber, Governor of the State of Oregon. I appreciate very much the opportunity to testify today on sharing the outer continental shelf revenues for the purposes of coastal impact assistance, investment in the Land and Water Conservation Fund, and for wildlife conservation. I strongly support the concepts that are embodied in these various proposals and would like to make several brief comments.

Let me begin by noting that much of what is being proposed here builds on existing State and Federal programs and many of these programs have had the rough edges worked off of them and are supported by public processes that help inform decisionmaking and priority setting at the State level.

In addition, States and localities are currently successfully approaching difficult problems in a variety of different ways, and I would encourage you therefore to craft legislation that enhances the reach and the success of these diverse efforts at the State level.

With that overarching request, then, let me touch briefly on four areas. First, Mr. Chairman, is the importance of the coastal marine conservation and restoration elements. There are many environmentally sensitive areas in the coastal and marine environments with critical conservation and restoration needs. Coastal communities are currently ill equipped, at least in Oregon, to deal with the difficult issues of growth management and the impact that has on species restoration and protection.

Coastal impact assistance resources need to build the capacity in coastal local governments and also in State agencies to effectively address these growth issues and the environmental consequences. Creating a revenue sharing fund for coastal States and for eligible local governments will support collaborative, comprehensive natural resource conservation planning and implementation efforts in these rapidly growing coastal areas.

Second, the importance of maintaining the moratoria on oil and gas drilling. Oregonians clearly want assurances that the revenue sharing process that will be established will not create any new incentives for OCS oil and gas development and will not have an impact on the current leasing moratoria or on the President's executive order concerning OCS leasing. I believe that this can best be achieved with strong statutory language, as opposed to merely legislative findings. In that regard, I would urge you to consider the Western Governors Association policy recommendation to that effect.

In addition, I believe that an equitable distribution of OCS impact assistance funds should properly account for proximity to production as well as coastline miles and populations. I would like to see the use of these funds prioritized for environmental enhancement and mitigation, as well as for enhancing State growth management efforts and smart growth initiatives. However, I do not believe that these funds should be used to subsidize environmentally harmful development.

Third, the value of the Land and Water Conservation Fund. This fund has a 35-year tradition of providing for conservation and recreation and, as Oregon is seeing a tremendous population growth and an increasing need for public recreation opportunities and areas, these resources will provide valuable assistance in meeting these needs. I would therefore urge you to support State decisionmaking and priority-setting processes to determine the best use of these funds.

With dedicated funding at the authorized levels, the Land and Water Conservation Fund as well as the Urban Parks and Recreation Recovery Program and the Payment in Lieu of Taxes Program are elegant in their simplicity, have solid grassroots support in Oregon, and all work well enough that they may need only some minor fine-tuning and operational improvement. Please keep these aspects and principles in mind as you move forward with this legislation.

With regard to the Federal side of the Land and Water Conservation Fund, I believe there should be no restrictions as to geographic location of land acquisitions. Clearly, we have a great need in the West. Every part of the country has such needs and Congress should not reserve any percentage of these funds for one particular region.

In addition, I would hope that the legislation would not create a cumbersome process, requiring Congressional approval for land acquisition, by setting a low dollar threshold for projects that need separate authorization.

Finally, let me speak to the issue of wildlife conservation. I am very pleased to see that several legislative proposals include provisions to increase Federal funding for State wildlife conservation

programs. I urge the committee to encourage States to develop broad-based wildlife and habitat conservation plans because such plans will help assure that Federal funding is targeted to conservation actions that have the highest ability to leverage adequate habitat for our native species.

For example, in Oregon our aquatic habitat restoration plan is the Oregon plan for salmon and watershed restoration, which seeks to not only improve watershed health, but to also recover all salmonids, not merely those that are endangered.

In Oregon we have a group of over 200 business oil and gases and communities called Teaming With Wildlife that have joined forces to explain that the title 3 of S. 25 and H.R. 701 is not simply a hook and bullet program, but actually is a very serious new stewardship commitment and a habitat and species program. I think this helps us get beyond the game versus non-game debate that is occurring in many of our States.

Concerning the budget, I join with the National Governors Association and the Western Governors Association in stating that the permanent appropriations must not be offset with reductions in other vital State interests, public services, or wildlife programs.

In conclusion, Mr. Chairman, I believe it is important to encourage legislation which recognizes the individual States must deal with different problems and that governors must have maximum flexibility within national standards to target the areas where there is most critical need. I strongly urge Congressional sponsors and the Clinton administration to work together with the States to craft a final measure that would provide States with a meaningful share of OCS revenues, and I look forward to working with you and the administration as you move this legislation forward.

Thank you.

[The prepared statement of Governor Kitzhaber follows:]

PREPARED STATEMENT OF HON. JOHN A. KITZHABER, GOVERNOR, STATE OF OREGON

Mr. Chairman, thank you for holding hearings on the various proposals to share Outer Continental Shelf (OCS) revenues for the purposes of coastal impact assistance, investment in the Lands and Water Conservation Fund and wildlife conservation. I strongly support the concepts these proposals embody of reinvesting revenue from non-renewable resources into protecting and enhancing our nation's natural resources.

I also want to commend you and the other bill sponsors in both the Senate and House on the bipartisanship, cooperation and inclusiveness that have been hallmarks of the process and dialogue which has now been going on for several months regarding the redirection of OCS revenues.

Rather than speak to the specifics of each bill or proposal, I would like to share with the Committee my comments and legislative principles, which I believe, are shared by most Oregonians. I would like to have these submitted for the record and I would welcome any opportunity to work with you further as your bill go forward.

COASTAL/MARINE CONSERVATION AND RESTORATION

There are many environmentally sensitive areas in the coastal and marine environments with critical conservation and restoration needs. Coastal communities are currently ill equipped to deal with the tremendously difficult growth issues and species protection and restoration issues that they face. Coastal impact assistance resources are badly needed to build the capacity and capability in coastal local governments and state agencies to effectively address both overall coastal community growth issues and the more specific species protection/habitat/water quality issues which are so important in the Pacific Northwest. Creating a revenue sharing fund for coastal states and eligible local governments will support collaborative, comprehensive natural resource conservation planning and implementation in one of the

nation's most rapidly growing areas—our coastal regions. These important planning efforts can then provide the foundation and guiding framework for targeting and prioritizing environmental enhancement and conservation work.

MAINTAINING MORATORIA ON OIL AND GAS DRILLING

Oregonians, in my judgment, want assurance the revenue sharing process established will not create any incentive for new OCS oil and gas development, nor have any impact on current OCS leasing moratoria or the President's Executive Order concerning OCS leasing. This can be best achieved with strong statutory language, not merely legislative findings.

In this regard, I strongly support the Western Governors' Association's policy recommendation that "the allocation of revenues should not be constructed so as to provide an incentive for increased leasing, nor should it affect current moratoria on offshore oil and gas leasing."

In addition, I believe an equitable distribution of OCS impact assistance funds should properly account for proximity to production, as well as coastline miles and population. But, I believe these funds should be used for environmental enhancement and mitigation rather than economic development. These funds should not be used to subsidize environmentally harmful infrastructure development.

THE LAND AND WATER CONSERVATION FUND

The Land and Water Conservation Fund (LWCF) has a 35-year tradition of providing a cornerstone for conservation and recreation. Today in Oregon, we see tremendous population growth and an increasing need for public outdoor recreation areas. Oregonians strongly favor programs which retain maximum decision-making authority and priority setting at the state rather than federal level.

The states conduct State Comprehensive Outdoor Recreation Plans (SCORP) to gather public involvement and local priorities. The plans allow for dollars to go to the highest priorities and needs of the people and land.

With dedicated funding at authorized levels, The Land and Water Conservation Fund, the Urban Parks and Recreation Recovery Program and the Payment In Lieu of Taxes program are elegant in their simplicity, have solid grass roots support in Oregon, and all work well enough that they may need only minor fine tuning and operational improvement. Please keep these aspects and principles in mind as you continue to work on this legislation.

I believe, with regard to the federal side of the LWCF program, there should be no restrictions as to the geographic location of land acquisitions. Every region of the country has needs and Congress should not reserve any percentage of federal LWCF for a particular region. In addition, I would hope that the legislation would not create a cumbersome process requiring congressional approval for federal land acquisition by setting low dollar thresholds for projects needing separate Congressional authorization.

WILDLIFE CONSERVATION

In order to avoid additional bureaucracy, and because of its proven track record, the Pittman-Robertson Program should be used as a model for dispersal of wildlife conservation funds. A separate account, with its own review process, can be established for these funds.

All states will benefit from legislation that will move us past the divisive game vs. nongame debate and permit the individual states to exercise their discretion for wildlife program funding. Oregonians want to keep species off the threatened and endangered list, but insensitive growth and development increasingly threatens both game and nongame wildlife habitat. In Oregon, a group of over 200 businesses, organizations and communities—Teaming With Wildlife—have joined forces to explain that the Title III of S. 25 and H.R. 701 is not a "hook and bullet" program augmentation, but a serious, new stewardship commitment to habitat and species protection. Birding, hiking, photography and other eco-tourism grounded activities loom large in Oregon's thinking about sustainable communities. I would urge you to support the use of at least 10 percent of the OCS revenues for wildlife conservation.

With the proviso that there is appropriate collaboration with the states and other stakeholders, we have no objection to the Department of Interior or other federal agencies providing additional program guidance under any section of this new legislation. We believe that the development of state plans is a reasonable requirement for the receipt of funds under this legislation. We support federal monitoring (state reporting) for both program effectiveness and fiscal accountability.

BUDGET

I join with the National and Western Governor's Associations in stating that permanent appropriations must not be offset with reductions in other vital state interests, public service and environmental protection.

I believe it is important to point out and to encourage legislation which recognizes that individual states must deal with different problems and that Governors must be allowed maximum flexibility, within national standards, to target the areas where there is the most critical need. Coastal states face unique challenges like managing development associated with rapid population growth, coastal erosion, storm damage, and polluted runoff and endangered species.

I strongly urge the congressional sponsors and the Clinton Administration to work together with the states to craft a final measure that would provide states with a meaningful share of OCS revenues to address both coastal resources needs and other critical natural resource priorities nationwide. I would be happy to work with the Committee in that regard. Thank you for your efforts in moving toward achievement of these worthy goals.

The CHAIRMAN. Thank you very much, Governor.

Our next witness is Mr. Leon Panetta. Nice to have you back.

STATEMENT OF LEON E. PANETTA, DIRECTOR, PANETTA INSTITUTE, CSU MONTEREY BAY, SEASIDE, CA

Mr. PANETTA. It is nice to be back, and it is always nice to get the hell out of town.

The CHAIRMAN. Maybe in your presentation you can reflect on—it seems to me the administration kind of dropped off beginning in 1995 the matching grant for State land and water conservation. If you have anything that would reflect on those early days, why, we would appreciate hearing it.

Mr. PANETTA. My memory has faded on all of this.

The CHAIRMAN. Well, that happens to all of us, given enough time.

Mr. PANETTA. Mr. Chairman and members of the committee, I would like my statement made part of the record and I will summarize it briefly.

The CHAIRMAN. Without objection.

Mr. PANETTA. I am here to provide comments, praise, and a word of caution as well with regards to the legislation that is before you. I want to praise all the members of the committee that are working on this legislation because I think anything that establishes a long-term source of full funding for land and water conservation is definitely a worthwhile goal.

This fund, land and water conservation, is truly the cornerstone of American conservation. We have been able to preserve some 7 million acres of public lands, refuge areas and open space, and some 37,000 State parks and recreation projects. There is about a $10 billion backlog and obviously it is important to try to deal with those areas or they could be lost.

As a former member of the House, I saw how invaluable these funds were to protecting the Big Sur Coast, which was in my district. Without the money from the Land and Water Conservation Fund, we would not have preserved as much of the Big Sur Coast as we have been able to do.

As a former budget chairman on the House side and Director of the Office of Management and Budget—and I do not want to get the chairman all worked up, but I remember the reality that these funds were indeed used for purposes of reducing the deficit and for

trying to achieve a balanced budget, and they paid a price for that process.

The CHAIRMAN. Remember, you are being quoted here.

Mr. PANETTA. I understand.

The CHAIRMAN. That is fine.

Mr. PANETTA. I understand.

But I think it is time, with the surplus now, to try to stabilize and provide full funding for what is a very important program.

The caution that I want to provide is that, while obviously this effort is indeed worthwhile, that it be done right and it not upset or re-ignite some of the old battles that have been fought, particularly with regards to offshore drilling. If the goal is to fund and preserve and restore resources, then what you do not want to do is to provide incentives, whether they are intended or not, that in fact undermine the coalition of bipartisan governors, of members, of States, of the public that for 17 years have put an OCS moratorium into place.

You do not, I believe, want to start that fight over again in this legislation. Let me give you a little history because I was deeply involved with this issue when I was a member of the House. In the early 1980's, then Secretary James Watt decided that he would, instead of using the targeted approach to offshore drilling, basically go with an auction block approach where he put up all of the lease sales regardless of the environmental impact.

I think it was a serious mistake at the time. We talked to him, tried to convince him to do otherwise, but he did not do that. It created a political and public backlash that resulted in the development of the first moratorium, which I helped draft on the House side, which essentially provided a moratorium for the areas on the California coast, some of the environmentally sensitive areas of the coast. That then was expanded over the years to include Oregon, Washington, and the Atlantic coast from Maine down to Florida, as well as some areas in Bristol Bay.

Four presidents have dealt with this issue in one way or another. Six secretaries of interior have dealt with this issue. I remember dealing with Secretary Hodel in a long negotiation that resulted in an agreement that he ultimately backed away from. We have had lawsuits filed on this stuff. We have had elections determined by this issue.

I think the result of all of this is that we finally have reached, I think, at least a consensus with regards to trying to develop some kind of balanced development. Those communities, the industry that wants to proceed, and those communities that are receptive to offshore drilling, they are free to do that. But those areas that believe that their economies are dependent on tourism and the protection of their coast, they can be equally protected.

So I think we have developed a balanced effort, and what I do not want to see done in the legislation is anything to upset that. Now, S. 25, while it provides for a finding that nothing should affect the OCS moratorium, the problem is, as Senator Graham has pointed out, that there are some provisions which can be viewed as incentives for drilling. The revenues that can flow through the three titles can come from leasing in OCS moratorium areas. In addition to that, the allocation formula provides for additional funds

going to those communities where you have closer proximity and production, which certainly could impact seriously with regards to some of the communities in California.

So for those reasons, I think the point is you are engaged in a worthwhile effort. You are trying to stabilize funding for land and water conservation. What you do not want to do is to create and upset the balance that was established by all of the battles and all of the negotiations and all of the work that has been done on an OCS moratorium. The President has made that clear. The National Governors Association has made that clear and the Western Governors Association has made that clear.

You have got two goals here. One is to fund, preserve, and restore resources. The other is to address the actual damages that I think have been caused by OCS activities that have to be addressed as well, without creating new incentives that would impact on those areas in the moratorium. Those goals are not mutually exclusive and indeed I think they can only be accomplished if they are done together.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Panetta follows:]

PREPARED STATEMENT OF LEON E. PANETTA, DIRECTOR, PANETTA INSTITUTE, CSU MONTEREY BAY, SEASIDE, CA

Mr. Chairman and distinguished members of the committee, I appreciate the opportunity to testify before you. My message is one of strong praise and strong caution. If you are going to embark on the potentially historic effort before you, do it right.

Your effort can indeed be historic. The Land and Water Conservation Fund is the cornerstone of American conservation, responsible for the acquisition of nearly seven million acres of park land, refuges, and open space, and 37,000 state park and recreation projects. The nation today has a $10 billion backlog in federal land acquisition needs that includes areas critical to conserving wetlands, watersheds, and wilderness, protecting refuges and habitat, preserving important historic and cultural sites, and providing trails and open spaces for outdoor recreation. In addition, those communities that have incurred environmental damage as a consequence of resource development should have the necessary funds and support to repair and rehabilitate those areas. This kind of vital protection and preservation, if not done now, could be lost forever.

Therefore, I strongly support the objective of establishing a secure long-term source of full funding for the Land and Water Conservation Fund. As a former member of the House, I have personally seen the benefits of this funding in preserving the Big Sur Coast in my home area. As a former Budget Chairman and Director of the U.S. Office of Management and Budget, I have also been aware of the price this Fund has paid in the effort to reduce deficits and achieve a balanced budget. To stabilize and provide full funding for the Land and Water Conservation Fund is a worthwhile goal and deserves high praise.

But, as always, anything worth doing is worth doing right. Therefore, in addition to the words of praise, I have some words of caution. It is both counterproductive and counterintuitive to turn any effort to protect and enhance the Land and Water Conservation Fund into an incentive, intended or not, to undermine the strong bipartisan coalition of Governors, members of Congress, and the people that have, for more than 17 years, supported moratoriums on offshore drilling. It makes little sense to turn what is a very good effort to promote conservation and restoration into something that could result in degradation of the environment.

Why is this a concern?

To understand this, it is important to review a little legislative history spanning two decades. In the early 1980's, then Secretary of Interior James Watt proposed putting up all of the offshore areas for lease at one time. What had been a carefully targeted and considered process was turned into an auction block approach that would sell to the highest bidder any area, regardless of its environmental sensitivity. The result was a political and public backlash that continues to this day. A strong bipartisan coalition ? liberals and conservatives, Republicans and Democrats,

businessmen and environmentalists ? joined together to develop the very first OCS Moratorium. It passed in 1981, aimed at preventing offshore drilling in environmentally sensitive areas of the California coast. Over time, the coalition grew to include similar protection for coastlines in Washington, Oregon, and every state along the Atlantic coast from Maine to Florida. For 17 years, the OCS Moratorium has been put in place legislatively by the Congress. That would not happen unless there were strong and continuing support by the people in those communities and states to protect their coastlines.

The result is a national consensus that provides a uniquely stable resolution to this issue at this time that has evolved from the battles of the past. The difficult question of where, when, and how new offshore oil drilling should occur has, for two decades, been the focus of domestic policy decisions undertaken by the last four Presidents. Members of the Congress have engaged in countless long hours of discussion and negotiations over the OCS topic with six Interior Secretaries. At least one set of those negotiations which I personally chaired over a six month period led to what one previous Interior Secretary hailed as "an historic agreement" only to reverse his position within a few short months. Gubernatorial and congressional elections have been determined over this issue. Lawsuits have been fought over this issue.

There just is no need to reopen this wound legislatively at this time, no matter how well intentioned. Since the moratorium was put in place, balanced offshore development has occurred without challenge, giving the oil industry the opportunity to pursue resources in those areas that have been more receptive to offshore drilling. At the same time, those areas that felt that drilling would be adverse to their critical shoreline habitat and sensitive regional economies which rely on coastal-dependent tourism have been protected. The obvious question for this Committee, and for the Congress, respectfully, is "Why would anyone want to, intentionally or not, disturb the hardwon balance now in effect on this issue?"

Clearly, S. 25 recognizes this reality in the Findings Section of the bill: "Nothing in this title shall be interpreted to repeal or modify any existing moratorium on leasing Federal OCS leases for drilling, nor shall anything in this title be interpreted as an incentive to encourage the development of Federal OCS resources where such resources currently are not being developed."

The problem is that everything else in the legislation does just the opposite.

First, revenues for all three titles of the bill would come from existing and new leases. This will create an incentive for all states that would benefit from any of these titles to support new leasing as well as development on existing leases to increase the amount of money available to them. The effect of this is obviously to undercut the political support for existing moratoria on OCS activities. The Land and Water Conservation Fund has never provided an incentive to drill or not to drill in offshore areas. It has remained neutral on this issue. It should continue to do so.

All titles of any bill should avoid the derivation of revenues from areas under the existing congressional OCS Moratorium or resulting from new leasing or new drilling in environmentally sensitive waters anywhere. Any other approach would be counterproductive to the balanced approach which has characterized the congressional resolution of this issue to date.

Second, the allocation formula in the impact aid title ties 50 percent of a state's allocation directly to proximity to OCS production, providing a financial incentive for coastal states to promote offshore oil and gas production. The bill further requires that an additional portion be paid to local governments that are within 200 miles of OCS leased tracts, with the allocation increasing the closer the locality is to the leased tracts. This creates a substantial incentive for local governments to support new leasing and production off their coastlines, and sends the message to communities that they will have to trade off their judgment as to the welfare and environmental protection of their communities for federal funding.

Again, such provisions not only violate the current neutrality of the Land and Water Conservation Fund on this issue, they would promote dangerous near-shore OCS activities that would bring with them diminished spill response times and pose inappropriate threats to sensitive shoreline resources. This is of particular concern in California, as well as in other states, where such measures would force offshore rigs literally onto the front porch of coastal communities whose local economies are based directly upon the continued health of their marine environment. Therefore, no bill should tie state and local shares of any form of OCS impact assistance to acceptance of new or closer leasing and/or drilling.

Thirdly, while it is well documented that OCS development has had major impacts on the coastal and marine environments of several states, S. 25 does not require that states actually use the money to ameliorate those impacts and, indeed, would allow states to use the fund to subsidize environmentally harmful activities.

It requires no federal government oversight of how states spend federal funds, including no federal government review to ensure that funds are spent in a manner consistent with federal environmental laws. Funding provided to states and localities should be focused on environmentally beneficial projects with an emphasis on efforts which restore and protect the coast itself. Adequate federal oversight must be built into such legislation to ensure compliance with all laws.

These changes would assure that the legislation would receive broad support in the Congress and in the White House as well. In his recent speech celebrating the anniversary of the Department of the Interior, the President made it clear that incentives for new OCS activities will not be an acceptable part of any Land and Water Conservation Fund legislation sent to the White House.

The National Governors' Association and the Western Governors' Association have each adopted resolutions which include specific cautions against the inclusion of incentives for new leasing and drilling in any legislative vehicle aimed at OCS impact assistance.

And the diligent bipartisan consensus which has created and maintained the OCS Moratorium here in Congress is certain to view with concern any move, however indirect, which destabilizes the current balance on this issue.

Again, I want to commend the Committee on the goal of establishing a secure long-term source of full funding for the Land and Water Conservation Fund. This goal can best be accomplished if the legislation adheres as much as possible to the spirit and careful balance encompassed in the Land and Water Conservation Fund itself. Such an approach would not disturb the current resolution of the OCS equation and would appropriately address the long-unmet needs of states and communities suffering the adverse coastal impacts of oil and gas extraction offshore. The caution is not to ignore history here ? the battles, the negotiations, the consensus that are at the heart of OCS policy at this time. I have been a part of, fought in, and led many of these battles. There is no need to fight them again.

There are two honorable goals here: promote the effort to fully fund, preserve, and restore our natural resources, and address the actual damages caused by OCS activities in coastal areas without creating new incentives for offshore oil leasing. These goals are in no way mutually exclusive. Indeed, they can only be accomplished together.

Thank you.

The CHAIRMAN. Thank you very much, Mr. Panetta. We appreciate your statement.

Our next witness is the Honorable Robin L. Taylor, Senator, State of Alaska. Senator Taylor, please proceed.

STATEMENT OF ROBIN TAYLOR, SENATOR, ALASKA STATE LEGISLATURE

Mr. TAYLOR. Good morning, Mr. Chairman and members of the Senate Energy and Natural Resources Committee.

My name is Robin Taylor. I am here testifying today on behalf of the Alaska State Senate and also the Alaska State House. I am a member of the Alaska Senate. I live in Wrangell, Alaska, and serve as chairman of the Judiciary Committee.

We are fully supportive of the concept of revenue sharing from Federal resource development within and adjacent to our State. We do produce in our State, as you know. We are concerned, however, that the strings that are attached and potential disadvantages associated with the proposed revenue sharing programs could eventually outweigh these benefits.

Mr. Chairman, put simply, most of us are not interested in expanding the amount of Federal landownership in Alaska. They own 66-plus percent of my State right now. That is well over 200 million acres. We are not interested in giving the Secretary of the Interior or the Secretary of Agriculture more authority and influence over our lives and the economy of our State. We are sympathetic to the cries of abuse by inholders who have been harassed unmerci-

fully by the Federal agencies in pursuit of their own agendas and expanding the Federal agencies' agendas, which rob us in our State today of our constitutional right to manage our own resources, claim title to our statehood grant of lands and waters, and to provide basic services and benefits to our citizens.

The Federal OCS oil and gas activities have placed increased demands on infrastructures such as roads, ports, airports, and other facilities. Federal OCS activity has also placed increased demand on local public services, everything from fire protection, search and rescue, law enforcement, as well as the utility systems of nearby and adjacent communities such as Barrow, Kaktovik, Kodiak, and communities around the Cook Inlet area.

Many of the smaller coastal communities in Alaska are struggling under what can best be described as third world conditions. Most are still trying to address basic community needs like education and water and sewer service. Many of the residents of these villages exist below the poverty line and are forced to rely on subsistence activities for survival.

I have included as an exhibit to our written testimony a chart with income and poverty information for some of our coastal communities. The social and cultural problems that accompany poverty are often rampant.

Money will not solve all of these problems, but providing some form of OCS community impact assistance will help improve the quality of life for such communities and their residents.

With this in mind, Mr. Chairman, we offer the following specific comments on the bills before the committee. From our perspective, the general approach of S. 25 is much preferred over either S. 446, S. 532, or S. 819. No OCS revenue sharing bill is acceptable—and I must repeat this point—unless all funds are subjected to legislative appropriations both at the national and State level. By passing the legislative—I should say, bypassing the legislative appropriation process in the form of unilateral and politically motivated actions by either the Federal or State administrations, this would be violative of the intent of our constitution and create major fiscal impacts. I think your Constitution requires the same.

Any no-net-loss conversion program will strike the Alaskan public as a bad idea. Perhaps a more palatable approach would be to establish a no-net-loss policy favoring private landownership in Alaska.

The qualification program for distributing OCS revenues to local communities is not clear to us. It appears that very few coastal communities in Alaska would qualify. The term "political subdivision": We strongly urge the committee to require that any eligible political subdivision must be specifically recognized in State statute.

The purpose and use of the revenue sharing funds should be broad. Certainly providing public education, water, sewers, roads, airports, and public protection should be justifiable uses of these funds.

We also object to the provision that allows the Secretary to unilaterally approve or disapprove plans that have been rejected through the normal State process.

Provisions this title, title 2, providing for the acquisition of private inholdings within Federal management units are frightening, terrifying in fact, that significant funds could flow directly to the most fanatical of the environmental organizations in the form of grants.

The main thrust of each bill is to buy up private lands that government wants for alleged unmet needs—that is a fascinating term to us—and to secure habitat for kangaroo rats in California, green tree frogs near Petersburg, Alaska, a subspecies of house flies near Sacramento, spotted owls from California to Canada, and marbled murrelets in Washington in Oregon. In addition, the bills propose to buy out every ranch, cabin, homestead found within the Federal boundaries of declared parks, refuges, and wilderness areas.

We would favor a provision which mandates that no additional Federal lands could be purchased in States with over 50 percent of the State land mass already in Federal ownership. Serious consideration should also be given to using some of these funds to compensate those inholders that have been harassed.

In title 3, we strongly recommend section 305 be eliminated.

In closing, let me emphasize that most of the legislature and the citizens of Alaska overwhelmingly supports responsible OCS development. Make no mistake, our State needs those OCS funds. We have a $1.2 billion deficit. We certainly do not need another square inch of Federal or State park land. We would, however, like to get rid of our honey buckets, we would like a few decent roads, we would like our kids to have a decent education.

That may be too much to ask before the Congress coerces us into buying up and locking up more parks in perpetuity.

Thank you again, Mr. Chairman. I overran my time a bit and I want to thank the members of the community, and hopefully you will allow the full statement to be read into the record.

[The prepared statement of Mr. Taylor follows:]

PREPARED STATEMENT OF ROBIN TAYLOR, SENATOR, ALASKA STATE LEGISLATURE

Good morning, Mr. Chairman and members of the Senate Energy and Natural Resources Committee. My name is Robin Taylor and I am here testifying today on behalf of State Senate President Drue Pearce and the Alaska State Senate and the Alaska State House of Representatives. I am a member of the Alaska State Senate from Wrangell, Alaska and serve as Chairman of the Senate Judiciary Committee.

I am here today to talk specifically about the impacts of offshore oil and gas development activities on Alaska and its coastal communities and to provide comments on S. 25, S. 446, S. 532 and S. 819—all of which deal with the sharing of Outer Continental Shelf revenues. I want to begin, however, by expressing our appreciation for the invitation to testify at this hearing.

Since we have been provided only a brief period for my oral presentation, I will summarize our testimony. We do request, however, that the entire written testimony be entered into the hearing record.

INTRODUCTION

As you will gather from this testimony, we are fully supportive of the concept of revenue sharing from federal resource development within or adjacent to our state. That principal is embodied in our statehood Act in recognition of anticipated challenges in maintaining viable economies in our fledgling state. Quite frankly, the challenges are equally as great today considering that our state is still struggling to establish many of the basic amenities taken for granted in the lower 49 states. We are a state rich in resources, many of which are still untapped, unavailable, or economically nonviable. We suffer from expensive transportation costs, the lack of basic infrastructures, near third world living conditions in many rural communities, and an uncle that is loving us to death.

We are concerned, however, that the strings attached and the potential disadvantages associated with the proposed revenue sharing programs could eventually outweigh the benefits. It is difficult for many of us, for instance, to enthusiastically embrace the concept in any program which is designed to transfer significant amounts of private lands in Alaska into federal ownership—regardless of the benefits. Over 50% of our state is already owned by Uncle Sam and the vast majority of it contributes very little to the economy of our state and that which is used to contribute is dwindling rapidly.

Mr. Chairman, put simply, most of us are not interested in expanding the amount of federal land ownership in Alaska. We are not interested in giving the Secretary of Interior or the Secretary of Agriculture more authority and influence over our lives and the economy of our state. We are sympathetic to the cries of abuse by inholders who have been harassed unmercifully by the federal agencies in pursuit of their own agendas. It should be no surprise that many legislators are unalterably opposed to continued or expanded authorities of the federal agencies which rob us of our Constitutional and statutory rights to manage our own resources, claim title to our statehood grant of lands and waters, and provide basic services and benefits to our state citizens.

Most of us are interested, however, in pursuing the true partnership with the federal government that was envisioned when Alaska became a state in 1959. It was our dream that the vast majority of federal lands in Alaska would contribute to the viability of our economies rather than provide roadblocks designed to hinder reasonable economic growth. It was our dream that this partnership would provide the residents in remote areas of our state the same basic life services enjoyed and taken for granted everywhere else in America.

It is our hope that we can still fulfill that dream and one of the mechanisms is to encourage the sound and orderly development of some portion of the federal lands and resources in our state, and to provide some form of consistent revenue flow to the state to compensate for the associated impacts and to share in any economic benefits. Mr. Chairman, we believe that it was this philosophy that you wished to present in any proposed OCS revenue sharing bill. With that in mind, we have prepared some suggestions that we hope the Committee will seriously consider as these bills proceed.

BACKGROUND

For the last three decades, Alaska has been one of the primary sources of this country's domestic energy supply. It is no secret that the oil and gas industry has brought many benefits to Alaska. At the same time, however, it has also created responsibilities and burdens which have economic costs throughout the State.

Alaska is also one of the several states which has active federal outer continental shelf (OCS) oil and gas development taking place off its shores. More importantly, the level of production from federal OCS oil and gas leases in Alaska is likely to increase significantly as new development is brought on line. Hundreds of millions of dollars in revenues will be produced from federal OCS development in Alaska. Yet, unlike federal onshore activities, Alaska and the individual communities which are most proximate to federal OCS development will receive no direct benefits from it even while we shoulder the burdens and responsibilities that arise from development.

As in the case of onshore development, federal OCS activities are major industrial undertakings which inevitably impact the State and particularly the communities nearest to them. Federal OCS oil and gas activities place increased demands on infrastructures such as roads, ports, airports and not just those in the immediate area. Anchorage, our largest city which is itself a coastal community, feels such affects from activities all over the State. In Alaska, much OCS-related equipment and facilities must come through the Port of Anchorage whether it is destined for the nearby waters of Cook Inlet or those much further north. The Anchorage and Fairbanks airports both experience significantly higher traffic in both cargo and passengers as a direct result of onshore development and offshore activities will bring further increases.

Federal OCS activities also place increased demands on local public services such as fire protection, search and rescue, and law enforcement as well as the utility systems of nearby communities such as Barrow, Kaktovik, Kodiak, and communities around Cook Inlet. Equally important are the increased environmental monitoring and regulatory functions that must be performed by the State and local governments. Under the current federal system, however, we derive no direct economic benefits from federal OCS oil and gas development to assist us in dealing with the impacts which these same activities create.

Not only is this unfair, it is also at odds with the historical practice and policy of the United States government of allowing affected states and communities to share in the benefits of the development of federally-owned resources. The Alaska Statehood Act and, in other states, the Mineral Leasing Act provide that we are entitled to receive a significant portion of the revenues derived from federal oil and gas leases on lands within our boundaries. This policy exists both as a matter of fairness and in recognition of the very real impacts which such activities create. Similarly the federal payments in lieu of taxes or PILT program seeks to account for the economic impacts of federal lands on the local tax base. But the rules suddenly and inexplicably change when those very same federal activities occur right off our shores. That, we believe you'll agree, is simply not right and makes no sense.

Nevertheless, this is not simply a matter of sharing the wealth but also about addressing very real needs. As I mentioned earlier, many of the smaller coastal communities in Alaska are struggling under what can best be described as third world conditions. Most are still trying to address basic community needs like education and water and sewer service. Many of the residents in these villages exist below the poverty line and are forced to rely on subsistence activities for survival. I have included as an exhibit to our written testimony a chart with income and poverty information for some of our coastal communities. The social and cultural problems that accompany poverty are often rampant. Money will not solve all of these problems, but providing some form of OCS community impact assistance will help improve the quality of life for such communities and their residents.

Allowing Alaska and other coastal states to share in the economic benefits of federal OCS development will also assist us in addressing other important needs and functions. As a coastal state, Alaska has an extensive Coastal Zone Management Plan and Program which is concerned not just with OCS oil and gas activities but all activities which impact the coastal environment. Federal OCS revenues would better enable Alaska and its communities to implement adequate monitoring and planning programs. The monitoring and collection of data regarding marine species and habitat could be significantly expanded. Local communities would be able to participate more fully and address their concerns in the extensive federal and state environmental planning process which precedes OCS development.

With this in mind, Mr. Chairman, we offer the following specific comments on the Bills before this committee.

GENERAL COMMENTS

From our perspective, the general approach in S. 25 is much preferred over what is in S. 446, S. 532, and S. 819. The latter three bills do not recognize the need for impact assistance funding—an essential component of any revenue sharing concept. S. 446, S. 532, and S. 819 place more emphasis on federal land purchases and environmental protection than on balancing those with legitimate human needs of the coastal states. Many of us are seriously concerned about the long term economic impacts of the programs being promoted in these bills. For those reasons, our suggested changes will be focused on the legislation sponsored by the Chairman, S. 25.

No OCS revenue sharing bill is acceptable unless all funds are subject to legislative appropriation just as now exists for onshore oil and gas revenue sharing, Land and Water Conservation Fund expenditures, and Pittman/Robertson programs. It is imperative that such vast amounts of money be subjected to full public review and planning processes and legislative prioritization. Bypassing the legislative appropriation process in favor of unilateral and politically motivated actions by either the Federal or State Administrations would violate the intent of our Constitution and create major fiscal conflicts. Any other method of allocating funds would be inappropriate. We suggest that this requirement be incorporated into all three titles in S. 25.

Any "no net loss" conversion program will strike the Alaska public as a bad idea. I refer you to our introductory comments about the excessive federal ownership in our state. Perhaps a more palatable approach would be to establish a "no net loss" policy favoring private land ownership in Alaska.

Of major concern are the specific provisions in S. 466 which create a number of new dedicated funds which are not subject to appropriation by Congress or the state legislatures. A Farmland, Ranchland, Open Space, and Forestland Protection Fund, a Federal and Indian Lands Restoration Fund, a Fund for Living Marine Resources Conservation, Restoration, and Management Assistance, a Fund for State Native Fish and Wildlife Conservation and Restoration and a dedicated source of funding for Endangered Species Act implementation seem collectively excessive.

TITLE I

The qualification formula for distributing OCS revenues to local communities is not clear to us. It appears that very few coastal communities in Alaska could qualify and we don't believe that this was the intent of the sponsors. Given the wide ranging effects of OCS development across Alaska, we would recommend that the community qualification criteria be as broad as possible.

The term "political subdivisions" needs to be more clearly defined. For example, under the terms of the present legislation, the Secretary(s) may have authority to designate any existing or yet to be established governmental entity as a qualified "political subdivision" of the state regardless of what has been established in state law. We strongly urge the Committee to require that any eligible "political subdivision" must be specifically recognized in state statute.

The purposes and use of the revenue sharing funds should be broad. Although we agree that some of the funds could and should be used for planning and mitigating environmental concerns, we strongly recommend that providing basic public services and infrastructures should be a primary goal of these shared revenues. Certainly, providing public education, water, sewers, roads, airports and public protection should be justifiable uses of these funds.

We also recommend that any fiscal planning processes incorporated into this proposal be subject to legislative approval. It is inconceivable that large sums of federal funds would be allocated based on administrative planning processes without full public disclosure and legislative concurrence.

We also object to the provision that allows the Secretary to unilaterally approve or disapprove plans that have been rejected through the normal state process.

It is strongly recommended that you limit federal administrative and planning costs to 1% as provided in Congressman Young's bill—H.R. 701. S. 446 provides for administrative and planning costs up to 2% which we believe is excessive.

TITLE II

Provisions in this title providing for the acquisition of private inholdings within federal management units are frightening. Terrifying in fact that significant funds could flow directly to the most fanatical of the environmental organizations in the form of grants. The main thrust of each bill is to buy up private lands that government wants for alleged unmet needs and to secure habitat for kangaroo rats in California, green tree frogs near Petersburg, Alaska, a subspecies of house fly near Sacramento, spotted owls from California to Canada, and marbled murrellets in Washington and Oregon. In addition, the bills propose to buy out every cabin, ranch, and homestead found within the boundaries of federally declared parks, refuges, and wilderness areas.

As mentioned earlier, we are opposed to an expansion of federal land ownership in Alaska. We would favor a provision which mandates that NO additional federal lands could be purchased in states where over 50% of the state land mass is already owned by the federal government.

We are all aware that there is some interest amongst Native Corporations to sell and the federal agencies to buy some inholdings within Conservation Units in Alaska. Since some of the Native land selections were mandated by the provisions of the Native Claims Settlement Act rather than being selected for their economic values, it is understandable that some Native stockholders would wish to sell lands that have national interest values but provide little or no profit to the Corporate shareholders. It is our recommendation that serious consideration be given to land exchanges in those instances or the sale of federal holdings elsewhere to maintain at least the existing proportion of federal, state and private lands.

We are uncomfortable with the provision in Section 1006 (a) (1) which permits local governments to transfer funds to local non-profit organizations without strict criteria being applied as to the use of those funds. Formal accountability procedures must be applied as are required presently under state law.

It is imperative that this legislation clearly prohibit condemnation of private lands and provide only for purchases from willing sellers at fair market value.

Serious consideration should also be given to using some of these funds to compensate inholders who do not wish to sell their lands, yet suffer the loss of land and resource values due to restrictive regulations of the adjacent federal land manager.

S. 466 does require the development and submission of a prioritized list of projects along with the annual budget submitted by the President. If this principal is applied here along with a requirement that the list of projects and lands to be taken must be reviewed and approved by Congress, it might overcome some of the criticism that Congress is delegating its appropriation authority to the Administration.

Other than for federal National Parks, we believe an additional requirement should be included which mandates that traditional land uses, such as hunting, fishing and trapping, shall not be unnecessarily restricted or eliminated for lands purchased under this title.

TITLE III

Since this Title creates a subaccount in the Pittman/Robertson account for distribution to the states, we strongly recommend that every effort be made to clearly establish that provisions applying to this subaccount do not apply to the other portion of the account dealing with excise taxes on sporting goods and ammunition.

We strongly recommend that Section 305 (d) be eliminated. This provision unnecessarily restricts the appropriation prerogatives of the legislature. Although it is not anticipated that new funds will only replace funding from other sources, the legislature must retain some authority to prioritize use of public funds. The existing restrictions on use of Pittman/Robertson funds already protect those associated federal and state matching monies from abuse.

CONCLUSION

In closing let me emphasize that most of the Legislature and the citizens of Alaska overwhelmingly supports responsible OCS development. Alaska has been blessed with a wealth of natural resources and their orderly development is a crucial element in our economy. At the same time, however, it is important that the United States government recognize the necessity and equity of allowing Alaska and other coastal states to share directly in the benefits of the developing OCS resources so as to better enable them to deal with the very real impacts and responsibilities which they create.

Make no mistake, our state needs those OCS funds. We have a 1.2 billion dollar deficit. We certainly don't need another square inch of federal or state park lands. We would, however, like to get rid of our honey buckets. We would like a few decent roads. We would like our kids to get a good education. Is that too much to ask before you coerce us into buying up and locking up more land for parks in perpetuity?

Most of our suggestions are designed to encourage the concept of revenue sharing with the coastal states while at the same time enhancing the public benefits by integrating these federal monies into the planning and appropriation processes already in place in our state.

Thank you again Mr. Chairman and members of the Committee for the opportunity to appear here to express some of our concerns and offer constructive suggestions.

The CHAIRMAN. Without objection, we will allow your full statement to be in the record. And since you came a little further than the rest of the panel, you are entitled to a little more time.

Mr. TAYLOR. Thank you, Senator.

The CHAIRMAN. Our next witness will be J. Allison DeFoor, II, Environmental Policy Coordinator for the Office of the Governor, the State of California.

Senator Graham, do you want to?

Senator GRAHAM. Actually he is from the State of Florida.

The CHAIRMAN. Oh, excuse me. Well, anyway.

Senator GRAHAM. As I indicate in my opening statement, Mr. DeFoor and his family have a proud heritage and ongoing record in our State. Mr. DeFoor has served in a number of positions both judicial and environmental, and Governor Bush has chosen very wisely in selecting him to be his principal environmental adviser and I know that he will make a significant contribution to our understanding of this issue.

STATEMENT OF ALLISON DeFOOR, ENVIRONMENTAL POLICY COORDINATOR, OFFICE OF THE GOVERNOR, STATE OF FLORIDA

Mr. DEFOOR. Thank you, Senator Graham.

Thank you, Mr. Chairman.

The CHAIRMAN. I apologize, Mr. DeFoor. I guess the overpowering personality of Mr. Panetta from California transferred itself to Florida.

Mr. DEFOOR. The confusion is natural. I am actually from Key West, which is the Sovereign Conch Republic anyway.

The CHAIRMAN. That is fair enough.

[Laughter.]

The CHAIRMAN. We just heard from the Senator from the sovereign country of Alaska as well.

We have been joined by Senator Lincoln as well, I might add. Good morning, Senator.

Please proceed.

Mr. DEFOOR. Thank you, sir.

The citizens, agencies, and elected officials of Florida are highly supportive of the initiatives which are under consideration today. But there are some concerns that we would like to share with you.

Nearly every Floridian opposes offshore oil and gas development. This is for us not an environmental issue as much as it is an economic one. The potential damage to our coastal and marine resources from these activities is much higher than it would be in other States. Florida's economy is directly linked to its environment in ways that exceed that of virtually any State in the Union.

Our climate, our clean waters, our unspoiled natural areas create economically clean—environmentally clean and economically clean industries, which include recreation, tourism, retirement, commercial and recreational fishing, which are major industries. It brings 42 million tourists, your constituents, from other States and countries and billions and billions of dollars annually to our State and local economies.

We recognize the rights of the other States to choose their own paths regarding offshore drilling. While these States receive economic benefits from offshore activities, they should also share in those revenues to address environmental concerns.

It is also important to remember that the oceans are interconnected, particularly the Gulf of Mexico, which is essentially a closed system. What comes out at Mississippi ends up in the Florida Keys in my waters. Activities occurring on both land and water can have far-reaching effects. A coastal impact assistance program would provide an excellent opportunity to help all coastal States address environmental impacts.

We support a program that focuses on mitigation and restoration from these activities, but which does not cause additional environmental degradation. Such a program should include developing alternative energy sources and Federal buyback of some existing leases.

Most coastal States face serious environmental degradation and the problem is worsened by a lack of adequate funding. We support an innovative program that would allow States to address coastal restoration and management by working with local governments. However, we must not provide incentives for additional offshore development. These proposals should include language similar to Senator Graham's S. 819 that restricts the use of revenues to existing offshore activities. Funding the restoration and protection of one part of our environment should not be at the expense of another.

We strongly support permanent funding of the LWCF, a program that has been used to acquire some truly great places in this country. These conservation funds could be used toward one of Governor Bush's environmental priorities, which is the restoration of the Everglades. Permanent funding would also ensure that the Federal Government's commitment to long-term restoration of the Everglades is at least partially guaranteed.

We also support Senator Graham's National Parks Preservation Act to ensure funding for threatened national parks, including the Everglades National Park.

It is essential that State funding from the LWCF be restored. The recreational demands of increased population and millions of visitors have put great strains on our existing parks and recreational facilities. States have demonstrated leadership in this program, but are now experiencing severe recreational shortages due to a lack of appropriation for this partnership.

While existing procedures under this program are supported, we suggest making the funding permanent without the need for annual appropriation. We also support the wildlife diversity program for conservation, recreation, and education with funding levels similar to that proposed in H.R. 701. Florida has more than 100 State-listed endangered and threatened animal and plant species. The partnerships provided by these funds would allow further protection of these species to prevent them from being placed on the Federal endangered species list.

Overall, the proposed legislation would complement existing land management and habitat protection programs and provide flexibility to address unique State problems.

Finally, there are provisions of the administration's Lands Legacy Initiative that we support. The use of conservation easements under the farmland protection program is an excellent land use tool and these types of USDA programs are critical to the success of the Clean Water Act.

Increased funding for the Florida Keys National Marine Sanctuary, which is close to my heart, the Rookery Bay and Appalachicola Estuarine Research Reserves, and coral reef restoration is also very important to the health and the prosperity of the citizens of Florida. We strongly support reinvigoration of these partnerships.

Thank you for your continued efforts last week to balance the many demands on our State and Nation's natural resources. Additional details regarding this testimony are included in the written submittal, which I would ask be made a part of the record.

[The prepared statement of Mr. DeFoor follows:]

PREPARED STATEMENT OF ALLISON DEFOOR, ENVIRONMENTAL POLICY COORDINATOR, OFFICE OF THE GOVERNOR, STATE OF FLORIDA

Citizens, agencies and elected officials in the State of Florida are highly supportive of many of the initiatives before this committee, but there are also some concerns. We appreciate the opportunity to share with you Florida's recommendations.

Nearly every Floridian opposes offshore oil and gas development. The potential for damage to our coastal and marine resources from these activities is higher than in other states. Florida's economy is directly linked to its environment, warm climate, clean waters and unspoiled natural resources. Environmentally clean industries, including recreation, tourism, retirement, commercial and recreational fishing are

major economic activities in Florida that bring 42 million tourists from other states and countries, and billions of dollars annually to our state and local economies.

We recognize the rights of other states to choose their own paths and develop their policies regarding offshore drilling. While these states receive economic benefits from these activities, they should also share in the offshore revenues to address environmental concerns and critical infrastructure needs resulting from such development. However, it is also important to recognize that the oceans are interconnected, especially the Gulf of Mexico, where activities occurring on both land and water can have far reaching detrimental effects. A coastal impact assistance program would provide an excellent opportunity to help all coastal states address many of the environmental impacts resulting from outer continental shelf development. We support a program that focuses on mitigation and restoration of outer continental shelf-related development activities but does not result in additional environmental degradation. Such a program should provide for the development of alternative energy sources and the federal buy-back of some existing leases.

Most coastal states face serious environmental degradation and the problem is worsened by lack of adequate funding. We support a program that would allow states to distribute funds to local governments and thus work together to address coastal restoration and management. Such a program would allow local and state governments to cooperate in the programs' designs; improve access to our nation's invaluable coastal resources; and acquire and manage critically degraded coastal habitats for a variety of purposes including habitat for endangered and threatened species. This program could be similar to the successful Florida Communities Trust which was created to help local governments and citizens obtain and restore natural areas.

However, we must not provide incentives for additional offshore development. We request the inclusion of language similar to Senator Graham's in S. 819 that restricts the use of revenues generated from existing offshore leases and activities. Funding the restoration or protection of one part of our environment should not be at the expense of another. Likewise, any offsets resulting from these initiatives should not cause the reduction of funding of other important federally-supported programs.

We strongly support permanent funding of the Land and Water Conservation Fund, a program that has been used to acquire some truly great places in this country. These conservation funds could be used to support one of Governor Bush's environmental priorities which is the restoration of the Everglades. Permanent conservation funding would ensure that the federal government's commitment to the long-term restoration of the Everglades is at least partially guaranteed. We also support Senator Graham's National Parks Preservation Act which would ensure funding for threatened national parks including Everglades National Park.

It is essential that state funding from the Land and Water Conservation Fund be restored. The recreational demands of increasing population and millions of visitors have put great strains on our existing parks and recreational facilities. States have demonstrated leadership in this program, but now experience severe recreational shortages as a result of the lack of appropriation for this "partnership." While existing procedures under this program have widespread support and a proven track record, we suggest making the funding permanent without the need for an annual appropriation. This is in contrast to the Administration's "Lands Legacy Initiative," which would put the states in the position of competing among ourselves for grants from the Department of the Interior, and denying the original flexibility to utilize allocated funds for recreational improvements as well as land acquisition. With any changes to proposed legislation, we urge the use of only existing or non-moratoria area oil and gas revenues.

We also support a wildlife diversity program with funding levels similar to those proposed in H.R. 701. Florida has more than 100 animal and plant species on our state endangered or threatened lists. The partnerships provided by these funds would allow further protection and management of these sensitive species to prevent them from being placed on the federal endangered species list. While Florida's annual budget for wildlife management ranks fifth in the country, we still cannot keep up with the challenges of providing effective protection. We have made a substantial commitment to wildlife diversity but are in need of a federal partnership. This type of cooperation has been proven effective as demonstrated by the many successes resulting from the use of Pittman-Robertson funds.

The economic potential of fish and wildlife conservation is substantial, with estimates of its economic importance approximating $5.8 billion annually in Florida. Unfortunately, we have not been able to fund recreational facilities for some of our public lands, or provide comprehensive educational opportunities that promote appreciation and conservation of wildlife. While we have many promising partnerships

between the land management agencies, local tourism bureaus, nature tour operators, and private landowners, we have been unable to implement them with available state and local funding.

The state has many proactive programs it could pursue should you create this partnership. These include: a Great Florida Birding Trail which combines the appreciation of the bounty of bird species in Florida with economic benefits of wildlife-watching tourists visiting the many rural communities through which the trail passes; conservation plans for declining species; new trails and wildlife viewing towers; the creation of coral reef nurseries to help restore damaged coral reefs; and regional visitor interpretation centers.

We support legislation that complements existing land management and habitat protection programs; provides flexibility to address unique state problems; and includes funding to meet state needs. With this legislation, we can enhance our long-term ability to sustain habitat for wildlife diversity and an economic base which encourages local residents and tourists to support wildlife programs.

Finally, there are provisions of the Administration's "Lands Legacy Initiative" that we support. The use of conservation easements under the Farmland Protection Program is an excellent land management tool and these types of U.S. Department of Agriculture programs are critical to the success of the Clean Water Action Plan. Increased funding for the Florida Keys National Marine Sanctuary, the Rookery Bay and Apalachicola Estuarine Research Reserves and coral reef restoration is also very important to the health and prosperity of Florida. We strongly support the reinvigoration of these partnerships.

Thank you for your continued efforts to balance the many demands on our state and national natural resources.

The CHAIRMAN. Thank you very much, Mr. DeFoor.

Our last panelist is Mr. Paul Kelly, who joins us this morning from Houston, Texas, senior vice president, Rowan Companies. Please proceed, Mr. Kelly.

STATEMENT OF PAUL L. KELLY, SENIOR VICE PRESIDENT, ROWAN COMPANIES, INC., HOUSTON, TX

Mr. KELLY. Thank you very much, Mr. Chairman.

I am senior vice president of Rowan Companies in Houston, which is a major provider of international and domestic offshore contract drilling and helicopter services. In addition, we build offshore drilling rigs.

But I was invited to testify before the committee really because I happen to serve on the Department of the Interior's Outer Continental Shelf Policy. The OCS Policy Committee was established to provide advice to the Secretary of the Interior through the Minerals Management Service on policy issues related to oil and gas activities on the OCS. Members of the committee are appointees of the Governors of all the coastal States and different constituencies impacted by the OCS program, and I happen to represent the service, supply, and support industry constituency. I served as chairman of the committee from 1994 to 1996.

The OCS Policy Committee frequently establishes subcommittees and working groups to look at issues in depth and report back to the full committee. In 1993 I chaired a subcommittee that wrote the report "Moving Beyond Conflict to Consensus," which recommended coastal impact assistance along with a number of other recommendations intended to revitalize the OCS program. Then again in 1997, I served on a working group of the Policy Committee which wrote a report for the Secretary of the Interior specifically recommending coastal impact assistance legislation.

Throughout the history of the OCS oil and gas, natural gas, program States and local communities have sought a greater share of the economic benefits of OCS development. In 1993, after the

102nd Congress chose not to enact any OCS initiatives, the OCS Policy Committee in this report, ''Moving Beyond Conflict to Consensus,'' made two basic recommendations. They recommended that a portion of the revenues derived from, first, the OCS program activities should be shared with the coastal States, the Great Lakes States, and U.S. territories.

The Policy Committee saw two fundamental justifications for a revenue sharing or impact assistance program. The first was to mitigate the various impacts of OCS activities and the second was to support sustainable development of nonrenewable resources. My longer testimony sets forth the various impacts and I will leave it to you to read the testimony, but in the interest of saving time I will go on and just say that for almost the entire decade of the nineties the OCS Policy Committee has believed that addressing these needs would help to strengthen the Federal, State, local partnership that must underlie a reasoned approach to national energy and coastal resources issues, resulting in a more productive OCS program.

While we have a diverse group of States and constituencies recommended on the committee, one point we have had consensus on is that addressing impacts on States and local communities is a matter of common sense and fairness, whatever the level of support a particular State may have for oil or natural gas activities off its coastline.

Mr. Chairman, I believe it is important that the members of your committee bear in mind the national benefits of the OCS program versus the disproportionate local cost of the program with the same sense of fairness that the OCS Policy Committee did as you consider each of the bills before you.

The OCS Policy Committee's second justification lies in the concept of sustainable development. In short, the committee believes that a modest portion of the revenues derived from development of nonrenewable resources such as oil and natural gas should be used to conserve, restore, enhance, and protect renewable natural resources, such as fisheries, wetlands, and water resources. This concept also underlies the Land and Water Conservation Fund, which uses OCS revenues to acquire and develop park and recreational lands nationwide.

Now, Mr. Chairman, I would hasten to add that all the States represented, all the coastal States represented on your committee, as well as the States represented on this panel before you have voted in support of those two basic justifications at the OCS Policy Committee.

This notion that somehow impact assistance is going to tempt States into the OCS program has arisen really since our action. My observation has been that it is a notion that has been promoted by some of the environmental special interest groups and has been picked up by some of the States afterwards.

It might be an appropriate time to mention how widespread the benefits of OCS oil and gas development are, not only in terms of national energy supplies, but also in terms of the economic benefits derived across the Nation. Rowan Companies has just completed the construction of a new high tech mobile offshore drilling rig that cost us about $200 million. We just completed an analysis of the

purchase orders for the components on board the rig and you may be surprised to learn that various components on this rig, this magnificent high tech vehicle, were purchased by manufacturers in 32 different American States.

Now, looking at the top seven suppliers, it might not be a surprise to you to know that Texas, Louisiana, and Mississippi are leaders of the list, but also California, Pennsylvania, and Oklahoma are high on the list as well, as well as Illinois, New Jersey. We even have an electronics system purchased from Oregon, and of course California rates fifth on the list.

My time is up. I just want to say that S. 25 is the legislation that most closely reflects the recommendations of the OCS Policy Committee. We believe that any legislation that is enacted should not forget impact assistance. We should have both impact assistance and we should have funds b used from nonrenewable sources for renewable sources, and we wish you luck in achieving that objective.

[The prepared statement of Mr. Kelly follows:]

PREPARED STATEMENT OF PAUL L. KELLY, SENIOR VICE PRESIDENT, ROWAN COMPANIES, INC., HOUSTON, TX

INTRODUCTION

Mr. Chairman and members of the Committee, I am Paul L. Kelly, senior vice president of Rowan Companies, Inc. Rowan is a major provider of international and domestic offshore contract drilling and helicopter services. Through its subsidiary, LeTourneau, Inc., Rowan also operates a mini-steel mill, a manufacturing facility that produces heavy equipment for the mining and timber industries, and a marine division that has built over one-third of the worldwide fleet of mobile offshore jack-up drilling rigs.

I was invited to testify before the Committee because I also happen to serve on the Department of Interior's Outer Continental Shelf (OCS) Policy Committee. The OCS Policy Committee was established to provide advice to the Secretary of the Interior through the Minerals Management Service (MMS) on policy issues related to oil and natural gas activities on the OCS. Members represent the coastal States and constituencies impacted by the OCS program. I represent the support industry constituency and served as chairman of the Committee, 1994-96.

The OCS Policy Committee frequently establishes subcommittees and working groups to look at issues in-depth and report back to the full committee. In 1993 I chaired a subcommittee that wrote the report Moving Beyond Conflict to Consensus which recommended coastal impact assistance, along with a number of other recommendations intended to revitalize the OCS program, and then again in 1997 I served on a working group of the OCS Policy Committee which wrote a report for the Secretary of the Interior specifically recommending coastal impact assistance legislation.

BACKGROUND OF OCS POLICY COMMITTEE INVOLVEMENT

Throughout the history of the OCS Oil and natural gas program, States and local communities have sought a greater share of the economic benefits of OCS development. In 1993, after the 102nd Congress chose not to enact any OCS initiatives, the OCS Policy Committee, in its report Moving Beyond Conflict to Consensus, recommended:

> A portion of the revenues derived from OCS program activities should be shared with coastal States, Great Lakes States, and U.S. Territories.

The Policy Committee saw two fundamental justifications for a revenue sharing or impact assistance program. The first was to mitigate the various impacts of OCS activities, and the second was to support sustainable development of non-renewable resources.

IDENTIFYING IMPACTS

In Moving Beyond Conflict to Consensus, the OCS Policy Committee addressed specific impacts associated with OCS activities. The report stated that, despite strict environmental standards and the program's exemplary environmental record, "OCS development still can affect community infrastructure, social services and the environment in ways that cause concerns among residents of coastal States and communities." These effects cannot be entirely eliminated and they underscore the fact that, while the benefits of the OCS program are national, a disproportionate share of the infrastructure, environmental and social costs are local.

Impacts include:

- The need for infrastructure, such as ports, roads, water and sewer facilities, to support expanded economic activity accompanying OCS development;
- The need for public services, such as schools, recreation facilities, and other social services, to support the population growth accompanying OCS development;
- The need to mitigate the effects of occasional accidents (e.g., oil spills) or cumulative air, water and solid waste discharges on coastal and marine resources and on the economic activities (e.g., tourism and fisheries) that depend on those resources;
- The need to mitigate the physical impact of OCS activities (e.g., pipelines, wake wash, road traffic, canal digging and dredging) on sensitive coastal environments;
- The visual impact on residents and tourists from production platforms and facilities, waste disposal sites, pipeline rights of way, canals, etc.; and
- The costs to State and local governments of effective participation in OCS planning and decisionmaking processes and of permitting, licensing, and monitoring onshore activities that support offshore development.

For almost the entire decade of the nineties the OCS Policy Committee has believed that addressing these needs would help to strengthen the Federal-State-local partnership that must underlie a reasoned approach to national energy and coastal resource issues, resulting in a more productive OCS program. While we have a diverse group of States and constituencies represented on the Committee, one point we have consensus on is that addressing impacts on States and local communities is a matter of common sense and fairness, whatever level of support a particular State may have for oil or natural gas activities off its coastline. Mr. Chairman, I believe it is important that the members of your Committee bear in mind the national benefits of the OCS program vs. the disproportionate local costs of the program with the same sense of fairness that the OCS Policy Committee did as you consider each of the bills before you.

SUPPORT FOR RENEWABLE NATURAL RESOURCES

The OCS Policy Committee's second justification lies in the concept of sustainable development. In short, the Committee believes that a modest portion of the revenues derived from development of non-renewable resources, such as oil and natural gas, should be used to conserve, restore, enhance, and protect renewable natural resources, such as fisheries, wetlands, and water resources. This concept also underlies the Land and Water Conservation Fund (LWCF), which uses OCS revenues to acquire and develop park and recreational lands nationwide.

OCS PROGRAM BENEFITS INLAND STATES AS WELL AS COASTAL STATES

This might be an appropriate time to mention how widespread the benefits of OCS oil and natural gas development are, not only in terms of energy supplies but also in terms of jobs, taxes and other direct economic benefits for inland states and communities as well as coastal states and communities. As an example, Rowan Companies now has underway a $600 million capital expansion program that includes the construction of three now state-of-the-art mobile offshore drilling rigs and several offshore service vessels. Recently we completed the construction of the first drilling rig, the Rowan Gorilla V, the largest jack-up drilling rig in the world, built under U.S. flag in Vicksburg, Mississippi to operate in harsh environments throughout the world. An analysis of purchase orders for Gorilla V shows various components supplied by manufacturers in 32 different American States. The top seven supplier States include Texas, Louisiana and Mississippi, which might not be a surprise to you, but it also includes Indiana (#2), California (#5), Pennsylvania (#6) and Oklahoma (#7) which might be more surprising to you in terms of the stake they have in OCS development. This "high-tech" marvel will not only help explorers find oil and natural gas at greater depths and at higher latitudes than previously possible, but it will also help them find and produce oil and gas more safely from the

standpoint of environmental protection. We are quite proud of having had the participation of engineers, steelworkers, welders, pipefitters, electricians, computer and software experts, marine technologists and thousands of other talented American men and women who are helping Rowan move forward into the next millennium using the best technology industry has to offer. It is people like this from all across the country who make U.S. offshore drilling technology pre-eminent throughout the world.

MOST RECENT OCS POLICY COMMITTEE RECOMMENDATIONS

Let me now summarize the most recent recommendations of the OCS Policy Committee concerning OCS impact assistance and ocean/coastal resources protection.

Source and Amount of Revenue

First, the Committee recommended that an OCS impact assistance and ocean/coastal protection program be added to, and a concomitant increase in OCS revenues be transferred to, a revived and enhanced Land and Water Conservation Fund (LWCF). As you are aware, the LWCF is an existing program funded primarily by OCS receipts and is available to all States and Territories of the United States, subject to appropriations, to apply to the acquisition and management of land and water areas for parks and recreation uses. The OCS Policy Committee proposed that the LWCF, which currently is authorized at a level of $900 million per fiscal year, be used to distribute annually payments equaling 27 percent of now OCS bonuses, rents, and royalties to States and Territories that have an approved coastal management plan or that are making satisfactory progress toward such a plan, pursuant to the Coastal Zone Management Act. The LCWF authorization would increase by the amount of the impact assistance funds. The $900 million authorization for Federal land acquisition and State grants, and the formula for allocating LCWF moneys between those two programs in accordance with the Land and Water Conservation Fund Act of 1965, would not be affected.

Second, the amount of additional money to be available from the LWCF each year for distribution to coastal States and Territories and localities would be 27 percent of new OCS revenues. The source of revenue would be OCS receipts that include bonus payments for leases issued after the proposed impact assistance program is enacted, rentals on all new leases, and royalties and related payments on production resulting from well completions taking place after enactment (i.e., new production on both existing and future leases). The concept of targeting new OCS revenues would be consistent with some previous legislative proposals, but the OCS Policy Committee's definition of new revenues is more expansive in that it would include royalties paid on new well completions on existing leases with production predating enactment. This reflects the Committee's view that since each new well completion is a source of impacts as well as revenues—particularly in the case of production from step-outs or new horizons—a portion of the revenues gained from each new completion should be made available to affected States and localities to deal with those accompanying impacts.

The amount of money that in 1997 we proposed to be added to the LWCF for distribution to coastal States and Territories and localities—27 percent of new revenues—was based on the percentage considered in some previous legislative proposals such as S. 575, as well as the percentage specified in section 8(g) of the OCS Lands Act, which applies to the distribution of revenues derived from the Federal OCS tracts located along State-Federal marine boundaries. The impact assistance program would apply only to those leases that are not subject to section 8(g).

Entitlement vs. Authorization

The Policy Committee believes that authorization of the proposed impact assistance program as an entitlement would be preferable to authorization subject to appropriations. Funding the proposed program as an entitlement would provide certainty to the recipients that they will have access to this source of revenues in the future. The Policy Committee does, however, recognize that in light of current attention to the budget deficit, it might be extremely difficult to obtain funding for an OCS impact assistance program as an entitlement. I believe that it is fair to say that the Committee knew it had to defer to Capitol Hill on this matter.

Eligible States

Our report recommended that all coastal States (including those bordering the Great Lakes) and Territories would be eligible to receive revenues. Inclusion of all coastal States and Territories as eligible recipients would recognize that they form a unified coalition of entities with similar interests relating to their coastlines and, therefore, should not be subdivided when it comes to receiving coastal impact assist-

ance. This proposal also is consistent with the OCS Policy Committee's 1993 recommendation and with the policy of some past OCS bills, that a portion of the revenues received from the extraction of non-renewable resources should be used for the protection of renewable ocean and coastal resources.

Eligible Governments

The OCS Policy Committee report also includes a recommendation that coastal counties, as well as local governments that State governors identify as affected by OCS activity, would be eligible and would receive payments directly (rather than passed through the State). Local government eligibility for impact assistance is consistent with several previous legislative proposals and with the OCS Policy Committee's 1993 recommendation. Coastal counties (parishes, boroughs, etc.) would be automatically eligible for payments. The governors of coastal States would have the discretion to identify which inland local governments should receive impact assistance, as long as the governor certifies that there are impacts. This is a departure from past legislative proposals that stipulated that inland counties must be within 60 miles of the coast in order to be considered for eligibility. The Policy Committee has consciously eschewed such a requirement so that the governors will have maximum discretion to assure that impact assistance funds are properly directed to the affected communities. The Committee also would provide an appropriate check on the discretion of the governors by providing localities the right to appeal the governors' decisions concerning eligibility.

The recommendation that payments go directly to localities is intended to avoid placing bureaucratic burdens on the State as well as to prevent any associated delays in payments to local governments and problems that could result. The Policy Committee recommends that consideration be given to using the existing Department of the Interior Payment in Lieu of Taxes program to distribute revenues to eligible localities in order to avoid creating new systems. The proposed connection between the minimum amount and participation in the Coastal Zone Management program has been included in most previous legislative proposals and in the previous Policy Committee recommendation.

The OCS Policy Committee recommended that eligible local governments of States within 200 miles of OCS production would be able to receive 50% of the funds allocated to the State, and local governments in States not within 200 miles of OCS production would be eligible to negotiate with the State for a share of up to 33 percent of the funds paid to the State. Provision of a sizable percentage of the available revenue to localities has been a part of all the legislative proposals developed during this decade and is included in the OCS Policy Committee's 1993 recommendation. The amount distributed to each eligible locality in a State within 200 miles of OCS production would be determined according to the same weighted formula used for eligible States, which would be applied to 50% of the State's funds. States not proximate to OCS production would share 33% of their funds with local governments that submit applications to and receive approval from the State for projects consistent with the purposes of this recommendation.

The Committee considered it logical and equitable to stipulate that a higher share (50%) be available to the affected localities of a State adjacent to OCS production and associated impacts. Similarly, it is appropriate to provide that a lower share (up to 33 percent) would be available to localities in those States that are not adjacent to production, since impacts related to the OCS program other than those resulting from production (e.g., responsibilities relating to OCS lease sales and operations plans) are borne primarily at the State government level. Further, any portion of the 33 percent share that a State's localities do not request and receive would revert to that State's use.

Uses of Funds

Following the Policy Committee's recommendations, acceptable uses of funds include mitigating the impacts of OCS activities and projects relating to onshore infrastructure and public services. Provisions specifying the use of funds have been a part of the majority of the legislative proposals that have been considered in the past, and were included in the OCS Policy Committee's 1993 recommendation. At the time we wrote our report S. 575 was the most recent bill we had seen, and the Committee decided we would incorporate and expand on the eligible use provisions of S. 575, which specified:

> Projects and activities related to all impacts of Outer Continental Shelf-related including but not limited to—(1) air quality, water quality, fish and wildlife, wetlands, or other coastal resources; (2) other activities of such State or county, authorized by the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.); the provisions of subtitle B of title IV of the Oil

Pollution Act of 1990 (104 Stat. 523), or the Federal Water Pollution Control Act of (33 U.S.C. 1251 et seq.); and (3) administrative costs of complying with the provisions of this subtitle.

The OCS Policy Committee proposed expanding the S. 575 criteria to include uses related to the OCS Lands Act and to onshore infrastructure and public service requirements resulting from OCS activity. Citing activities under the OCS Lands Act is intended to emphasize that consultation, information review, and other planning activities preceding OCS development and production entail significant expenses, especially for frontier area States and communities. Citing infrastructure and public service requirements is intended to recognize that intensive offshore activity results in onshore demands relating to port facilities, roads and railways, and public service needs such as schools and sewer and water facilities. The Committee's proposed provisions concerning eligible uses of impact assistance funds were designed to carry forward the general reference of S. 575 to OCS-related uses while highlighting some of the specific monetary needs that are facing coastal States and communities as a result of the OCS program.

Reporting and Accountability

States and counties eligible to receive funds would be required to submit plans and reports pertaining to use of the money. The OCS Policy Committee, again inspired by S. 575 supported an approach to reporting that would incorporate and expand on some of the provisions of S. 575, which called for an eligible locality to submit a project plan to the governor for approval before receiving funds and to certify annually the total amount of money spent, the amount spent on each project, and the status of each project. The Policy Committee also proposed requiring annual State certification of spending localities and an accounting of all revenues received by the State. In addition, the Committee recommended including a provision to give localities a right of appeal to the Federal administrator of the impact assistance program if a governor is perceived as failing to act promptly or as making unreasonable decisions with respect to a project plan. The proposed approach to reporting is intended to ensure responsiveness and accountability in a way that would not duplicate or complicate existing auditing requirements and thus, would not be overly burdensome at the local, State or Federal levels.

Administration by Secretary of the Interior

Finally, the OCS Policy Committee recommended that the program be administered by the Secretary of the Interior. It was the Policy Committee's belief that since the LWCF and the OCS program are managed by the Department of the Interior, the Secretary of the Interior would be the appropriate official to administer the proposed OCS impact assistance program.

COMPARISON WITH CURRENTLY PROPOSED BILLS

Of the various initiatives before your Committee, Mr. Chairman, I would say that only S. 25 comes anywhere close to reflecting both the specifics and the spirit of the OCS Policy Committee recommendations. Most importantly, none of the other bills, nor the Administration's Lands Legacy Initiative, allow for OCS impact assistance. As I indicated near the beginning of my testimony, the fundamental fairness of providing impact assistance to those States bordering on active areas of OCS oil and natural gas development was one thing that the diverse representatives on the Policy Committee representing all the coastal states and the various OCS constituencies, including petroleum, fishing and environmental interests, could agree upon. How can the proponents of these other initiatives think up all kinds of well-intended uses for the revenues provided by OCS oil and gas development and then totally ignore the impacts felt in those States and local communities which help this important federal program happen. This is just not fair.

The OCS Policy Committee recommendations are politically practical in the sense that in our latest effort we reviewed a decade of legislative attempts made in the House of Representatives and the Senate and tried to find features of coastal impact assistance bills that were often repeated over the years and were contained in legislation that evidenced some consensus by coming the closest to enactment. To put it simply, we were looking for what might work. I think you would agree that the primary obstacle to enacting impact assistance legislation during the 1990s has been budget offsets required by the Congressional Budget Enforcement Act to avoid any net loss to the Federal Treasury. This is why the source of funds in the OCS Policy Committee's proposal is from new OCS receipts. You are far more experienced in dealing with this obstacle than we are, however.

S. 25 is broader than the OCS Policy Committee recommendation that after coastal impact assistance and the revitalization of the LWCP additional funds from the marine realm be used for uses primarily in coastal and marine areas. Directionally, however, the two approaches are consistent to the extent that they both would provide funds derived from non-renewable natural resources that would be reinvested in renewable natural resources.

CONCLUSION

The OCS Policy Committee's intention was to try to "jump start" reconsideration of coastal impact assistance in the Administration and the Congress after a decade of failed efforts. I do not believe that anyone on the Policy Committee would expect to see final legislation that reflected all of our proposals and recommendations. S. 25 does appear to be moving in the right direction and I wish you well in your endeavors to reach agreement on a final bill in the Committee. In 1993, when the Policy Committee made its first recommendation for sharing a portion of the revenues derived from OCS program activities with the coastal States and Territories we justified it on the basis of (1) mitigating the various impacts of OCS activities and (2) supporting sustainable development of non-renewable resources. Both should be ingredients in the final bill you approve.

I am submitting for the record a copy of the Coastal Impact Assistance report approved by the OCS Policy Committee on October 27, 1997.

The CHAIRMAN. Thank you very much, Mr. Kelly.

Speaking of luck, as you know, the bill did not survive the budget conference, so we had a little setback here the other day. When I say "the bill" I am talking collectively. But nevertheless, the momentum is generally recognized, that there is going to be some type of OCS bill that comes before the Congress during this session.

I think the value of this hearing gives us the broad breadth of interest relative to the realities that there is some $4 billion in OCS revenue, the recognition that if we do not have an OCS program we are not going to have any revenues, the further recognition of States that clearly have evidenced their disinterest in allowing any OCS activity, but still are interested in the impact associated with the proximity.

But clearly we have an inequity in the sense that there is a sharing process for Federal oil and gas leases onshore, there has never been one for those States that are affected with offshore activity. If you look at the comparison of the bills, you will see obviously that a significant share is given to those States that would be impacted, and the legitimacy of that I think speaks for itself.

So we are going to proceed here with questions, and I recognize that the Governor of Oregon I believe has another appointment. So let me just ask you one question, Governor, relative to discretion with the Federal Government. Should the Federal Government be bound, if you will, in any State authority with regard to the expenditure of the OCS revenues or should the State just have total authority?

I think the States know best what is good for them, but, as you know, the bureaucracy has a little hard time not maintaining some strings.

Governor KITZHABER. Well, Mr. Chairman, I do not object to some broad Federal standards to ensure that these resources are spent for the broad purposes for which they have been discussed. But within that context, I think States need flexibility to tailor their own programs. I think you are aware that we approach these problems on a State by State basis differently, sometimes trying to achieve the same objective, and I think that kind of flexibility is very, very important to the Governors.

The CHAIRMAN. Governor Whitman, relative to critics who state that the stateside program is not the Federal Government's responsibility to help States and local governments to buy more park lands, to acquire more facilities, it should be a responsibility of the State—and as you have indicated, you are not going to have any OCS development off New Jersey. You have made that decision a long time ago and the government is going to honor that. But the revenue is attractive.

Whose responsibility is it?

Governor WHITMAN. I do not believe that any formula that had mitigation impact aid would encourage a State that is not inclined to allow offshore drilling to enter into that field. I do believe, and I want the second what my colleague has said, that States need maximum flexibility, but within broad parameters. I would not expect the Federal Government to hand out money to States with no parameters whatsoever on it.

But I honestly do not believe that impact aid would encourage a State to enter into offshore drilling. I certainly do not think the population would allow it in many of those States. The environmental sensitivity, fortunately for all of us, has grown and that is something that we can all appreciate. Certainly in our State we do, and we will continue to spend our own money.

We have now established a stable source of funding that will have us putting aside a billion dollars over the next 10 years, State dollars, to acquire the million acres of land. I will tell you, we cannot afford to buy a million acres of land in the State of New Jersey. We are going to have to rely on local funds and donations as well as outright purchase, and we only buy from willing sellers. That is how we are putting these parcels together.

They represent both farmland and open space. So maximum flexibility is very important to us as well.

The CHAIRMAN. Well, you indicated protection for farms, farmland. Is your view of protection ensuring that there be a climate that will keep it in farmland or is it the State acquiring the farmland and putting it into another use?

Governor WHITMAN. What we do is we acquire the development rights of farmland and the farmer continues to hold the land. The farmers pay the difference between the assessed value of the property as farmland, because they get a tax break for having it in farmland, and what the development potential would be. The State negotiates that with them and then pays them that difference.

What that does means the farmer maintains the land. They get money right away that they can either reinvest in the farm or put in the stock market if they want to make a little extra quick bucks if they want.

The CHAIRMAN. But they cannot farm any more?

Governor WHITMAN. Oh, yes, they continue farming. That farm can only be a farm in perpetuity. It could never be developed. The State has purchased the development rights. So while the farmer is entitled to sell the farm should a child not want to continue farming, it can only be sold for farmland purposes, or open space. I mean, someone could acquire it and turn it into a tree farm. But it could never be developed.

The CHAIRMAN. I do not want to keep those of you who—there are others that want to ask questions. But recognizing the time constraints on the governors—I do not know, Governor Whitman; you might want to spend a little time looking around here.

[Laughter.]

Governor WHITMAN. Who, me? I would not do that. No measuring tape in my bag.

The CHAIRMAN. Mr. Panetta, relative to California, you receive some $22 million a year in OCS revenue sharing from oil production on land. Why should not the coastal States which support OCS development be treated the same, especially since your testimony notes the impacts of such development?

Mr. PANETTA. I think that those States that are engaged in offshore drilling—Louisiana, Texas, Alaska—I think that obviously they do in fact need to have funds to ameliorate the damage that results from that. I would support a formula that allows them to have that return come back to their States because of that.

What I do not want to see is that States like California, that are also engaged in their share of offshore drilling, are also entitled to getting funds to be able to ensure that other areas can be equally preserved.

The CHAIRMAN. Thank you.

Senator Taylor, relative to the legislation that you have reviewed and the comparisons, the funding mechanism was to go 60-40, as I recall, 40 percent to the State, 60 percent to local governments, and the local governments would be counties, cities, whatever was applicable. But in the revenue stream to the States I think it said in effect to the Governors.

I assume as a legislator you would prefer to see some balance in there. Are you suggesting it should go to the governor and the legislature or just the legislature?

Mr. TAYLOR. I would prefer that the word "governor" be removed throughout the bill.

The CHAIRMAN. That should make a couple of governors happy. Why do you say that, now?

Mr. TAYLOR. I understand why the Governors Conference voted unanimously this was a wonderful piece of legislation. I would love it, too, if I was a governor. I could sit here as a dictator and I would get huge funds from the Federal Government. I could spend them any way I wanted to. All I would have to do is cozy up with the Secretary. The Secretary——

The CHAIRMAN. That does not happen around here.

Mr. TAYLOR. Well, I can tell you this much. My friend John has a lot closer relationship with him than I do today.

But I would be upset about that because it seems to me that my constitution requires that the legislature of the State of Alaska is the only one that can appropriate funds. You see, my governor does not have a checkbook. We handle that for him, and then he gets to decide how that money is going to be expended once we have appropriated it, just like Mr. Clinton does with the moneys that you provide for him.

So a direct appropriation off budget, that is frightening to us to begin with. But off budget, going directly to my governor, who then only has to have approval from the Secretary for whatever plan

they wish to come up with to spend $150 million in my State, that is frightening.

I wanted to give you one other bit of information. We are all familiar with an 8½ by 11 sheet of paper. Last night I was sitting there trying to contemplate, how much private land do the people of Alaska own in total? This is every house in Anchorage, Wrangell, Ketchikan, wherever. If you draw a square that is about one quarter inch in size, that is the relative proportion of private landownership to government landownership in my State.

Senator LANDRIEU. Could you turn that around and show it to the audience.

The CHAIRMAN. It is a pretty small dot. I am not sure they are going to see it.

Mr. TAYLOR. What I also then decided was, well, wait a minute, they are not going to buy up every house in Anchorage. Maybe we should talk about and really honestly focus on those pieces of remote parcels. What amount of land do we own remotely, old homesteads, inholdings within parks, and so on? To show you what that amount is relative to total ownership, it would be a dot smaller than what you would make with a ballpoint pen on here, because there is 365 million acres of land in my State and less than—let us see—less than two-thirds of one percent of the land mass of Alaska is owned by human beings who have the right to sell it, work it, develop it. The rest of it is either government, corporate, or State-owned.

So those appropriations would be frightening for us.

The CHAIRMAN. Would you feel better if we gave it jointly to the legislature as well as the governor in some kind of a cooperative effort?

Mr. TAYLOR. Well, if it was like any other Federal appropriation and just said to the State, it would then come to the legislature. We would sit down and work with the administration, we would come up with a plan, and the plan would then result in an appropriation from the legislature that the governor would carry out.

The CHAIRMAN. Thank you very much, Senator Taylor.

Mr. DeFoor, you and Senator Graham have indicated a pretty aggressive interest from the standpoint of Florida. Your testimony talks about the importance of a Federal Government commitment to the restoration of the Everglades and over the last 5 years the Congress has appropriated about a billion dollars and the implementation of the restudy will cost an additional $8 billion in Federal funds, I am told.

Now, the State of Florida's interest in this is obvious, but in addition to that is there anything else the State of Florida is looking for?

Mr. DEFOOR. Other than that? No, sir, that would be sufficient at this time.

The CHAIRMAN. That would be sufficient. Is that agreeable, Senator Graham?

Senator GRAHAM. Well, I would like to point out first that the State of Florida thus far has put over $2 billion into investments in the Everglades system; and second, that the plan from its beginning was an equal partnership between the State and the Federal Government. So the $8 billion figure, if in fact that is what the re-

study that is currently in its last stages by the Corps of Engineers indicates, would be shared $4 billion by the Federal Government and $4 billion by the State.

So this is an example of a partnership recognizing the tremendous Federal interest in the Everglades as well as the interests that are specific to the State of Florida.

Mr. DEFOOR. If I could, Mr. Chairman.

The CHAIRMAN. Sure.

Mr. DEFOOR. We have had a partnership here for a long time. We were partners going into it. We are now partners undoing some of the things that we did that have had untoward effects. But it is important to remember that we have put up approximately twice as much money as the Federal Government has so far in this 50-50 partnership, and we have at times even had to loan the Federal Government money when the appropriations were not forthcoming at the time that they were needed.

So we have been very earnest in our partnership. We have put over $3 billion into land acquisition in Florida in the last 10 years under the P-2000 program. The extension will put another $3 billion in. And furthermore, we will be assessing over the next year the needs for the Everglades and other water-related projects and creating a spectrum of funding all the way from local to the State level.

So we are quite sincere about our part of the partnership.

The CHAIRMAN. The last question. Mr. Kelly, it has been suggested that States be authorized to use coastal impact assistance funds to repurchase OCS leases off their shore. What is your reaction of your professional association to that idea? In other words, buying them up and retiring them using the funds that would come from this OCS revenue?

Mr. KELLY. Right. Mr. Chairman, first from the standpoint of the OCS Policy Committee, it is not—it is not one of the uses of funds that we have in mind. We had in mind addressing true impacts and then also having some funds for coastal improvements, improvements that would be along maritime lines in our report.

From the standpoint of industry, I think it would be a bad idea.

The CHAIRMAN. Would you suggest, then, we eliminate that as a potential use of the funds, to buy back leases?

Mr. KELLY. I would, I would. I think that it calls into question the sanctity of contracts between the Federal Government and the leaseholders. There are already provisions under the Outer Continental Shelf Lands Act that provide the Secretary of the Interior with the power to buy leases back under certain circumstances, when certain conditions are met. I think you would be better off leaving it to the Outer Continental Shelf Lands Act as it presently stands.

The CHAIRMAN. Let me call on the ranking member, Senator Bingaman, and then in the order of the members, Senator Landrieu and Senator Graham, for questioning. It would be my intention at 11 o'clock, Senator Bingaman, to go over to the floor. Senator Landrieu has indicated an interest in chairing the balance of the hearing.

Please proceed.

Senator BINGAMAN. Thank you all for being here.

Leon, good to see you.

Mr. PANETTA. Good to see you.

Senator BINGAMAN. Governor, nice to have you here.

Let me ask just a very basic question. I come from a State that does not have a lot of coastline and I gather I am the only one, given the witnesses on the panel here, that is in that circumstance. I can see the logic, which of course is the basic impetus for this bill, of providing Federal assistance from these revenues for coastal impacts. That makes good sense to me.

I am not sure that I see the logic, though, in providing these funds in greater proportion to coastal States that do not have production offshore. I do not know why a State that has decided not to have production, not to permit production, should be entitled to a larger share of the revenue than a State like New Mexico that has no coast.

Am I missing something in this? What is the logic of it unless there is a coastal impact?

Governor WHITMAN. Well, Senator, if I might just as a quick first one, we do not have offshore drilling off New Jersey, but the waters along the coast do not understand territorial boundaries or State boundaries. What happens in other States—and this was indicated by the testimony—what happens in Louisiana, what comes out of the Mississippi River, very much does impact southern Florida, particularly down in the Keys.

So that it is not a question of just the States' territorial boundaries where drilling occurs and where the impact occurs, but it migrates up and down the coast. We have had situations, just as examples, where spills in other States have had a very direct impact on our coast and we have had to do cleanup, there have been expenditure of dollars. That kind of thing occurs all the time.

So unfortunately, like air, water does not understand State boundaries and does not keep itself to territorial waters.

Mr. DEFOOR. Senator, if I could be quite specific on that point.

Senator BINGAMAN. Sure.

Mr. DEFOOR. Coming from the Keys, Florida has made the economic decision to bet its economic future on non-oil sources, which is a legitimate thing for us to do. Your point would be well taken if the activities to the north did not affect us. But it is not true.

Senator BINGAMAN. If so, how?

Mr. DEFOOR. If the activities to the north of us did not affect us. But the truth is water quality in the Keys is directly related to what is going on in Mississippi and in the Louisiana area. Test after test after test, when they have bad things happen up there it affects our water quality.

In my little county, if we lose water quality, if we lose the ability to see that reef, we are out of business. We have no business. Since smuggling went away, there is no other economic activity.

Senator BINGAMAN. Let me just put a little finer point on the question, then. Would it make sense, based on the responses I have heard so far, if we are going to give a larger allocation to coastal States by virtue of the fact that they do have an impact from being on the coast, that we essentially determine the size of that additional allocation on the basis of the extent of the impact, that we have some kind of calculation as to what is the extent of the im-

pact? Because there are some States that, although they may be on a coast, do not have substantial impacts from offshore drilling, I would think.

I do not know—the Governor of Oregon has already left. I would be interested in knowing the extent to which he believes Oregon's coast has been adversely affected by that.

Mr. Kelly, you were going to make a point.

Mr. KELLY. Yes, I was going to share some thoughts with you because this issue came up before the OCS Policy Committee. It has been an issue within the petroleum industry, too. We do not have a totally unified position on impact assistance legislation in the petroleum industry except directionally. It is supported in principle.

One of the major—one of the major trade associations would support S. 25 as it is. Another one has reservations because of the very issue you are raising: Should any State that does not have actual impacts from OCS oil and gas development receive any benefit?

Another trade association——

Senator BINGAMAN. That is not my position. I think that if we pass this bill clearly other States should get major benefits. I am just saying why should not an inland State get as much benefit as a coastal State that does not have a coastal impact?

Mr. KELLY. Okay. Well, when this issue came up before the OCS Policy Committee we had a discussion that went something like this: We are in an era of globalization of trade. This was brought home in terms of maritime trade activities last year during the Year of the Ocean activities here in the United States. U.S. ports, harbors, and waterways are grossly behind the rest of the world. All you have to do is visit a port like Rotterdam or Singapore and see that we really are not equipped to handle the trade opportunities that are coming for us in the future.

There is going to have to be a lot of work done on infrastructure and on coastal development both from the standpoint of environmental conservation and economic development. So the thinking on our committee was that we are all involved in multiple use of the oceans, so it might make some sense to take a portion of the revenues and permit States to try to upgrade their coasts, both from a standpoint of environmental and economic needs.

Senator BINGAMAN. Well, I can understand that. It sounds sort of like a commercial version of the old home port proposal that we adopted here a few years ago.

Leon, go ahead.

Mr. PANETTA. Senator, I just think you have got to stick to the spirit of what the Land and Water Conservation Fund was all about. I do not think it was really—it was not for the development of infrastructure and ports. There are plenty of other appropriations to go to if you want to develop ports in this country. But I would not use land and water conservation for that purpose.

The whole purpose of land and water conservation was to preserve, to conserve, and to restore, and that is what the focus ought to be.

Senator LANDRIEU. He is talking about title 1, not title 2.

Senator BINGAMAN. Let me just ask one other question. Then I will defer to Senator Landrieu.

Leon, Senator Taylor made a big point about not believing that we should have the provision in here that allows these funds to go without appropriation either at the Federal level or at the State level. You have had a little experience with that issue here in Washington. What is your thought as to the appropriateness of sidestepping the appropriations process as proposed in this bill?

Mr. PANETTA. Well, I have got to put my budget hat on, and I do not support anything that removes these funds off budget and puts them into a separate pot. I think they ought to be part of the budget. I think, frankly, the appropriations process is the better way to deal with it.

There is a possibility of looking at an angle of making this a mandatory program, which is essentially creating an entitlement here by virtue of the funds that are developed. That I would not object to. But I would object to taking this fund off budget.

Senator BINGAMAN. So you could see these funds being used sort of like the nuclear waste fund, I guess, where the funds build up in the trust, but unless the appropriators want to spend them they still do not get spent, which is just the situation we have today?

Mr. PANETTA. Well, you could do it—you could do it one of two ways. Let me just make the basic point. I do not as a matter of just the time I spent working on budgets support the idea that you keep taking funds off budget, because I just think that when you are working a budget and these are Federal funds they ought to be part of the budget process. I think the more things you take off budget, the more dangerous it is for the future.

On the other hand, the question is do you then approach it through appropriations or do you establish what is a mandatory program? If you establish a mandatory program, it does not go through appropriations. That may be something you may want to give consideration to as a possible approach here that would meet the budget concerns and yet establish a program in which these funds would be preserved for the purpose for which they were designed.

Senator BINGAMAN [presiding]. Thank you very much.

Senator Landrieu.

Senator LANDRIEU. I have so many questions and comments, I could be here for 20 hours. I am going to try to stick to my 7 minutes.

I thank everyone for their comments. I am sorry Governor Kitzhaber had to leave and that I had to step out for a hearing in another committee. Governor Whitman, I appreciate your testimony. In your testimony you said that New Jersey is a State of 8 million people living on 5 million acres. You are sitting next to Mr. Taylor, who lives in a State of 350 million acres with 500,000 people.

My point is that as this legislation is crafted and passed, those in the audience and the panel have to realize that we have a job to put something together which works for the East and West Coasts, as well as the interior States. I hope that no one leaves this committee room with the idea that this legislation will not ultimately do just that.

This is not going to be a piece of legislation that works for Alaska and not New Jersey or New Jersey and not Alaska. So every-

body has to be very open as this bill works its way through the process. S. 25 has the most bipartisan support of all the OCS revenue sharing bills, because it attempts to give more flexibility to our States and local governments throughout the country, rather than just have Washington dictate what works for every State, which may differ based on the needs, histories, cultures and industries of the respective State. That is number point one.

Point two, to the gentleman from Florida: I have told your Senator how much I support and want to help the Everglades. It is truly a national treasure. You have my full commitment on this issue.

However, I must address the comment you made about how we have "bet our economic future" on tourism and not oil and gas. What percentage of the power that runs your factories, high tech companies, tourism centers and telephones comes from oil and gas and coal production? While we are happy to produce much of this for your use, we are just asking for a little recognition that we produce it at a tremendous sacrifice to our State. We would just like to be recognized for the contribution we are making to the economic future of your State.

Leon, to you. I respect your knowledge of the budget and the fact that you ran the budget. As an executive, a governor understands the dilemma between appropriations and making a funding source. One of the great principles of this bill, is that we are making a commitment to investing in the environment year in and year out, whether there is Republican or Democrat running the White House, instead of leaving it to whims of administrators.

This is something that we feel is particularly important at the dawn of a new century: to say, that the wiser way to spend a portion of these tax dollars is to make a permanent, lasting source of funding. You can count on this funding, you can take it to the bank, you can go to bed at night and wake up and it is going to be there in the morning. So governors like Governor Whitman as well as private foundations can make plans for putting this money toward conserving our environment.

I believe that the billion to two billion dollars that we can wrestle out of the Federal treasury for this bill could leverage $20 billion or more of State or local revenues or private contributions for the same purposes. So, we are trying to create or inspire this commitment of moneys toward the preservation of open spaces, national parks, coastlines, and making sure that our country benefits from these dollars.

So I understand and I respect it. I just disagree that it has to be. That is what we are trying to get away from.

The other thing I want to address is the volatility of OCS revenues. The amount of money received can vary from $2 billion to $8 billion from one year to the next.

So we want to set this legislation up in a way where a steady portion of it goes to environment.

I would just only add, and Mark Davis will make his comments in the next panel as I know my time is probably up, for everyone to realize that when you refer to what comes off of the shore of Louisiana, we also just happen to be next to the Mississippi River.

It runs between Mississippi and Louisiana and it drains I think three-quarters or two-thirds of the whole United States.

So when you all say the stuff comes from Louisiana, it actually just sort of flows to us. Of course, we do contribute our part, but we are not responsible for everything, Senator Bingaman, that comes down the Mississippi River. The whole country contributes to this and we end up managing it the best we can.

I think our State, under the most extraordinary circumstances—we are one of the poorest States, our land is more fragile—has done the best we can and now we need some help. I know that you all recognize this.

I thank you for your input. Governor, I thank you for your comment about the incentives, because we do not want to encourage other people to drill if they do not want to drill, Leon. We just want acknowledgement that we are drilling and have suffered negative environmental impacts as a result while contributing significant economic benefits for the rest of the States.

Mr. DEFOOR. Senator, I would just note for the record that there is enough similarity of attitude between Key West and New Orleans that we consider you to be cousins.

Senator LANDRIEU. Well, thank you, and we take you as cousins and we are happy for that. Absolutely, we do a lot of celebrating in those places.

Mr. TAYLOR. Senator, if I could respond also just briefly. Is it not fascinating that Governor Whitman wants to purchase, if she could over 10 years, almost a million acres, and what I am scared to death of is we own less than a million acres and you want to buy it from us? Is that not incredible?

Senator LANDRIEU. It is incredible.

Mr. Taylor; I think the best way to solve your problem is, how do you tailor this bill so it works as well in Alaska as it does in the Governor's State.

Senator LANDRIEU. That is what we are trying to do.

Mr. TAYLOR. It is easy. Make it a block grant to the State and let them figure out what to do with it, because I want to replace and put in some decent sewer systems and build some schools, and she wants to have some open space and some parklands, and we both could have that through that mechanism. Do not put too many strings on us, that is all we are saying.

Senator GRAHAM. I would like to ask three questions if I can in my 7 minutes. First is the issue of allocation. Let's start with the statement that Mr. Panetta has made, that the original purpose here was that as we generated royalties from the depleting of one resource that we would use those royalties to make an investment in a permanent enhancement to the treasure of America.

The various bills that we have before us talk about making those investments in areas such as coastal protection, in parks, and in wildlife—three major functional areas. Then there is the issue of, within those areas, how should the funds be allocated among the Federal Government, States, and local communities.

Leon or other members of the panel, could you give us some of your thoughts as to how you would go about the task of trying to make a rational judgment as among those functional areas in which we might invest this treasure being derived from depleting

one resource into some permanent improvements for the country, and then within those functional areas the relative responsibility of levels of government?

Mr. PANETTA. Well, obviously the key for me would be to, again as much as possible, retain the spirit of what we currently have in the Land and Water Conservation Fund. I do not think you ought to mess too much with what has proven to be pretty successful, even though it has not received all the funds it should receive.

The reality is that by virtue of the 7 million acres that have been set aside, 37,000 State recreation areas, that clearly a balance has been established in the relationship between what the Federal Government provided and what the States decided they would use for resource protection.

I think to the maximum extent possible you need to retain the spirit of the Land and Water Conservation in the distribution. Clearly, I think if you are going to add additional funds here, which is the whole purpose of the legislation, then I think you do have to decide how these funds indeed will be allocated. The danger again that I would stress and I think you are aware of is do not create an incentive in the process of allocation that in fact impacts on what communities have already decided when it comes to the OCS moratorium.

If there are States and communities that want to decide to do this, fine, they can make that decision. But those that have decided that they want to protect their coastlines for regional economic purposes, I do not think there ought to be an incentive in the bill to basically say, to dangle some money out there for purposes of going ahead and drilling. So I would clearly want to ensure that that is not a part of it.

As to how you then do allocate this, I think you have got a major challenge here. If you are going to provide a great deal of resources here, you better do it in a way that preserves a partnership between the Federal, State, and local governments that are going to be impacted by this amount of money. You have got to preserve that partnership. If you do not, you are going to be in for a lot of trouble.

Governor WHITMAN. Senator, if I might add.

Senator BINGAMAN. Yes, Governor.

Governor WHITMAN. We have no problem in our State with the concept of partnership. We do it right now with our local governments. While the State has set aside the billion dollars over the next 10 years, at the same time that that was passed by a two to one majority there were over 30 other local purpose taxes that were approved for the preservation of open space on the local level.

We work very closely, both through a tool that we have, which is our State master plan, as well as through our farmland and open space preservation efforts, with the local, both county and local governments.

While I always love to take the money, with all due respect to my legislative colleague here on my right—I think governors usually make very good decisions about this sort of thing—we are more than happy and do work on a very collegial basis. I would not expect to get these kinds of dollars without consultation to a degree with the legislature.

The concern that I have and the thing that is important is as we look at these as part of a broad-based program for preservation we need to keep that in mind. And just as we make decisions on what lands to purchase, farmland easements to purchase, what open space land to purchase, we do it from the concept can we get contiguous farms? It makes it much better. It is better for the farmer, better for the community, if farms are contiguous so that farmers do not have to always go out on the road and get their neighbors mad because they get stuck behind a tractor that does not go very fast and that sort of thing.

The same with open space. We would like people to be able to hike 16 miles at a go or 60 miles at a go, rather than having to stop and go around a piece of property that was not preserved to get to the next piece that was an open trail. So to have some kind of an overarching plan is an important part, I believe, of the process in order to have the kind of impact that you are seeking to get from these kinds of dollars and this preservation effort.

Senator GRAHAM. Yes, Mr. Kelly.

Mr. KELLY. Just to add a comment to that from the point of view of the OCS Policy Committee. At the time we wrote our report on coastal impact assistance we had both—we had representation on the committee from both State and local government. So as you can imagine, we had considerable discussion about allocation.

The principle that we came up with was that a certain portion of the funds be allocated directly to local government and municipalities, both to reduce the bureaucratic responsibility in the State governor's office, but also to make sure the money got there. There was some concern on the part of local governments and municipalities that funds would go to the governor and they would get caught up in bureaucracy and worthy projects would never be addressed. So that was one of the principles that we determined on a consensus basis.

Senator GRAHAM. I would like to leave the record open if any of the other witnesses, including those in the second panel, have some ideas to share as to how we should approach this issue of allocation among functions and then among levels of government. That is going to be a central issue.

If I could move to my second question, which goes to the issue of on budget or off budget. I am going to be parochial and talk about the Everglades. It was just a little more than 50 years ago that the Everglades were turned over to the real professionals in change, and that was the Corps of Engineers. They did it at the request of the State and they did it very well.

They primarily focused on the objectives of flood control and land reclamation. Now, a half century later, a different set of values have emerged and those have to do with environmental protection, particularly of the large Federal interest in areas like the Big Cypress National Preserve and Everglades National Park.

I have analogized what is about to happen to the Everglades to open heart surgery. That is, you do not want to start the operation unless you are sure that you are prepared to finish it, because we are about to start a restoration project that is going to fundamentally change the nature of this system and you cannot quit in the middle of the operation of change.

So that has raised the concern about having a sustainable and predictable, reliable source of funds both on the State side and the Federal side of this equation.

With that background, and again I hate to ask all my questions to Leon, but he has some particular expertise in this. What recommendation would you give as to how we could structure this program in order to be able to avoid that potential of running out of money in the middle of the open heart surgery.

Mr. PANETTA. Well, again let me put my budget hat on. You would not have a balanced budget today, you would not have a balanced budget today, unless there were some pretty tough decisions that had to be made about priorities in different areas, and Congress was willing to do that, the administration was willing to do that. Everything had to be on the table in order to get that done.

So I approach these issues on the basis that the whole purpose of people who are elected to office is to decide priorities. You have got to decide what is important, what is not, and those are tough decisions because everybody has their priorities. I understand that.

But I also think that the Congress has also shown that it is willing to exercise that kind of approach. Now, having said that, this is an area that I think is a priority for the reasons that you suggested, Senator. I honestly think that if you are looking for a mechanism, a budget mechanism to try to assure funding in a more orderly way without taking it off budget and just—I mean, that is the danger. I do not think you ought to just take it off budget because I know—look, there have been arguments, as you know, about the transportation fund going off budget. There are some that have suggested defense spending ought to be off budget.

If you start getting into that game I think it is dangerous in terms of your ability as members to exercise the kind of broad judgment you need to do when it comes to the budget.

If, on the other hand, you want to approach this in a way that sets this money aside in a more guaranteed way for the States and communities, I think you ought to look at some kind of mandatory spending approach. I think you can do that. There are examples to follow on that where you can essentially set up a mandatory spending program that would be allocated on a formula basis. This does allow you some oversight in the Congress, which is important. But it also assures the funding in a more direct way than you would if you had to go through appropriations.

Senator LANDRIEU [presiding]. Senator.

Senator BINGAMAN. Could I just ask a follow-up, since we have got Leon here from California.

The way it works now as I understand it, the administration determines what they want to go ahead with in the Land and Water Conservation Fund, the Appropriations Committee has some type of sign-off on that. They have to okay it, basically, before the funds can be spent. So is that what you are talking about here? I mean, you would have a mandatory amount that would have to be spent each year, so that it would not be up to any congressional committee to decide whether or not to spend those funds for that purpose, but as to which purposes they are allocated to you would get Congress into the mix?

Is that what you are talking about?

Mr. PANETTA. For example, there are a number, as you know, of mandatory programs right now. You have got programs in agriculture that are based, obviously, on the support price.

Senator LANDRIEU. Could you give an example?

Mr. PANETTA. Target price. You have got food stamp programs. You have got other programs in which people who qualify for benefits receive those benefits. And if you want to change that you have got to change the law and the way it is distributed.

So I think a mandatory approach in this instance may make some sense, so that it does not become—obviously, if it becomes part of the appropriations pot then, as you know, you are subject to caps, you are subject to all kinds of offsets, and God bless you if you can get this bill passed. But if you have to get it passed and get a two-thirds vote to somehow be able to fund this approach, you are dead in the water as far as I can see.

Mr. DEFOOR. Senator, you will have the benefit with this particular project of having the blueprint already in the can. When the restudy is finished, the essential blueprint, including time lines and money lines, will be in the can and the initial round of authorizations will be approved.

Senator BINGAMAN. But it is $5 to $7 billion, right?

Mr. DEFOOR. $7.9 billion.

Senator BINGAMAN. $7.9 billion. So it is a big blueprint.

Mr. DEFOOR. It is a very big blueprint.

Senator LANDRIEU. It is a huge blueprint.

Senator GRAHAM. Again I emphasize, half of that is going to be paid by the State and half by the Federal Government.

Mr. DEFOOR. And it is not a parochial blueprint. The Senator was being very self-effacing, but it is not parochial. It is a world resource that has been so designated by the United Nations.

Senator LANDRIEU. Thank you.

We are about to finish up and conclude this panel. Are there other closing comments?

Mr. Taylor.

Mr. TAYLOR. Just very briefly. On the question of allocation and incentive, why in the world would not those States who are not producing a dime of OCS money but going to share in it, why would you not want to provide an incentive to those of us what are, so that we will get more oil, more money, so that we can accomplish these purposes?

I think the record of the United States and specifically of my State and yours is exemplary when it comes to oil drilling. I mean, if you want to talk about environmental degradation you are going to have to look someplace else other than Alaska, I will guarantee you that, when it comes to oil drilling. We set the standard for the world on it, and we are very proud of that.

But you ought to be saying to us: Go get more. That way we who choose not to drill will have that much more revenue and that much more ability to protect our shores.

Senator LANDRIEU. Mr. Taylor, you raise an excellent point. For the record I think it is important for me to add that it has been a puzzlement to me, those that advocate for clean water, clean air, clean oceans, that you would drive an industry from the country that has the strongest environmental regulations on drilling to

countries that have little or no regulations on drilling, so that we can import tankers into this country under limited regulations. I know we put the double hulls, but to increase the number of accidents or the possibility of accidents.

I just think we have to think bigger and broader about it. So for Louisiana, yes, we have made mistakes in the past. Have we made great improvements? Absolutely. Will we continue to improve? Same thing with Alaska. So that is important to think about in this whole area.

Paul, I want to thank you for the good work of that OCS Committee. Just to tell the Senators, there were coastal States, as you have testified, that do not do drilling, that do do drilling, local officials, State officials, governor. It was very difficult for them to write this report. It was more difficult than people might think.

But yet they came to a good consensus. So we should not take that report lightly, because it was done at the grassroots level and developed and their comments I think we should take seriously in the drafting of the ultimate proposal.

Mr. KELLY. That is correct, Senator, and we are very excited at the work that is being done by the committee on this subject and would be happy to provide you with any support we can.

Just one last comment I would like to make is that none of the comments I have heard this morning expressing concern about the environmental effects of offshore drilling seem to recognize the tremendous advances in technology that have taken place in the last 10 years, nor do they recognize the world class safety and environmental management systems that have been built by this industry, that are now serving as models for the world. Russia is going to school on our industry, as is West Africa and Latin America. They are all eager to have our technology, which they perceive to be environmentally sound, and they are modeling a lot of their own safety and environmental management systems on U.S. industry.

I think that if people could see those closer up they would feel much more comfortable about this whole enterprise.

Senator LANDRIEU. Thank you.

Leon.

Mr. PANETTA. I would just, first of all, obviously thank the chairman and all the members of the committee for giving us this opportunity to testify.

As always, there is a balance here. I think States like Louisiana, my own State of California, Texas, Alaska, and others obviously have made the decision with regards to resource development. But we also have a responsibility to protect the treasures of our coastline as well. If the industry wants to drill off of the Big Sur Coast, I am sorry, we do not want you there because it is much more important for us to protect that as a national treasure for our communities and for people around this country.

So you have got to be able to determine what are the treasures you want to protect and where are the resources that you have to develop. That is the balancing act that obviously we hope the Land and Water Conservation Fund can help solve.

Senator LANDRIEU. Thank you. And that is what we are seeking here, a balance.

Governor, any final closing comments? And thank you for your leadership nationally on this issue. It has been outstanding, the model that New Jersey has developed, and I want to thank you personally for that.

Governor WHITMAN. Thank you very much for that. I want to commend the entire committee for the seriousness and the focus that you have put on this issue, with the numbers of bills that you have before you. There are obviously some critical decisions that have to be made and some balances struck.

It has been reflected I believe in this panel and I am sure it will be in the second panel, there is an overarching commitment to preservation of our natural resources that exists among all people from all the States. There are different pressures put on is. As you point out, frankly, having our two States sitting right next to one another, Alaska and New Jersey, they are endemic of the challenges that you face in designing a program that can meet the needs of two such diverse States.

But it is something that you face here all the time and I am confident when you have heard the overarching concern about the environment expressed by everyone here that, working together, we will be able to find our way through this maze and get us to the point where we really are doing what it is we want to do, which is preserve those acres and those parts of our land that we can never bring back if we allow to go.

Senator LANDRIEU. Thank you, Governor.

Thank you. The panel has been excellent. We will call up the second panel: first, Mark Davis, executive director of the Coalition to Restore Coastal Louisiana; Lisa Speer, senior policy analyst for the Natural Resources Defense Council, New York; Ralph Grossi, president, American Farmland Trust, Washington, D.C.; and Elliot L. Marks, vice president, Northwest Division, The Nature Conservancy, Seattle, Washington.

Take a minute to take your seats.

[Pause.]

Senator LANDRIEU. Thank you all for joining us on this second panel. If I could take liberties here and have Mark go first from Louisiana. We are very happy, Mark, you were able to be with us today and testify on this important endeavor. You are intimately familiar with the different bills that have been introduced and, most importantly, an expert on the coastal restoration efforts under way in Louisiana. You represent many, many varied environmental groups in our State. So I welcome you here.

What I would like to say is we will limit your opening statements to perhaps 5 minutes each, as the panel before you did, and then we will take some questions, and hopefully we will be wrapping up a little bit after 12 o'clock.

Mark.

STATEMENT OF MARK DAVIS, EXECUTIVE DIRECTOR, COALITION TO RESTORE COASTAL LOUISIANA, BATON ROUGE, LA

Mr. DAVIS. Thank you, Senator. I would like to express our appreciation to you and to the committee and to the chairman for holding this hearing and inviting us here today.

We are terrifically excited that this is even an issue to be discussed. I think it truly is an historic opportunity to chart the future of resource conservation stewardship in this country. I was listening with great interest to the first panel and many of the discussions that were held on this panel, as you know, we have held amongst ourselves in the State of Louisiana.

I think that we have also come to the conclusion that this is the time to try to find a way to do something, as opposed to find a way not to do something, and that it is a rare moment.

Senator LANDRIEU. Mark, pull that mike a little bit closer to you, if you could.

Mr. DAVIS. I think what I would like to point out, because I think that there seems to be broad agreement that it is important to protect our natural resources, it is important to take this nonrenewable resource and to invest it in our future, but I do not think that there is often an appropriate recognition of what that really means for an area such as the northwestern Gulf of Mexico, particularly coastal Louisiana. Obviously, we have a keen interest in this, not only because we are a producing State, but we are a State that has, I think without being too parochial here, more discernible coastal impacts than any other. I think it is also a State that has a natural resource and a national resource that is more at risk than any other.

Coastal Louisiana, as you indicated earlier, by a quirk of nature sits at the base of the Mississippi River. Accordingly, it is home to the great Mississippi River Delta and Chenier Plain. In 1930 that was an area of more than four million acres of coastal wetlands, estuarine areas, swamps, marshes, barrier islands. Since that time we have lost close to a quarter of that, one million acres.

That is not because of natural dynamics, although it is a dynamic area. It is because of the way we have managed it. We made decisions that may have been the best at the time, but they reflected priorities of the early part of this century and the level of knowledge and a value system that we have moved beyond.

However, the impacts remain and I think it is important to understand that, that we are not talking about a situation that fits the incentive model most other people have. It is not a question for Louisiana whether or not we want to be in the oil and gas business tomorrow. Even if we stopped, the impacts would persist.

We are losing 25 square miles a year, largely because of the way we have engineered the coast, not just for local benefit. Again, going back, most of the alterations have been in support of national energy policy, national flood policy, and national transportation policy. We have benefited from that, but we have paid a huge cost as well.

What we are asking at this time is not a handout. We are not asking for a block grant. We are not asking for any of that. We are asking for an investment in a solution.

I thought it was appropriate that Senator Graham and Mr. DeFoor from Florida touted the need for investment in Florida along the Everglades model, which is about $8 billion for the restudy alone. Coastal Louisiana has been more quietly pursuing a similar study on what it will take to restore the coast, and that has produced most recently a strategy called the Coast 2050 strategy,

that does lay out a blueprint for restoring natural functional stability to the coast to the extent one can. The price tag for that over the next 20 to 25 years is about $14 billion.

That is real money, but it pales in comparison to what is at risk both in oil and gas infrastructure, fisheries and wildlife habitat, and just the safety of population centers such as my home town of New Orleans.

It is an area that is different from almost any other part of the coast across the Nation. It is an area where roughly half of the coastal land, which is 18,000 square miles, is land. Most of the rest is water or becoming water. 90 percent of that land is three feet in elevation or below—incredibly dynamic, and it does demand actual investment.

Again, if you walked away tomorrow, if there was not another well, not another pipeline, not another permit, the loss rate would continue at roughly 25 square miles per year, unless you actively get involved.

One of the other issues that has come up is that of infrastructure, and I think that I appreciate the concerns, because obviously you do not want to compound the problems you already have. But since much of the problem we face in Louisiana is the infrastructure, it is the way we built levees, canals, pumps, highways, some of that must be reworked if you are going to have this whole system sustain itself.

We believe responsible investment, no incentives for those who do not want it, and basically a commitment to seeing this through is the responsible thing to do for the Nation on a partner basis.

[The prepared statement of Mr. Davis follows:]

PREPARED STATEMENT OF MARK DAVIS, EXECUTIVE DIRECTOR, COALITION TO RESTORE COASTAL LOUISIANA, BATON ROUGE, LA

My name is Mark Davis and I am the executive director of the Coalition to Restore Coastal Louisiana. On behalf of the Coalition, I would like to express our appreciation to the Committee and the Chairman for inviting us to come here today. The Coalition to Restore Coastal Louisiana is a broad based not-for-profit organization comprised of local governments, businesses, environmental and conservation groups, civic groups, recreational and commercial fishermen, and concerned individuals dedicated to the restoration and stewardship of the lower Mississippi River delta and Louisiana's chenier plain.

We welcome this opportunity because the matters before the Committee today are of vital concern to anyone interested in the future and stewardship of this nation's waters, coasts, wildlife, and public lands. They are certainly of vital concern to those of us who live at the southern end of the Mississippi River for whom the ability to be better stewards of our coastal resources is central to the survival of those things we hold most dear. Indeed for years, the Coalition has striven to raise awareness of the need to protect and restore the vast but threatened system of wetlands and barrier shorelines that define coastal Louisiana culturally, ecologically, and economically. For that reason we have followed with great hope and interest the proposals now before this Committee and before the House to invest in the stewardship of this nation's natural treasures and to address the coast-side impacts of the production of OCS oil and gas.

In considering the bills that are the subject of this hearing, this Committee and this Congress are undertaking the laudable task of determining how best to invest in the future of our invaluable natural heritage—our waters and coasts, our wildlife, and our public lands. Both bills, even with their differences, represent an important step forward in the stewardship of those resources and we commend their authors and sponsors for taking up this challenge. There is much hard work ahead as the bills are refined and reconciled as they must be if they are to deliver on the promise of better stewardship. As that work proceeds, we believe it is essential that it be guided by clear goals and policies so the end result is measured not primarily in

dollars devoted to issues and locales but to the achievement of positive conservation and stewardship results.

While we strongly support the public lands and wildlife initiatives embraced by both Chairman Murkowski's and Senator Boxer's bills, it is the issue of coastal stewardship to which I will direct the bulk of my comments today. Specifically, I would like to address the issue of the need to ameliorate the damages to coastal environments and communities as a result of their hosting the transportation, processing, and servicing facilities associated with OCS oil and gas activity. Apart from a few dollars provided under the Section 8g program, little has been done to recognize those impacts, much less to address them. It is time to take them seriously and it needs to be an integral part of any legitimate effort to refocus the use of Federal OCS revenues.

Before wading too far into the issues of OCS revenues and coastal impact assistance it is important to note a couple of points. First, the impacts are very real. To anyone who has visited coastal Louisiana—which, along with Texas, supports in a logistical sense virtually all of the existing OCS activity in this country—those impacts on the natural resources, communities, and public infrastructure are undeniable. To anyone who hasn't, they are largely unimaginable.

The second point to be made is that those impacts deserve real solutions, not merely promises of money and programs. The two great fears we hear from people who live in affected areas are (a) that nothing will be done and (b) that the impacts will be used to justify large infusions of cash that are not sufficiently directed toward effective solutions and that, in fact, could further exacerbate the problem. Of course the fear of many people who live in states that do not have OCS activity off their shores is that the availability of impact assistance funds could serve as an incentive to state and local governments to acquiesce to new OCS leasing and development. The challenge facing those wrestling with the coastal impact issue is how to define and address those impacts legitimately associated with oil and gas activity while not creating more problems elsewhere. We understand that will not be easy. You must understand that it must, nonetheless, be done.

Because if it is not, areas of vital natural, cultural, and economic importance are destined to be lost forever—areas like the great Mississippi River delta and its neighboring coastal plain. These areas have already lost more than 1 million acres of coastal wetlands and barrier islands this century and they continue to disappear at the rate of nearly 30 square miles each year. This is serious stuff and it demands serious attention. Indeed, a failure to act may well be judged by not too distant generations as one of the greatest failures our time.

But knowing that one must act and knowing what to do are very different things. Various efforts have been mounted before, based on everything from amorphous fairness claims to fine spun legal arguments and none have worked. And the problems continue to get worse. If this history teaches anything it is that solutions to this coastal crisis will continue to be elusive until the nature of the problem and the nature of the solutions are better explained. Indeed, to approach it in any other way would be irresponsible.

With that in mind, the balance of my testimony will lay out in brief terms the range and scope of coastal impacts that the coast of Louisiana has incurred as a function of its role in serving as a support base for the offshore oil and gas industry. Obviously, that oil and gas activity does not occur in a vacuum. Other forces have been at play in our coast as well and they will also be noted to provide context. Indeed, it is probably impossible to pigeon-hole causes and effects. Flood control, navigation and oil and gas activity have combined to so completely alter the face of coastal Louisiana as to render it unsustainable without major corrective action.

I have chosen to focus on Louisiana for several reasons beyond the obvious one of it being the place that I know best. First, the vast majority of OCS activity in this country takes place off Louisiana's coast and is supported by on shore facilities and service providers. Second, as home to the mouth of the Mississippi River and its associated coastal plain, Louisiana contains the largest expanse of coastal wetlands in the lower 48 states, comprising more than 25% of the nation's coastal wetlands and 40% of its salt marshes. In short, the area most impacted by the OCS activity is also the most unique and productive wetland and estuarine system in North America. Any effort to address coastal impacts that does not work for this case is fatally flawed, as is any effort to earmark a portion of OCS revenues for environmental and conservation purposes that fails to address the impacts associated with the generation of those revenues.

NATURE AND COASTAL LOUISIANA

To understand what is happening in coastal Louisiana it is crucial to have some understanding of its natural and geologic history. The geology, biology, and culture of coastal Louisiana are defined by the Mississippi River and the deltas it has built over the years. The eastern half of Louisiana's coastal zone is a deltaic plain comprised of deltas created over thousands of years of seasonal flooding by the river. The western half of the coastal zone, the chenier plain, was built in large part by river borne sediments that were transported west by Gulf currents and deposited along the coast. The result of this process is a vast area of coastal wetlands unmatched in size and productivity anywhere in this nation. To put this in perspective consider the following:

- Coastal Louisiana contains over 25% of the nation's coastal wetlands and 40% of its salt marshes.
- Louisiana's coastal wetlands support the largest fisheries in the lower forty-eight states.
- Its coastal wetlands are a vital nursery and feeding area for millions of birds and waterfowl that traverse the Mississippi flyway.

Even under the best of conditions, land tends to be ephemeral stuff in Louisiana's coastal region. Through compaction and subsidence it, in essence, sinks. Only through the natural process of freshwater influx and deposition of new sediment from the Mississippi which would spread in a sheet-flow manner across the vast swamps and marshes was it possible to offset the losses attributable to compaction and subsidence. Coastal Louisiana is in fact not so much a place as it is a process, a process in which land building must balance land loss just to maintain a "no net loss" situation.

THE CAUSES OF COASTAL IMPACTS ON COASTAL LOUISIANA

The fundamental problem facing the region today is the loss of that balance. Human activities such as levee construction, and channelization have to a large extent shut down the land building part of the process. Millions of tons of land-building sediment are now dumped into the deep waters of the Gulf of Mexico rather than into the marsh where they could create or stabilize land.

At the same time the land-building process was effectively halted, human activities were also altering or stressing existing wetlands to the point that, during the twentieth century, more than one million acres have been lost. Lost not primarily to actual development but to open water. Thousands of miles of oil and gas canals and navigation channels have carved up the coastal marshes, changing their hydrology and making them vulnerable to saltwater intrusion.

It is critical to highlight these impacts in order to counter two widely held misconceptions. First, that land loss in coastal Louisiana is primarily a natural phenomenon. It is not. The pace and scale of coastal collapse is entirely out of synch with the natural cycles of even a geologically dynamic area such as the Mississippi River delta. And second, that the human induced impacts were largely the doings of local residents for their enrichment or benefit. They aren't. The vast bulk of navigation, flood control and oil and gas activity in the region have been pursued as part of national programs to facilitate interstate commerce, develop oil and gas resources, and control Mississippi River flooding. To be sure, locals benefitted to some extent, but, without a doubt, the primary beneficiaries of all this activity lay outside of the state of Louisiana.

Nowhere is this more evident than in the area of oil and gas activity. Oil and gas exploration and production have been part of Louisiana's history for more than a century. It developed over the course of many years. It began in an era when wetlands were considered "worthless" and continues today in an era when many now view them as priceless. It saw the very first successful OCS rig erected 10 miles off its coast by Kerr-McGee in 1947. No one knew how to drill for oil in such depths then, much less how to manage the impacts—not that such impacts were at that time even really much of a concern. And in the 25 years' between the first production from that rig and the First Earth Day in 1970 (and the Santa Barbara spill that preceded it) more than 8,800 wells were in place in the federal OCS waters off Louisiana's coast. By last count, Louisiana had more than 30,000 oil and gas wells in its coastal zone with another 20,000 in its offshore OCS area. The federal OCS off its shores area are more than 50% leased and it coastal area is criss-crossed by tens of thousands of miles of pipelines that serve coastal and OCS facilities (more than 20,000 miles of pipelines offshore alone). Pipelines that run through its marshes, swamps and barrier islands. Pipelines that leave behind canals up to 70 feet wide and run for miles. Pipelines whose spoil banks serve as dams that disrupt the natural sheetflow that is essential to the survival of the wetlands. Pipelines

whose canals serve as conduits for salt water to penetrate deep into fresh water habitats. Pipelines that, in the case of a 24 inch pipe, can spill 2.5 million gallons of oil in an hour if ruptured.

In many other parts of the country, the effect of this scale of activity would be significant but limited in time and space. That is not the case in the coastal regions of Louisiana. Here they accumulate and magnify. That is why today, when the annual direct impacts of newly permitted projects measure often only in the hundreds of acres, the overall landloss rate continues to exceed 25 square miles per year. That is why the risk of major oil spills increases as the coast deteriorates thereby exposing literally thousands of older wells, pipelines, and production facilities that once were protected by miles of buffering marsh and barrier islands to open bay and open Gulf conditions. The impact genie is out of the bottle.

And it is critical to emphasize that even with the protection afforded by the Clean Water Act and the Coastal Zone Management Act the impacts continue. Indeed, new pipelines are being laid each day. Crewboats and immense platforms ply the dredged bayous and canals to service and expand the OCS industry. Waterways that were once fifty feet wide now span hundreds of feet from the wakes of these boats. The Calcasieu Ship Channel long has been identified as one of the main causes of the loss of nearly 80,000 acres of wetlands in southwestern Louisiana. And for the residents of the coastal zone, the worst part is that they get little or nothing from this OCS related activity. It produces relatively few jobs (and even fewer with growth potential) , it produces no direct revenue for the state or local governments although it does require them to support the industry with roads, police and emergency services, and—when the inevitable down times come—to cope with the social cost of unemployment and family stress.

It has also become dramatically clear, as demonstrated during the 1998 hurricane season, that the future effects of these landscape and community pressures will be worse than in the past unless action is taken soon. The combined effects of subsidence, sea level rise and coastal wetland loss will directly threaten population centers such as New Orleans, transportation arteries, and the viability of the greatest estuarine fishery in the nation. Tropical Storm Francis, which did not even make landfall in Louisiana, left the main east-west highway in coastal Louisiana—a major evacuation corridor—under water for more than a week. Gulf waters that once were kept at bay by miles of marsh, lapped at the base of levees in towns such as Golden Meadow and Leeville. Indeed, so much has changed in recent years that the children of Isle de Jean Charles community now miss as much as two weeks of school each year because the road to their town is too flooded to pass.

CONCLUSIONS AND SOLUTIONS

In offering this testimony my purpose is not to sound a Cassandra warning, cast blame, or merely stake a claim to a pot of money. Rather it is to make the simple point that a coastal crisis is at hand as is the opportunity to do something significant about it. And both deserve very serious attention. This is especially true since, for most Americans, the impacts to the Louisiana and Gulf coasts are abstractions if they are aware of them at all. And one cannot prioritize that which one is not aware of.

Because once one comes to terms with the extent of the unremedied impacts to coastal regions that support our nation's coastal and offshore petroleum activity, it should become clear that delay is not an option and that without prompt action the next generation of impacts will only be worse in terms of ecological, cultural, and economic consequences.

It should also become clear that these impacts deserve a committed national response—not merely a Federal or state response. The impacts resulted from activities that benefitted the entire nation and that, by and large, reflected national priorities and values.

And finally, it should be clear that responses to the problems should be aimed at restoring sustainable function to our natural coastal ecosystems and addressing essential storm protection, drinking water, and transportation infrastructure that is already compromised. Elevating an evacuation route that now floods and serves to impede natural water flows is one thing, widening a road to allow new development in flood prone areas is something else. In sum, any response that puts more people in harms way, encourages more destructive impacts, or becomes essentially a general purpose block grant is not a solution. While we do not understand either of the bills being heard today to intend such an interpretation, additional clarification may be necessary. We would urge that the best way to ensure that any coastal impact assistance is used in the way the drafters intend would be to expressly build upon any existing watershed, coastal management or restoration plans that may already

be in existence. Many hours and taxpayer dollars have been spent under a multitude of authorities such as the Coastal Zone Management Act, the National Estuary Program, the Coastal Wetlands Planning, Protection and Restoration Act, and others to produce strategies and plans for improving coastal resources and waters. The planning provisions of any new legislation should build on that previous work rather than competing with it.

These suggestions are offered in the spirit of advancing this historic opportunity to safeguard our posterity. We may never have such a good opportunity again. We appreciate the efforts of the bills sponsors—we are particularly grateful to Senators Landrieu and Breaux from our own state—who have taken up this cause. The Coalition to Restore Coastal Louisiana pledges to be of whatever assistance we can be in this effort.

Again, we appreciate the opportunity to appear here today and share our thoughts with the Committee.

Senator LANDRIEU. Thank you, Mark. That was excellent testimony and we look forward to some questioning time.

Ms. Speer.

STATEMENT OF LISA SPEER, SENIOR POLICY ANALYST, NATURAL RESOURCES DEFENSE COUNCIL, NEW YORK, NY

Ms. SPEER. Thank you, Senator Landrieu, and thanks to the committee for putting together that panel this morning, which I thought really brought out some very helpful discussion of the key issues involved in this legislation.

My name is Lisa Speer. I am senior policy analyst with the Natural Resources Defense Council and my testimony today focuses on the coastal and marine titles of the various bills that the committee has in front of it. We appreciate the opportunity to be here today.

In our view, the coastal titles of these bills should have as their overarching goal the protection and enhancement of the Nation's coastal and marine resources, which are extremely valuable, very fragile, and under increasing threats from a variety of sources. In order to achieve that goal, we think that several principles need to be adhered to.

First, no OCS incentives. We talked about that a lot this morning. We think that there need to be two changes to S. 25 in order to achieve that goal. First, OCS revenues that come into the funds that fund all three titles of the bill must exclude revenues from new production and new leasing, both in moratorium areas as well as outside of moratorium areas.

Second, the State—one of the issues that we have identified is the State and local share of the money, which under the current legislation is tied to whether or not the State government or the State is located within 200 miles of an existing lease. We think that one of the key elements or changes that need to be made is to eliminate proximity to new leasing or new production as a determinant of whether a State or local government gets money.

The second principle is that we believe money that goes to State and local governments has to be spent on environmentally beneficial projects and not projects that will do further damage to the coastal zone.

Third, there should be Federal agency oversight of how the money is spent to ensure compliance with Federal law. This is a lot of money we are talking about here and I think it is in the national interest to have the Federal Government be a tight partner

with the State and local governments in determining how this money is spent.

Fourth, any offsets we feel very strongly should not come from existing environmental programs.

Again to just go back to the incentive issues for a moment, I think that there are two principal issues. One is revenues coming into the funds that fund all three titles and the second is money coming out to the States. Again, with respect to the first concern, I think the issue is that if the many and varied beneficiaries of this legislation see that it is in their financial interest for new legislation and production to occur that, in order to provide more funding for all three titles of the bill, that that will provide an incentive to erode support for the moratoria as well as to encourage new development in non-moratoria areas. That is the issue with revenues coming into the fund.

With respect to revenues coming out of the fund, one way to solve the problem might be to again exclude, as Senator Graham's bill does and as Senator Boxer does in her bill, exclude revenues from new leases and new production as of the date of enactment.

We favor a formula for allocation that is based on population and shoreline miles, and that is the approach that is taken in Senator Boxer's bill. Again, if OCS activity needs to be part of that allocation we would prefer that it be based on historical activity, OCS activity off the coastline.

Another issue related to allocation is the method of allocating funds to local jurisdictions. Under the bill, 40 percent of the State's share goes directly to eligible local political subdivisions and a locality with OCS leasing off its coast is entitled to a share in 40 percent of the State's share, with its share increasing the closer that the State gets—that the local government is to the leased tract.

This in our view creates an incentive for local governments to accept new OCS leasing, and to address the problem I think the definition of eligible political subdivisions in S. 25 should exclude tracts leased after the date of enactment and should be omitted from the determination of how much a local government actually gets.

The uses of the money in S. 25 in our view do not ensure that environmental degradation will not take place. The focus of the uses is not on restoring the environment or ensuring that activities do not further degrade the environment. Even then, the States may use the funds for those purposes, but there is not a requirement that they actually use those funds to do those things. So there is a broad amount of discretion that the States have.

I recognize that there is a balance there between giving States flexibility and ensuring that these projects are done in a way that do not further damage the coastal zone.

I just want to turn briefly to S. 446, which is the Resources 2000 bill. We strongly support it. We feel it adheres to the principles that we have articulated. The bill specifically excludes revenues from new leasing and production and it does not allocate revenues among States or local jurisdictions based on the proximity to leased tracts.

We also support the approach taken in Senator Graham's bill, which also does not include revenues from new leasing or production.

I just want to echo the sentiments that were made earlier in the day by Governor Whitman and Mr. Panetta, and that is we laud this committee for making progress on these issues and feel that funding these programs is a very important priority. We believe that it can be done in a way that does not cause more damage to coastal areas and we look forward to working with you, Senator, and the other members of the committee on making sure that that happens.

Thank you.

[The prepared statement of Ms. Speer follows:]

PREPARED STATEMENT OF LISA SPEER, SENIOR POLICY ANALYST, NATURAL RESOURCES DEFENSE COUNCIL, NEW YORK, NY

My name is Lisa Speer and I am a senior policy analyst with the Natural Resources Defense Council (NRDC). I appreciate this opportunity to testify today before the Senate Committee on Energy and Natural Resources on S. 25, The Conservation and Reinvestment Act ("CARA"); S. 446, The Resources 2000 Act; S. 819, The National Park Preservation Act; and The Administration's Lands Legacy Initiative.

My testimony on behalf of NRDC focuses on the outer continental shelf (OCS) impact assistance title of S. 25, the living marine resources title of S. 446, the OCS revenues used to fund all titles of the bills, and the coastal and marine elements of the lands legacy initiative.

NRDC is a national environmental organization, with over 400,000 members , dedicated to protecting natural resources and ensuring a safe and healthy environment. NRDC has a long history of involvement with the protection of ocean and coastal resources, with a focus on offshore oil and gas drilling, coastal zone management and marine fish conservation.

In our view, the overarching goal for the coast and ocean titles of these bills should be protection and restoration of our nation's fragile, but extremely valuable coastal and marine resources which are increasingly under pressure from a variety of sources. In achieving that goal, five principles should be closely adhered to:

- The legislation should provide no financial incentive to states or local governments to accept or promote new OCS leasing or new production. This should apply to all titles of the legislation, not just the coastal or OCS impact assistance title.
- Allocation of money to state and local governments should not be tied to new leasing or production.
- Money that goes to states and local governments must be spent on environmentally beneficial projects, not projects that could do further damage to coastal zone.
- There should be federal agency oversight of how money is spent to ensure compliance with federal environmental laws.
- Any offsets should not come from existing environmental programs.

These same basic principles are set out in the January 7, 1999 letter to Senator Landrieu, Chairman Murkowski and other Senators from nineteen of the nation's major national conservation organizations that is attached to our testimony. This letter states that: "our organizations are strongly opposed to the establishment of any financial incentives that promote offshore oil and gas development," identifies incentives included in the legislation and recommends ways of removing them.

S. 25, while containing some improvements over last year's bill, still falls seriously short when measured against the above principles. in contrast, S. 446 and the funding mechanism in S. 819 both adhere to these principles very closely. As a result, we support S. 446 and the funding provisions in S. 819, but must continue to oppose S. 25 unless and until the concerns we have raised are satisfactorily resolved. We stand ready to work with the members of the committee and their staff to do this.

Following is our analysis of the three bills and the lands legacy initiative with respect to the principles enunciated above.

S. 25, THE CONSERVATION AND REINVESTMENT ACT

Revenue source

S. 25 includes revenues from new leasing and new production as a funding source for all titles of the bill. It does not exclude revenues from new leasing and production in areas currently under moratorium or in sensitive frontier areas not covered by the moratorium. The bill thus falls far short of meeting the first principle.

The concern is that if the many and varied beneficiaries of this legislation see that it is in their financial interest for new leasing and production to occur in order to provide more funding for the legislation overall and for them in particular it will erode support for the existing offshore oil and gas moratorium, which currently protects the east coast (with the exception of existing leases off Cape Hatteras), the coast of Florida (with the exception of existing leases off the Florida panhandle), the central and northern California coast (with the exception of existing leases off the southern and central California coast), Oregon, Washington and Bristol Bay in Alaska. It will also lead to support for new drilling and production on existing leases off North Carolina, the Florida panhandle and central California, as well as in sensitive areas off Alaska none of which are currently protected by Moratoria and many of which, if not all, are extremely controversial. Thus, notwithstanding the disclaimer in sec. 701(12), S. 25 does in fact provide major incentives for OCS activity.

To address the problem, the legislation should define the term "Qualified Outer Continental Shelf Revenues" in the definitions section (section 702) to exclude revenues from new leasing and new production after the date of enactment of the legislation, as S. 446 and S. 819 do. This would remove the financial incentive to support new leasing or production in moratoria and other sensitive coastal areas.

It is crucial to remember that the moratorium only exist because Congress each year reenacts it as part of the Interior appropriations legislation. Presently, a one-year congressional outer continental shelf moratorium contained in the FY 1999 Department of Interior appropriations bill precludes the expenditure of funds for new federal offshore oil and gas leasing in specific coastal areas until October 1, of this year (1999).

This congressional OCS moratorium prevents new leases for offshore drilling along the entire U.S. West Coast, the East Coast, the eastern Gulf of Mexico, and Bristol Bay in Alaska. now in its seventeenth year, the moratorium must be renewed each year. As recently as the 104th Congress, the moratorium was removed in the House Subcommittee on Interior Appropriations, and was only narrowly reinstated after a big fight in the full House Appropriations Committee, in spite of strong opposition to the measure by then-chairman Rep. Bob Livingston. There have been previous years in which the OCS moratorium has survived in the House Appropriations Committee by a narrow single-vote margin.

Related actions have been taken by two successive presidents, which supplement, but do not replace, the protection granted by the congressional moratorium. These "presidential deferrals" while an important recognition of the need to maintain the moratoria, are not embodied in legislation. In 1991, former President George Bush announced that he was directing that any further OCS leasing within the areas protected by congressional moratorium, except in Alaska, be deferred until after the year 2002. No formal executive order was issued by Mr. Bush, and any subsequent president could reverse this decision.

During the 1999 "Year of the Ocean Conference" in Monterey, California, President Clinton, accompanied by Vice President Al Gore and four cabinet secretaries, announced that they were directing the Minerals Management Service of the Department of Interior to extend the previous Bush OCS deferrals until the year 2012. To our knowledge no formal executive order has been issued by the Clinton administration since this announcement, and it is considered vulnerable to possible policy reversals by subsequent administrations.

Allocation of State and local shares

S. 25 ties a state's share of funding under title I directly to the amount and proximity of OCS production off its coast. This provides a clear financial incentive to states to accept new leasing and production.

Fifty percent of a state's allocable share is dependent on its being within 200 miles of a leased OCS tract. The more production on such tracts and the closer in to shore these tracts are, the more money the state gets. See section 703 (c)(1) and (2). We believe that the formula for allocating funds under title I should not be tied to OCS production, but instead should rest on shoreline miles and population alone. Alternatively, if OCS activity has to be a factor, it should be based on a fixed, flat percentage or amount based on historic OCS activity, not new activity that occurs after passage of the legislation. This would acknowledge states that have suffered

OCS impacts to date, without providing an incentive for new leasing, exploration or production.

Another major concern with S. 25 concerns the method of allocating funds to local jurisdictions. Forty percent of a state's share goes directly to eligible local political subdivisions. Section 703(d). Eligible political subdivisions are defined to be those that lie within 200 miles of any leased tract (including tracts in moratoria areas). Section 702(4). As a consequence, a locality with OCS leasing off its coast is entitled to share in 40% of the state's allocable share, with its share increasing the closer the leased tract(s) are. the remaining 20% of a state's allocable share goes to localities that are determined by the governor or the secretary to have OCS impacts. Localities with no leasing or OCS impacts are not entitled to any part of the state's allocable share. This creates a major incentive for localities to accept new OCS leasing.

To address this problem the definition of eligible political subdivision should exclude tracts leased after enactment. Such tracts should also be omitted from the calculation of how much an eligible political subdivision receives.

Uses of the money

It is extremely important that funds distributed to state and local governments be used to restore and enhance coastal and ocean resources and not to cause further environmental degradation. for this reason, we strongly recommend that uses in S. 25 be restricted to:

Amelioration of adverse environmental impacts resulting from the siting, construction, expansion, or operation of OCS facilities, above and beyond what is required of permitted under current law;

Projects and activities, including habitat acquisition, that project or enhance air quality, water quality, fish and wildlife, or wetlands in the coastal zone;

Administrative costs the state or local government incurs in approving or disapproving or permitting OCS development/production activities under any applicable law including CZMA or OCSLA; and/or repurchase of OCS leases.

The uses of the money authorized in section 704 of S. 25 do not ensure that further environmental degradation do not take place. Their focus is not on restoring the environment or ensuring activities do not further degrade the environment. While states may use funds for such purposes, there is no requirement that they do so. moreover, states and localities would be free to use the money for a huge array of purposes, including promoting more offshore drilling, highway construction and the like.

We urge that our proposed language be substituted for that in the bill, or that the approach taken in S. 446, discussed below, be utilized.

Oversight

To ensure that federal dollars are spent responsibly, in an environmentally sensitive manner that complies with federal law, it is important that there be federal oversight and approval of state and local plans for utilization of the funds. S. 25 provides no such oversight.

While the legislation requires the states to develop plans for use of the money and to certify the plans to the secretary of interior, the secretary is given no authority to review and approve these plans. in addition, it is the state that determines consistency of local plans with federal law, not the federal government! Section 703(d)(5). The lack of federal oversight combined with the broad uses to which the funds may be put and the large federal dollars involved mean that environmentally damaging projects could well be funded under this legislation.

Offsets

It is essential that OCS impact assistance not be funded at the expense of existing environmental programs.

S. 446, THE RESOURCES 2000 ACT

We strongly support S. 446 because it adheres to the principles we support. It does not provide incentives for new offshore leasing or drilling. The bill specifically excludes revenues from new leasing and production as a funding source for the entire bill. See section 4(4), definition of qualified OCS revenues.

The bill also does not allocate revenues among states (or local jurisdictions) based on proximity to leased tracts or production. title VI ("Living Marine Resources Conservation, Restoration, and Management Assistance") makes financial assistance available to coastal states based on coastal population and shoreline miles. section 602(b)(1).

Finally, the bill requires that title VI money be spent on the conservation of living marine resources, not on activities that could contribute to further environmental degradation. It provides significant new funding ($300 million) specifically for marine conservation.

We recommend that consideration be given to having some portion of the money under title vi go to help fund existing underfunded marine and coastal conservation programs, such as coastal zone management, marine sanctuaries, and essential fish habitat protection. A portion of the funding under this title could be used to assist in achieving the goals of at least some of these programs. similarly, we would like the opportunity of working with Senator Boxer and the committee on the standards that apply to the state conservation plans to ensure that these plans are effective as possible and on ways to encourage states to move from the planning phase to the implementation phase expeditiously.

S. 819, THE NATIONAL PARK PRESERVATION ACT

We strongly support the approach taken in S. 819, which would provide funding to address impacts to national parks, including Everglades National Park, that originate both inside and outside the parks, as long as the land and water conservation fund is fully funded. We also strongly support the funding mechanism in S. 819, which like S. 446, does not provide incentives for OCS activities.

CLINTON'S ADMINISTRATION "LANDS LEGACY INITIATIVE"

We strongly support the coastal and ocean segments of the lands legacy initiative, which would substantially increase the amount of money available for existing key marine and coastal programs as well as provide for new initiatives that would protect and enhance important coastal and marine resources.

We appreciate this opportunity to testify and look forward to working with the committee on this important legislation.

Senator LANDRIEU. Mr. Grossi.

STATEMENT OF RALPH GROSSI, PRESIDENT, AMERICAN FARMLAND TRUST

Mr. GROSSI. Thank you, Madam Chairman. I am Ralph Grossi. I am president of the American Farmland Trust and I am the managing partner in a family farm that has been in business in northern California for more than 100 years. AFT is working to stop the loss of productive farmland and to promote farming practices that lead to a healthy environment.

We recognize that there are numerous competing needs for the funds that would be available under whatever bill comes out of this committee this year. The needs to acquire inholdings in existing parks, to provide new recreational opportunities for our urban neighbors, are all crucial. However, the need to provide mechanisms to fairly share the cost of achieving public goals on private lands has never been greater.

Our own survey last year of nearly 2000 landowners in 100 counties, 42 States, showed an overwhelming majority of landowners are willing to meet the public halfway. They want to share in the cost of protecting the environment, but they want some fairness in the process as well.

Based on that, we are recommending that much of future conservation policy be based on that need, to address the needs of private landowners and the environmental products that they produce for our society. Conservation policy does matter to farmers and ranchers. They are strong believers in individual freedom and private property rights. They support conservation policies and their support is crucial because they own the land that is at stake in the increasing competition for land in this country.

For the past quarter century conservation and environmental objectives in our country have been largely achieved by either imposing new layers of regulation or through government purchase of private land. However, these actions have failed to resolve conflicts over important environmental problems, like species or farmland protection.

At AFT we strongly believe that in the 21st Century new approaches to land conservation must be developed to achieve the goals and needs of both the society at large and individual landowners. As Governor Whitman indicated, increasingly farmland protection is seen as an inexpensive way to protect scenic vistas that enhance the community for both residents and visitors, while keeping the land in productive use and on local tax rolls.

Farmers are producing a valuable product for their suburban neighbors—environmental quality. Farmland protection programs such as the purchase of development rights and use of conservation easements proposed by S. 446 have become important mechanisms to compensate them for these products, in effect buying the products for the public.

As more communities struggle with the problems of suburban sprawl, private lands protection is emerging as a key strategy of smart growth. The techniques proposed by the Resources 2000 Act add an element of fairness to the difficult challenge of achieving public goals while balancing private property rights, by providing a means for compensation for value received by the community at large.

They are a reasonable balance to the regulations that often lack fairness when applied alone, and they are provisions that should be added to S. 25.

To accomplish this, Madam Chairman, and for a truly fair national land conservation program that responds to both the needs of private landowners and the opportunity to achieve dramatic conservation gains for the benefit of all Americans, American Farmland Trust recommends that you incorporate within the committee's final bill a specific private lands conservation title.

It should include a matching grant program for local and state governments and nonprofit organizations to acquire conservation easements on a voluntary basis to protect important lands identified by local communities. The lands to be protected should include farmland, ranchland, and forest land. The purpose should be to protect productive land, scenic and historic lands, lands adjacent to our important to protecting the integrity of our parks, battlefields, coastlines, and waterways.

The final bill should have technical and financial assistance available to landowners to achieve important habitat goals in private property.

Thank you very much.

[The prepared statement of Mr. Grossi follows:]

PREPARED STATEMENT OF RALPH GROSSI, PRESIDENT, AMERICAN FARMLAND TRUST

Mr. Chairman, American Farmland Trust (AFT) appreciates this opportunity to provide your committee with our views on the merits of S. 25 and S. 446. I am Ralph Grossi, president of AFT and the managing partner of a family farm that has been in the dairy, cattle and grain business in northern California for over 100 years. American Farmland Trust is a national, nonprofit organization with 34,000

members working to stop the loss of productive farmland and to promote farming practices that lead to a healthy environment.

Conservation policy does matter to farmers and ranchers, who are strong believers in individual freedom and private property rights. Their support for conservation policies is absolutely critical because they own the land that is at stake in the increasing competition for its use. But as competition for land has increased, so has disagreement over how to balance economic use with conservation of natural resources and the increasing demands being placed on private landowners to achieve objectives whose benefits accrue largely to the public. Debate over land use has focused on private property rights and the appropriate role of government in protecting resources while polarization on this issue has in many cases stalemated effective policymaking. Landowners often complain that government regulations infringe on their freedom and force them to bear an unfair share of the cost of protecting the environment, while the public argues that landowners have a duty to conserve resources for future generations.

But the fact remains that for most landowners the equity in their land represents the hard work and savings of at least one if not numerous generations of the farm family. Their land is their 401(k)! As farmers we are proud of the abundant supply of food and fiber we have provided Americans and millions of others around the world; and we are pleased that we also "produce" scenic vistas, open spaces, wildlife habitat and watershed integrity for our communities to enjoy. And in many instances, our farms and ranches serve as crucial buffers around our parks, battlefields and other important resources. These are tangible environmental goods and services that farmers should be encouraged to produce and appropriately rewarded for. It is only fair that the cost of producing and maintaining these goods that benefit so many Americans be shared by them.

Mr. Chairman, I want to suggest that it is time that working with private landowners become the foundation of future conservation policy. Title IV of S. 446, and the President's Lands Legacy Initiative, both contain provisions that move us in that direction. American Farmland Trust supports the Resources 2000 Act and Lands Legacy Initiative because they recognize the role that private landowners play in the stewardship of our natural resources, protecting their property rights, while compensating them for the environmental goods they produce for the public. We cannot support S. 25 at this time because it does not contain provisions that address the critical needs of farmers and ranchers. My comments today will focus primarily on the specific provisions in S. 446 and Lands Legacy that direct conservation incentives toward private landowners.

For the past quarter century conservation and environmental objectives in our country have been largely achieved by either imposing regulations or through government purchase of private land. However, these actions have failed to resolve conflicts over important environmental problems—like species or farmland protection, for example—that rely on the participation of thousands of private landowners. At AFT we very strongly believe that in the 21st century new approaches to land conservation will be needed that address the concerns of private landowners.

The farmland protection provisions of the Resources 2000 Act and Lands Legacy recognize that America cannot—indeed should not—buy all the land that needs protecting. Instead they acknowledge that America's private landowners play a vital role in producing conservation benefits for all Americans to enjoy. Resources 2000 rightfully compensates landowners by providing $150 million annually for the protection of America's best farmland, ranchland and forestland while leaving it in private ownership. Lands Legacy proposes $50 million per year for similar purposes. I urge you to consider similar provisions for S. 25.

The easement acquisition, or purchase of development rights, approach proposed by S. 446 and Lands Legacy provides an innovative, voluntary opportunity for appropriate local agencies to work with landowners by offering them compensation to protect the most productive farmland—farmland that is critical to both the agricultural economic base of our rural and suburban communities and to the environmental values provided by well-managed farms. It would also provide important matching funds to the many local and state efforts working to protect farmland.

Under the bill's provisions, protected lands would remain on the local tax rolls contributing to the local economy. The value of this approach to local communities should not be understated. AFT has conducted more than forty Cost of Community Services Studies around the country. In every case, these studies have shown farmland provides more property tax revenue than it demands in public services, while sprawling residential development almost always requires more in services than it pays in taxes.

Farmers are the caretakers of the land, and voters are starting to realize this fact. The recent surge in local and state efforts to protect farmland suggests rapidly ris-

ing national concern over the loss of farmland and the environmental benefits it provides.

In last November's elections 72 percent of 240 initiatives to protect farmland and open space were approved by voters across the nation. In recent years Governors Engler, Voinovich, Ridge, Pataki, Wilson, Whitman, Weld, Glendening and others have supported or initiated farmland protection efforts to address this problem. Nearly every day this year major newspapers have carried articles about sprawl and "smart growth", frequently citing farmland protection as one of the key components of the latter. And the President highlighted the need to help communities protect "farm land and open space" in his State of the Union speech.

Recent studies by American Farmland Trust have documented that more than 80% of this nation's fruits, vegetables and dairy products are grown in metropolitan area counties or fast growing adjacent counties—in the path of sprawling development. And a 1997 AFT study found that over the past decade over 400,000 acres of prime and unique farmland were lost to urban uses each year. The loss of soil to asphalt—like the loss of soil to wind and water erosion—is an issue of national importance.

But one should not get caught up in the "numbers game". The fact is that every year we continue to squander some of this nation's most valuable farmland with the expectation that this land can be replaced with other land in this country or abroad, or with new technologies that promise to help maintain the productivity gains of the past half century. The reality is that we don't know whether new technologies will keep pace. What we do know is that whatever those technologies will be, it is likely that they will be more efficiently applied on productive land than on marginal land where higher levels of energy, fertilizer, chemicals and labor per unit of output are required. Simply put, It is in the nation's best interest to keep the best land for farming as an insurance policy against the challenge of feeding an expanding population in the 21st century.

However, food security is not the reason farmland protection has emerged as a national issue. Communities all across the nation are working to protect farmland because it produces a lot more than food and fiber.

- In many regions of the nation, enough farmland is being paved over to place the remaining farms at risk, due to the lack of a critical mass of land and services to support agriculture—farm machinery, supplies, marketing outlets, etc. Too often, while local leaders work to bring new business to a community they overlook agriculture as a true "Wealth generator"—an industry that brings value to the community from renewable natural resources. In many traditional farm communities citizens are awakening to the prospect that this important, consistent economic base is at risk; and they recognize that one of the solutions is to ensure that the land base is protected. This calculus has little to do with the global food supply and everything to do with the value of farming to local economies.
- Residents increasingly frustrated with long commutes, deteriorating public services and a loss of the scenic views, watershed protection and wildlife habitat, that is so much a part of their quality of life, are among the strongest advocates for farmland protection. The working landscape around our cities adds value to the life and property of all the residents of a given community. And in some cases, farms that are far from the city add critical values; for example, the protection of farms hundreds of miles from New York City is helping improve the water quality and reduce water treatment costs for the residents of Manhattan.

Increasingly, farmland protection is seen as an inexpensive way to protect scenic vistas that enhance the community for both residents and visitors while keeping the land in productive use on local tax roles. Farmers are "producing" a valuable product for their new suburban neighbors—environmental quality; and farmland protection programs such as purchase of development rights and the use of conservation easements, proposed by S. 446, have become mechanisms to compensate farmers for these "products".

As more communities struggle with the problems of suburban sprawl, private lands protection is emerging as a key strategy of smart growth. The techniques proposed by the Resources 2000 Act and Lands Legacy Initiative add an element of fairness to the difficult challenge of achieving public goals while balancing private property rights, by providing a means of compensation for value received by the community at large. They are a reasonable balance to the regulations that often lack fairness when applied alone; and they are provisions that should be added to S. 25.

The findings of a recent AFT survey show that most landowners are willing to share the responsibility of protecting the environment with the public through "hybrid" programs that combine reasonable regulations with adequate financial incen-

tives. The Resources 2000 Act and Lands Legacy would help to achieve this balance by adding carrots to the sticks of existing regulation. Moreover, they will help protect the working agricultural landscape of America, and do it in a manner that shares the responsibility of stewardship between private landowners and the public at large by fairly compensating for value received. These proposals are excellent examples of how to govern in a better way, a way that involves communities and local and State government, a way that empowers farmers rather than imposing on them.

Mr. Chairman, for a truly fair national land conservation program that responds to both the needs of private landowners and the opportunity to achieve dramatic conservation gains to the benefit of all Americans, American Farmland Trust recommends that you incorporate within your legislation a specific private lands conservation title to include:

- A matching grants program for local and state governments and non-profit organizations to acquire conservation easements on a voluntary basis to protect important lands as identified by local communities.
- The lands to be protected should include farmland, ranchland and forestland.
- The purpose should be to protect productive agricultural land, scenic and historic lands, lands adjacent to or important to protecting the integrity of our parks, battlefields, coastlines and waterways.
- To provide technical and financial assistance to property owners to maintain and improve habitat for wildlife, including those species identified as endangered.

Mr. Chairman, during this Congress you will have unprecedented opportunities to develop policies to encourage and reward stewardship on this nation's private lands; and to re-direct financial resources in a way that shares the cost of protecting our great natural resources between the taxpayers who enjoy them and the landowners that steward them. While it is not the domain of this Committee, in closing I call your attention to the federal farm programs. At a time when the public is demanding more of private landowners every day, I ask you and all of Congress to consider a major shift of commodity support payments into conservation programs such as farmland protection that help farmers meet those demands in a way that is fair to all.

Thank you for providing me with this opportunity to testify today, and I look forward to working with you to establish a truly farmer-friendly conservation policy.

Senator LANDRIEU. Thank you very much.

Mr. Marks.

STATEMENT OF ELLIOT L. MARKS, VICE PRESIDENT, NORTHWEST AND HAWAII DIVISION, THE NATURE CONSERVANCY

Mr. MARKS. Madam Chairman and members of the committee: I am Elliot Marks, Northwest and Hawaii Division vice president of The Nature Conservancy. We are an international organization whose mission is to preserve the plants and animals and natural communities that represent diversity of life, and we do this by protecting habitat. We work in all 50 States and 17 nations and we are supported by 900,000 individuals and families and 1500 corporate members. We own and manage the largest private system of nature preserves in the world.

I would like to join the other panelists in thanking you for your commitment to dedicated funding and substantive reform of the Land and Water Conservation Fund because increased public investment is urgently needed.

I have submitted a statement for the record which outlines our views on the elements of what we would hope would find its way into successful legislation. But I would like to amplify on three topics this morning.

First, we believe that public lands can and should provide much of the habitat necessary to safeguard our Nation's natural heritage. In many places, however, the survival of endangered species and systems will depend on the cooperation and participation of private

landowners. Today there is a perverse incentive for private landowners to destroy good habitat before it becomes a liability. I know of a small forest land owner in southwest Washington who I talked to who is alarmed, alarmed to find salmon on a small tributary on his property, and his response to that was to destroy that habitat before he might be further regulated. His response was not, unfortunately, unusual around the country.

We must find ways to encourage and reward private landowners who permanently protect habitat for public purposes and not penalize them.

The administration and Senator Boxer have proposed important incentive-based programs to promote conservation on private lands. These programs include the cooperative endangered species fund and programs like the forest legacy program that purchase easements from ranchers, farmers, and forest land owners. These programs leave property in private ownership, support traditional land uses, while protecting critical habitat.

For example, in Montana we have been working for more than 20 years along the Blackfoot River and there, with the Fish and Wildlife Service and State and local government, we are using easements as a significant, the best tool we have with the landowners to conserve vital fish and wildlife habitat within a working landscape. I think working within working landscape with people is really the trend of the future that we would like to promote.

The demand in the Blackfoot River and elsewhere for participation in these non-regulatory programs far exceeds the funding now available. We have learned the hard way, I think, that investing in the protection of good habitat before it is gone is significantly more cost effective than trying to restore habitat or species when they become endangered. Investing in cooperative approaches with private landowners before regulatory mechanisms become necessary is ultimately less expensive and more effective.

Turning to marine conservation, as we have heard today, our Nation's coastal areas are at risk and we cannot end our conservation efforts at the water's edge. We strongly support the idea of using offshore revenues to strengthen efforts to map and protect living marine resources.

Finally, we are very encouraged by the inclusion of new statewide funding for fish and wildlife conservation needs. But we would recommend a greater focus on habitat management across the entire country. Public lands stewardship funding is woefully inadequate. In our organization, when we buy land we realize that that is just the beginning of the job; and the Land and Water Conservation Fund, while it has funded acquisition, really has not followed through in terms of stewardship.

We would like to see that the funding that may be provided in this reform will really pick up from the idea that buying the land, protecting the land, is really the first step, it is not the end of the story, because our future investments and in fact our previous investments in habitat acquisition are jeopardized if the lands are not actively managed.

Today the greatest threat to natural areas in our country is not people, but invasive weeds and exotic animal species, and manag-

ing lands to protect them against the incursions of those species is a very high priority that is not well funded today.

We urge the committee to provide also for the fact that in most States—not most—in many States, critical habitat lands and two-thirds of the State natural heritage programs that guide conservation investments are not within the fish and game agency. So we would like the habitat management and the identification of sites not necessarily to be tied in funding to a particular agency.

We would like to work with you to fashion this historic legislation, and thanks for the opportunity to appear. I would be happy to answer any questions.

[The prepared statement of Mr. Marks follows:]

PREPARED STATEMENT OF ELLIOT L. MARKS, VICE PRESIDENT, NORTHWEST AND HAWAII DIVISION, THE NATURE CONSERVANCY

Mr. Chairman, and members of the Committee, I appreciate the opportunity to submit this testimony for the record on S. 25, the Conservation and Reinvestment Act of 1999, S. 446, the Resources 2000 Act, S. 532, the Public Land and Recreation Investment Act of 1999, S. 819, the National Park Preservation Act and the Administration's Lands Legacy Initiative.

The Nature Conservancy is an international, non-profit organization dedicated to the conservation of biological diversity. Our mission is to preserve the plants, animals and natural communities that represent the diversity of life on Earth by protecting the lands and waters they need to survive. The Conservancy has more than 900,000 individual members and over 1,500 corporate associates. We currently have programs in all 50 states and in 17 nations. To date our organization has protected more than 10.5 million acres in the 50 states and Canada, and has helped local partner organizations preserve millions of acres overseas. The Conservancy owns more than 1,600 preserves the largest private system of nature sanctuaries in the world. The Conservancy's conservation programs are characterized by sound science and strong partnerships with public and private landowners. We are dedicated to achieving tangible and lasting conservation results in all of the many locations at which we work.

We are now cooperating with our partners to develop a "conservation blueprint" that will identify the sites, at scales from landscape to nature preserve, that will be required to conserve—ecoregion by ecoregion—the nation's full array of plants, animals and natural communities. We and all our partners, who are daily working to conserve the nation's natural treasures, will be far better able to accomplish our common goals with the increased resources envisioned in legislation before this Committee.

We thank Senator Landrieu, Senator Boxer, Senator Feinstein, Senator Graham and Chairman Murkowski for their leadership in proposing substantive reform of the Land and Water Conservation Fund and other new conservation programs. The President's Lands Legacy Initiative is a complementary, far-reaching design that would also provide much needed federal funds for biodiversity conservation.

Congress and the President have an historic opportunity to work together to achieve the non-partisan goal of protecting the nation's biodiversity, natural areas and open spaces. There is an enormous demand and need for the financial resources these bills would provide. Throughout the nation, voters are approving local ballot measures to increase public investment in parks, natural areas, critical wildlife habitat and open space. But these local efforts need to be supplemented with an enhanced national commitment.

Last month, we had the honor of presenting The Nature Conservancy's "1998 Conservation Leadership in Government Award" to Governor Christine Todd Whitman for her leadership on a state-wide ballot campaign that secured $1.85 billion to protect 1,000,000 acres of open space in New Jersey. Last November, voters endorsed 84 percent of 148 state and local open space ballot measures in the United States, generating over $5.2 billion in public land acquisition dollars. Congress now has the opportunity to do its part; to contribute in a visionary manner to meet this rising public demand; and leave a natural legacy for future generations.

This opportunity comes at a time of great urgency. At least 110 species of plants and animals are now extinct in the United States, with another 416 missing and feared extinct. Seven percent of plant and animal species in the United States are classified as critically imperiled, 9 percent as imperiled, and 15 percent are consid-

ered vulnerable.[1] Aquatic animals are even more imperiled than terrestrial species. The plight of salmon in the Northwest and New England is widely recognized. It is less well known that two-thirds of the nation's freshwater mussels are at risk of extinction, and nearly 1 in 10 species may already be extinct. Forty percent of the nation's freshwater fishes and amphibians are at risk of extinction, as are one-half of crayfish species.[2] There has never been a more important time for Congress to attend to the critical federal and state programs that conserve the nation's legacy of biodiversity.

The Conservancy pledges its assistance to the Committee as it considers new proposals for increasing funding for conservation areas and programs.

The bills before the Committee approach the goal of providing significant new investments in natural resource protection in different ways. The Nature Conservancy believes the following elements and principles ought to guide whatever legislation the Committee ultimately adopts:

1. FULL AND PERMANENT FUNDING OF THE LAND AND WATER CONSERVATION FUND ("LWCF")

The LWCF is one of the nation's most important conservation achievements. The principle of investing proceeds from a non-renewable resource, offshore oil and gas reserves, into permanent land and water resource conservation is an outstanding expression of our nation's stewardship commitment. This Committee will make a lasting and historic contribution by creating a permanent funding stream for both the state and federal sides of the LWCF at their fully authorized level of $900 million. Even at this level of LWCF funding, however, long-term conservation of the nation's biodiversity and natural areas will also require significant additional investments envisioned in the other proposals before the Committee.

2. EQUITABLE TREATMENT FOR STATE AND FEDERAL PROGRAMS

In recent years, the federal government has ceased appropriating the state portion of the Land and Water Conservation Fund. The Conservancy favors restoration of this federal funding for state conservation action. Recent ballot measure results evidence the substantial need and demand in many states for land acquisition, conservation and recreation purposes. Enormous good can come from leveraging state commitments with federal matching funds.

3. INCREASED FEDERAL SUPPORT FOR STATE FISH AND WILDLIFE AND PLANT PROGRAMS, INCLUDING STATE NATURAL HERITAGE PROGRAMS

State programs to support biodiversity conservation programs have been chronically underfunded. The Conservancy endorses increased funding for state fish and wildlife and plant programs. New dollars should target efforts to conserve native and nongame fish and wildlife, native plants and natural communities. Legislation must also explicitly provide funding for state natural heritage programs. These programs are recognized leaders in the conservation of native fish and wildlife, native plants and natural communities. Nearly two-thirds of state natural heritage programs, including successful ones in New Jersey, Pennsylvania, Minnesota, Colorado, Ohio and Florida, are not part of state fish and wildlife agencies, and would not be assured funding in proposals now before the Congress. The Committee should also ensure that new funds support new investments in habitat and stewardship rather than replacing existing operating funds.

4. INCREASED SUPPORT FOR INCENTIVE-BASED, NON-REGULATORY PROGRAMS THAT ASSIST PRIVATE LANDOWNERS IN CONSERVING ENDANGERED SPECIES

The Nature Conservancy strongly supports dedicated funding to enhance incentive-based, non-regulatory programs for private landowners to voluntarily assist in endangered and threatened species recovery. The Conservancy, along with private and public partners in the Natural Community Conservation Planning initiative, is using federal and state dollars to conserve habitat for nearly 100 species and more than two dozen natural communities in five southern California counties. By voluntarily joining this program, landowners can achieve greater certainty with respect to potential development uses of land, as well as avoiding unexpected consequences of future species listings under the Endangered Species Act.

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[1] *1997 Species Report Card: The State of U.S. Plants and Animals,* The Nature Conservancy (1997).

[2] *Rivers of Life: Critical Watersheds for Protecting Freshwater Biodiversity,* The Nature Conservancy (1998).

The Administration's $80 million request for the U.S. Fish and Wildlife Service's Cooperative Endangered Species Fund reflects the critical importance and unmet public funding needs of programs such as this.

5. INCREASED SUPPORT FOR NORTH AMERICAN WETLANDS CONSERVATION ACT

The North American Wetlands Conservation Act has provided significant federal cost-share funding for state fish and wildlife agencies and private organizations to conserve, restore and enhance critical wildlife habitat. The Committee should ensure that funding mechanisms, such as directing interest that accrues from the Pittman-Robertson Act, benefit the purposes of the North American Wetlands Conservation Act. Such a mechanism is provided in H.R. 701.

6. REINVESTMENT OF OUTER CONTINENTAL SHELF ("OCS") REVENUES IN COASTAL STATES:

Coastal states, particularly Louisiana, have suffered significant environmental damage as the result of OCS activities. A portion of OCS revenues should be dedicated to environmental restoration programs in coastal states. We are hopeful that the Chairman , Senator Landrieu and other sponsors of S. 25 will work with members of the environmental community to ensure that S. 25 does not create incentives for communities to rescind existing moratoria on OCS activities.

7. INCREASED SUPPORT FOR COASTAL AND MARINE CONSERVATION

Restoring and protecting coastal and marine ecosystems is a critically important conservation priority. Many of our fisheries are near collapse, pollution is creating off-shore "dead zones" and coral bleaching and disease are increasingly common. Our nation's coastal areas and oceans contain biodiversity rivaling tropical rain forests, yet we as a nation have focused little attention on their conservation. We cannot simply purchase a section of ocean and set it aside for conservation purposes. New permanent funding should invest in the range of actions necessary for protecting marine habitats, including conservation, restoration and acquisition of critical coastal areas, water quality improvements and management of living marine resources and habitat. In the Florida Keys, for example, the Conservancy's Florida Bay Watch program has documented increased nutrients in near shore waters, highlighting the need to upgrade and retrofit waste and storm water systems.

8. PACIFIC COASTAL SALMON RECOVERY

Pacific salmon populations have declined precipitously from historical levels, resulting in Endangered Species Act listings of an increasing number of both coastal and inland salmon runs. While the reasons for this are complex, it is clear that habitat destruction, over-appropriation of water rights, pollution, stream blockages from hydropower and other developments, over-harvesting, and unintended hatchery impacts on native runs have all played a significant role.

Experience from the Florida Everglades to the Columbia River Basin has demonstrated that vast amounts of money can be spent on habitat restoration and recovery that could have been more efficiently spent on habitat protection before the systems had been altered and degraded. We may now have to make some tough choices about where fish can be successfully recovered, but we should focus our efforts on functioning systems with relatively healthy habitats and salmon populations.

The Nature Conservancy recognizes that there is a clearly established need for significant additional funding beyond the Administration's $100 million for these efforts to succeed, perhaps as much as $200 million annually for several years. Given the size of the recommended appropriation, it is imperative that priority be given to efficient prevention strategies such as habitat protection over more costly recovery efforts.

9. INCREASED SUPPORT FOR AGRICULTURAL, FOREST AND OPEN SPACE PROTECTION

Matching grants for agricultural, forest and open space conservation, like state appropriations from LWCF, would increase the conservation effect of state investments and federal initiatives such as the Forest Legacy program. The Conservancy is working with farmers along New York's Fish Creek and Illinois' Mackinaw River to address resource conservation issues while enhancing the economic viability of sustainable farming operations. Increased opportunities for conservation easements could enable farmers, ranchers, and forest owners to maintain sustainable economic uses while providing important public conservation benefits. Such programs would

also help mitigate the threat to biodiversity caused by habitat fragmentation, an increasing and pervasive threat to biodiversity.

10. DEDICATED FUNDING FOR URBAN PARKS

Although the Conservancy's mission focus is biodiversity conservation, we join and support our colleagues who seek dedicated funding for urban parks through a revitalized Urban Park and Recreation Recovery program. Creation of a separate dedicated funding source would ensure that urban park funding does not compete with the state and federal land acquisition programs supported by the LWCF.

11. DETERMINATION OF LWCF PRIORITIES WITHOUT GEOGRAPHIC OR OTHER STATUTORY RESTRICTIONS

LWCF funding should be available for acquisition of high-priority lands without arbitrary geographically-based limitations on location or land management agency. Restricting purchases to inholdings or Congressionally designated areas could sometimes direct federal attention and funding away from the most important and significant conservation opportunities for protection of the nation's biodiversity.

12. APPROVAL OF LWCF ACQUISITIONS IN AN EXPEDITIOUS MANNER

The Congress should not require approval of land acquisitions by multiple committees. Land acquisition programs should be designed to minimize the risk of increased costs and lost conservation opportunities to the people of the United States. They should also avoid unreasonable burdens and delays on private land owners who wish to sell their land to government.

13. THE NATIONAL PARK PRESERVATION ACT

The Nature Conservancy has long-supported funding to restore the Everglades and the South Florida ecosystem. The magnitude of the restoration efforts necessary to ensure the long-term viability of the South Florida ecosystem, including the Florida Keys, requires the sustained investments provided by Senator Graham's legislation. Programs to ensure the ecological integrity of many other National Parks would also benefit from the dedicated funding provided in S. 819.

14. BUDGET ISSUES

The funding levels called for in these bills will not be achieved without changes to the existing budget caps. Although we understand that this Committee does not have jurisdiction over the budget process, we urge members of the Committee to raise these issues with the leadership of the Senate and members of the Budget Committee. This Congress will fail to realize the full promise of the important legislative proposals under consideration by this Committee if the Budget Committee fails to allocate, or the Appropriations Committee fails to appropriate, the necessary funds.

CONCLUSION

The Nature Conservancy wishes to express its gratitude to Senators Murkowski, Landrieu, Boxer, Feinstein, Graham and the cosponsors of their respective legislative proposals for bringing historic legislation to the Committee. In addition, numerous state and local government agencies and non-governmental organizations deserve enormous credit for developing broad-based public support for land conservation and biodiversity. This Committee can respond to that support and forge a lasting legacy by passing legislation that incorporates the principles described above.

The Nature Conservancy welcomes the opportunity to work with the Committee as it crafts legislation that will be signed into law.

Senator LANDRIEU. Thank you, Mr. Marks. That was excellent. I appreciate it. Those last two comments about the important concept of working in a stronger partnership with private landowners I think is something that has come up in many different testimonies. Surely this committee is hearing loudly and clearly the need to do that.

Let me just ask a few questions. There may be one or two members that slip in, but we will go through just a few questions, then

if you all have anything you would like to say, you may do so in your closing.

Ms. Speer, I am interested, Ms. Speer, in your organization: the Natural Resource Defense Council. Could you just for the record describe it in a little detail? You are a senior policy analyst. How many staffers are there, please. State again your purpose of the organization?

Ms. SPEER. I would be happy to. The Natural Resources Defense Council is a national environmental organization dedicated to protecting public health and the natural world, and we have about 400,000 members nationwide. Our staff is about 75 professional staff. We have offices in California, San Francisco, Los Angeles, as well as here in Washington, and our headquarters are in New York.

Senator LANDRIEU. As a policy analyst who testifies often on these bills, how often are you on the coastal—in the coastal areas of either Louisiana or Texas. When was the last time you were there? Could you describe your visit?

Ms. SPEER. I have unfortunately not had the opportunity to visit the State of Louisiana in quite some time. I was a guest of the National Audubon Society, which has a large refuge along the coast in coastal wetlands, and was able to see some of the impacts that have happened. I think we clearly recognize that——

Senator LANDRIEU. And when was that, that visit?

Ms. SPEER. It was some time during the eighties. But it was quite clear to us and remains clear to us that the State of Louisiana and other places that have supported oil and gas development have in fact incurred significant damages from those activities, and we recognize what you are talking about and the need for some help in restoring and mitigating some of those damages.

Senator LANDRIEU. So what would you suggest, given that you have been there in the eighties—and have you been to Texas at all or to Alaska?

Ms. SPEER. I have spent some time in Alaska. I lived there for about 8 months, and I have been to Texas, but not in a long time.

Senator LANDRIEU. But given your experience, albeit just that one visit to Louisiana, do you have any specific suggestions as to how in this particular legislation—what the fair allocation would be, or something that your organization would suggest, the portion that should come back to some of these States, given—I do not know if you heard when I opened that the money that has come off primarily the Gulf Coast, primarily off the shore of Louisiana, has been $120 billion since 1955.

Does your organization have any suggestions about what percentage would be fair to invest back?

Ms. SPEER. I think, you know, we recognize that there have been these impacts and that many localities within the State of Louisiana in particular have suffered. We recognize that there needs to be some effort to try to ameliorate those impacts with funds that are directed to specific projects to ameliorate those impacts.

Senator LANDRIEU. You do not have a percentage? What do you think, it would be a 10 percent or a 5 percent or a 20 percent payback to the States that are producing the revenues? You have not had that discussion?

Ms. SPEER. We have not had that precise discussion. But I think there is a general recognition that as part of funding the coastal titles of these various bills that it is important to include money in there to ameliorate the environmental damage that has happened as a result of the activities in the State of Louisiana, but also for other kinds of coastal threats that face both Louisiana as well as other coastal States.

Senator LANDRIEU. I know your organization is aware—and I would like to ask Mark maybe to answer this question. I will ask it, but I think he can answer it better than I can because he has the specifics. What percentage of the impact, or damage, or loss of our coast is attributed to the oil and gas drilling, as opposed to other things that you mentioned: such as the damming of the Mississippi River, the Corps of Engineers?

Does our research, Mark, show? Is there any particular percentage, or can you shed some light for this organization and for us on the different causes of this land loss?

Mr. DAVIS. Certainly. Again, needless to say, it is sometimes a moving target. But the best estimates that we have seen up to this point is that about 30 to 40 percent—and that is one of the more conservative. If there is a consensus figure that is used by most, it is about 30 to 40 percent of the coastal wetlands loss is attributed to the oil and gas activity.

Obviously, most of it—keeping in mind that we were essentially in a no net loss position at the turn of the century, that the canals and levees and the channelization for these multitude of purposes—and at some point they become overlapping. But the figure that is used most frequently and most credibly at this point in time is 30 to 40 percent.

Senator LANDRIEU. So what would the other losses, for the record, be attributable to?

Mr. DAVIS. Well, they would be attributable to—the natural causes are subsidence, compaction, and erosion. Those happen, but, as I pointed out, there are natural land-building, natural land-sustaining forces that help counterbalance those. So until we shut down the hydrology of our coast, or allowed others to do it for us, we were in basically a stable position.

So what we have really done is engineer a collapse of the greatest delta system on the North American continent. Again, it has been done largely under the banners of national flood protection, mineral exploration, even the Swamplands Act of the 1890's. It is a complex mix of parochial interests and national policy.

That is why when we come here today we are not asking for a Federal solution any more than we can live with a State solution. This is a national crisis. It is a national opportunity and it is a national resource. I think it does really require that we ask everybody to honestly put their plans on the table, and there will be some compromise.

I do not know if I have answered your question with the specificity you wanted. But those are the kind of issues we are looking at.

Senator LANDRIEU. But for the record to understand that the oil and gas drilling activity has contributed, but it is not the only cause, and some people would argue over 50 percent of the loss has been for the navigation of the rivers and other things that were na-

tional policy-driven and have caused this tremendous loss and serious crisis.

So we are asking for a good percentage of these revenues. But we should also ask perhaps for other sources of revenues to come back to help us in this partnership with the State in order to rebuild this precious resource for the Nation and to help us manage it.

One more comment?

Mr. DAVIS. I just wanted to make a couple of points, especially on Lisa's comments. First of all, I would like to make it clear that NRDC has actually been a very valued partner over the last decade or so as we have been putting together the authorities and the commitment nationally and in the State for restoring our coast.

While we may have some differences on, I guess, the tweaks of the various bills, I in my conversations with them believe that fundamentally from a stewardship view we can all be on the same page.

I did want to make it clear that we do support the wildlife and public lands aspects of this legislation, but we do not believe that that should be subsidized by unmitigated costs in our coastal regions.

We do believe that proximity in these matters does count. I think there may be a formula that we all need to go sit down and work on, but it is quite clear that proximity is tied to impact, and I think that to suggest otherwise ultimately will not be a judgment that history treats us kindly for.

Senator LANDRIEU. Thank you, with regards to the proximity issue, perhaps we can make some modifications, but we need to recognize the contributions that these coastal States have made to the Federal treasury.

But Lisa, on that point another question. Does your organization have a policy about offshore or onshore drilling—A national policy?

Ms. SPEER. We do not. We have been active on both, both on OCS development as well as on oil and gas development in sensitive areas like the Arctic National Wildlife Refuge.

With respect to the proximity issue, I just wanted——

Senator LANDRIEU. Do not leave that point for just a minute. Do you have a policy regarding where drilling should be, off the coast or interior, or do you have a policy about not encouraging drilling anywhere? Could you give us some insight into what the organization's policy is?

Ms. SPEER. Our feeling is that the very real damages that your State and others have experienced as a result of offshore oil and gas development mean that we would like—would prefer not to see an expansion from current locations into areas where the local consensus is that, for economic as well as environmental reasons, that drilling should not take place.

I think one of the issues you have raised——

Senator LANDRIEU. That is understandable, but what about where it already is?

Ms. SPEER. We have not opposed offshore oil and gas leasing off the coast of Louisiana or off the coast of Texas. We have—you had raised earlier this question about in the United States and expanding drilling in the United States so that we do not have to import

oil in tankers. I would just note that many of the proposals that were made by the Interior Department to drill off California, off Oregon, off New Jersey in the early eighties and the middle eighties would have transported most of the oil to shore by tanker.

There are many, many problems associated with offshore oil and gas development that you all know about, and we are concerned about the expansion of that and the inclusion in this legislation of any incentives to encourage that.

Senator LANDRIEU. I just want to follow this up. I can appreciate that and that is one of the balances we are trying to strike in terms of not encouraging moratoria. But in terms of trying to dictate to States that already have oil and gas drilling and have made those choices, I think we have to have some understanding that that is not, as Mark said, going to stop tomorrow. Even if it did the impacts are still there, and recognizing that, point one.

Point two is that when we began the drilling in the 1940's our knowledge base was not where it is today, our value system was not where it is today. So when wells are drilled in 1999, believe me, they are drilled differently than they were in 1945. I think it is important to note and to be positive about what we have learned and how much it has improved, how the technology has allowed us to do that and protect the environment, so you can have multiple uses.

Now, some people may argue with that. But if you have been to Louisiana and these places you can see where that is being done in a much more environmentally sensitive way. As long as we have to rely on oil and gas as a source of energy, until someone comes up with some alternatives—which we work on—perhaps some people would say we should work harder on it, and I would not disagree with that. But for the time being, as this grid gets greener, we are where we are now and we need to be moving to a greener grid.

Ms. SPEER. I think just in response to that, I think you are right that the technology has improved and the impacts that we see now are largely the result of past activity, which is why we favor taking a snapshot and basing the impact aid, if there is going to be impact aid, on historical activity. The impacts, as you have pointed out, as Paul Kelly pointed out, were much greater a long time ago. Now our technology is much better. It gives that much more reason to base impact aid on past activity, on historical activity, as of the date of enactment.

Senator LANDRIEU. That is a good point.

A question for Ralph and Elliot. Could you point out for the record, because I thought both of your testimonies dovetailed nicely on trying to strengthen this partnership between what we do in terms of purchasing land and then doing that and keeping an aggressive purchasing and good stewardship, and then working with private landowners to create this partnership?

For the record, could you each give a specific example of a local area, either in a local community or a State or a local community, and a specific example about a landowner, about how that has actually worked?

Then I would like to ask all the panelists or those to submit to this committee written specific examples, so as we get down to the

actual drafting of this concept, if it is agreed to, to sort of add it, I would want to see, of the models that are working the best, how we should craft it.

Ralph.

Mr. GROSSI. Sure. For the record, we did not coordinate our testimony.

Senator LANDRIEU. Well, you could not have done better had you planned it. Go ahead.

Mr. GROSSI. But it is nice to find people of like mind on this issue.

Of course there are literally thousands of examples you could draw from across the country, because the States and local governments really have taken the lead on working with private landowners, to try to achieve multiple goals and keep the land in private hands and on local tax rolls. I would suggest you take a look at a couple of the good State-run farmland protection programs.

For example—well, you have three right in this Mid-Atlantic region. Governor Ridge's program in Pennsylvania, which is a partnership between the State Department of Agriculture and local county governments, which asks the counties to develop a plan to protect agriculture and then apply for matching funds to the State. They have a specific formula set up so that those counties that have the most endangered and highest quality land are those that qualify for a greater match.

That would be an example of how this program could be—that program could be augmented substantially with some Federal matching funds.

There are also a number of programs—and I am sure Elliot could touch on some of these—in the San Joaquin Valley of California where both private land trusts and the Fish and Wildlife Service are working with private landowners to restore migratory waterfowl habitat in the San Joaquin Valley, in some cases acquiring fee simple to restore it to wetlands, in other cases working with the landowner to purchase a conservation easement to assure that it never gets subdivided and then providing some assistance to the landowner to leave certain feed crops in the field, for example.

This is all part of the negotiation that can happen, but it cannot be top-down. It has to be bottom-up. It has to be the community has to decide what is important in that region of the country. The Federal role here is to provide some resources and not very many strings attached.

That is a difficult challenge, of course, when you are drafting national legislation. But it is very important that these be locally driven conservation initiatives.

Senator LANDRIEU. Elliot.

Mr. MARKS. Senator Landrieu, we have literally hundreds, if not thousands, of projects around the country where conservation easements, working with private landowners and acquiring development rights, is one of the tools, important tools, in the toolbox, particularly along river corridors. That is why I mentioned the Blackfoot River, because you do not want to buy all of the land. Most of the landowners may not want to sell the land, and you have a particular interest in a portion, and you can define a portion, a

river corridor, riparian system, that you want to shield against inappropriate development or grazing, you might want to fence it.

There are many things that you can do with easements that, in a free market approach working with private landowners, you cannot otherwise do. It is not a panacea. Conservation easements can be expensive. They tend to all be different. They are hard to enforce, and in many ways they are more challenging than buying land. But sometimes you have no choice.

But I would actually like to address something that was said by my fellow panelist from Alaska. Even in the State of Alaska, if you begin to think about the Native corporation ownership, which is about 44 million acres of selected lands, they got all the best stuff. They knew where it was. And they do not want to sell it. Their mission is to make money.

They are using that land that they have selected right in the middle of the refuges and parks that are national treasures. Working with them to acquire certain development rights, even in Alaska, makes a lot of sense, without taking it out of Native ownership. And they would like to be able to safeguard to fish and wildlife opportunities and production that those areas represent in partnership with us and others.

Of course, we are one of those private institutions that you mentioned that is raising a lot of money to leverage your money, and we are asking that we see a little bit more stream come to the States that we can all work with.

Senator LANDRIEU. Thank you.

I think we are about—I do not have any additional questions. Does anybody want to have one final comment to wrap up?

The only thing, Mark, I hope you brought a number of those copies of our new study, because I would like you to give them out the all the panelists and everyone in the audience should leave with one. I am surprised Senator Graham did not bring his Everglades study, but we have our Louisiana coastline study, and if you have some extra copies some people may——

Mr. DAVIS. I have a couple.

Senator LANDRIEU. Good.

Do you have any final comments?

Mr. DAVIS. The only thing I would suggest is again, God, like the devil, is in the details and this is something where the detail work is going to decide whether we accomplish something great or not. We certainly pledge ourselves toward that end and, since oftentimes understanding the impact issue, and since Title 1 does seem to be firmly on many people's minds, we would invite anyone to come down and visit us, call us.

We will do whatever we can to help people get to the same page and, again, bring this to a terrific culmination.

Senator LANDRIEU. What I would like to add as the Senator from Louisiana, is to urge those listening to take Mark up on his offer. For those that have not been down to Louisiana recently and have not been able to take this helicopter tour or walk the marshes or canoe, I should say, take a pirogue through some of these marshes and to see what is happening. You should take Mark up on his offer, because it will help us to craft the kind of bill that not only

helps and honors and works for Louisiana and Texas, but also the other States and coastlines of our great Nation.

So I thank you, Mark, and I hope people will take it seriously and take you up, and the Louisiana Coalition. This way we can show you the complexities of this issue and how we need to craft this legislation to be very good to the environment, while recognizing these damages have already been done and some solutions are absolutely essential for us and for the Nation.

Lisa, any closing comments?

Ms. SPEER. No, I just again want to thank you, Senator Landrieu, for having this hearing and for working together with all of us to try to craft legislation that we can all move forward in protecting our Nation's critical natural resources.

Senator LANDRIEU. And be proud of it.

Ralph.

Mr. GROSSI. Just a final comment, because Senator Graham asked about the allocation issue. We think it is important to get this funding in some sort of mandatory structure, but some kind of Budget and Appropriations Committee oversight is certainly appropriate. So within that context, let us see if we can get a bill that works for everyone.

In closing, I guess I want to back up from this for a second and ask you to take a look at what really amounts to a pretty paltry commitment to protecting the natural resources of this Nation. The Land and Water Conservation Fund is significant, but it is one one-hundredth of what we spend on transportation infrastructure, for example. So that is the kind of priority we have given to the natural resources on which this Nation is built.

I would like to encourage you to think much bigger. $900 million is not enough. You need to think much bigger. The Department of Agriculture spends $1.8 billion every year on the conservation reserve program, one program.

Senator LANDRIEU. Ralph, you are my kind of guy. I would actually like 100 percent of this money. I have actually thought about that, and more. So you just keep saying that. We will work on it. We would actually like 100 percent of it. We are negotiating between 50 and 60, but if we keep at it we may get 100 percent of this and maybe more, because I think you are absolutely correct.

Mr. GROSSI. Go for all of it.

Senator LANDRIEU. Good.

Elliot.

Mr. MARKS. I would like to underline what you and Ralph just said. We have taken nature for granted in this country and all the services it provides. But today we are in the midst of a global extinction crisis. We are losing species at an hourly rate, and we do not even know how many and we do not know what they do and how they add to the systems that support life.

Natural areas are important for our economy, and where I come from they are important for the quality of life, and we are losing them. The point I would like to make is that we need to move forward now because the window is closing. What we are able to set aside, protect and manage well today literally is all that will be left.

I know that Governor Whitman in her efforts in New Jersey is literally trying to protect all the open space left. We are not quite in that position in my part of the country, but we are getting there, and we are losing a lot that we need to have in the future.

So we are trying to preserve our options for future generations. I think that is what this is all about, and unless we put more resources into this we are not going to get there. I really do not think we can do it without acquisition. We cannot do it without doing things permanently, and we cannot do it without a lot more money put on the table to achieve this goal. We cannot take it for granted any longer.

Senator LANDRIEU. Thank you. Let me just say in closing that the public agrees with your statement, and it is demonstrated not only in their words but in their own actions of actually voting on themselves additional taxes. One of the mayors testified the other day standing out in front of the Capitol—and for the record I want to ask the staff to put on the record who it was that said this. But he stood up and said that when we want to pass something in our home States, we just add the parks and the green space to the bond issue, because it gives us a much better chance of passing it.

So the public is speaking loudly and clearly. In a democracy we need to listen and we need to take this opportunity where the public is demanding in every way they can that we take action, that we pass this bill with a sizable permanent commitment to the environment and to the preservation activities that we are all speaking about. We must take the opportunity this year to do it as we begin this next century, and listen to what the public is telling us.

So thank you all very much, and the record will stay open until May 15. Thank you, and thank the staff.

[Whereupon, at 12:08 p.m., the committee was recessed, to be reconvened on May 4, 1999.]

BILLS AND ADMINISTRATIVE PROPOSAL TO INVEST OCS REVENUES IN CONSERVATION PROGRAMS

TUESDAY, MAY 4, 1999

U.S. SENATE,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC.

The committee met, pursuant to notice, at 10:08 a.m. in room SD–366, Dirksen Senate Office Building, Hon. Frank Murkowski, chairman, presiding.

OPENING STATEMENT OF HON. FRANK H. MURKOWSKI, U.S. SENATOR FROM ALASKA

The CHAIRMAN. Good morning, ladies and gentlemen. Let me apologize for the late start. We generally start on time around here, but the vote was set for 9:30 and we went over for the 9:30 vote, and it is on now, so that is the good news. Senators will be coming over here.

I have a short opening statement. As you know, this is the third in a series of hearings on the OCS revenue sharing bill. I am very pleased to see the continued level of interest and support that always seems to follow the possibility of the States receiving some revenue. As you know, this OCS revenue stream is about $4 billion, and there are those States that feel that since they are impacted they should receive a share. There are those States that do not want any OCS revenue off their shores; they feel they should receive a share. And I could go on and on and on, but I will not.

What we have today, along with the administration's Lands Legacy Initiative, is the consideration S. 25, which is the Conservation and Reinvestment Act, S. 446, the Resources 2000 Act, S. 532, the Public Land and Recreation Investment Act, and S. 819, the National Park Preservation Act.

We previously have had hearings on State, local, and urban parks, Federal land acquisition, and coastal impact assistance. We have got a very special group of Senators and former Senators here today. We are going to hear from Senator Boxer and Senator Feinstein on their bills. Also we welcome Senator Wallop, former ranking member of this committee, and the Honorable Ron "MarLEEN"?

Senator CRAIG. "MAR-le-NAY."

The CHAIRMAN. All right, that is better.

Senator BURNS. That is not what they call him in Skobee, but that is all right.

The CHAIRMAN. Whatever is fair.

Today's hearing will focus on fish and wildlife issues, S. 25 and S. 446, along with the Lands Legacy Initiative. They provide money for wildlife protection. S. 25 is a proactive approach at a State level to prevent species from becoming endangered. S. 446, the Lands Legacy Initiative, takes a different approach; it provides funding for species protection and restoration after species have become endangered.

Next Tuesday, I might add, we are going to have George Frampton, the Acting Chair of the Council on Environmental Quality, who is testifying regarding CEQ's involvement in issues under this committee's jurisdiction. He also will have an opportunity to testify for the administration on the OCS revenue sharing issue. So those of you who are anxious to talk to Mr. Frampton, you will have that opportunity.

We look forward to working with the members of the committee along with the sponsors of the other proposals to enact some meaningful OCS revenue sharing legislation which will benefit all Americans.

Senator Bingaman.

[The prepared statements of Senators Fitzgerald, Johnson, Bayh, and Cleland follow:]

PREPARED STATEMENT OF HON. PETER G. FITZGERALD, U.S. SENATOR FROM ILLINOIS

I would like to thank Chairman Murkowski for holding this series of hearings on bills addressing land preservation. I would also like to welcome our witnesses to the Committee.

I believe that the preservation of our nation's open spaces is an important goal and through the series of hearings which this Committee is holding I believe we will be moving in the right direction towards achieving this goal. Many of the residents of Illinois are concerned about preserving wildlife and their habitats. I think their concerns are warranted and the proposals the Committee is considering in these hearings are responsive to these concerns.

Legislation on this issue should ensure a proper role for States, localities, and community groups to take part in preservation efforts in their respective communities. Grassroots organizations partnered with State and local governments will be in the best position to understand their local preservation needs and will be able to formulate programs accordingly. Illinois would be well served by legislation that fosters such partnership to assist in preserving its valued resources and habitats. Many Illinoisans are already engaged in the hard work of restoring wildlife habitats, open spaces, rivers, and riparian lands and undertaking other efforts intended to preserve Illinois' natural treasures. I recently visited one such effort: the new Midewin ("mid-ay-win") Tallgrass Prairie, being developed by the Forest Service and the Illinois Department of Natural Resources with support from local preservation groups like the Sierra Club.

In light of the fact that the President's Lands Legacy initiative has not been fully funded in the budget resolution, it is incumbent upon this Committee, given its jurisdiction, to seriously consider these measures addressing the preservation of open spaces.

It is my hope that the hearings we are holding will assist us in sorting through these issues and ultimately allow us to achieve the goal of assisting the states and local communities in preserving open space. Again, my thanks to the witnesses and to Chairman Murkowski.

PREPARED STATEMENT OF HON. TIM JOHNSON, U.S. SENATOR FROM SOUTH DAKOTA

Thank you, Mr. Chairman. I commend you for holding this series of hearings regarding S. 25 and other comprehensive conservation proposals. These hearings are extremely useful since we have the daunting task ahead of us of drafting a compromise conservation bill which meets the needs of all fifty states. To successfully

meet this task, this Committee needs all of the information available regarding the different needs of the states and the varying perspectives on the different bills.

I am particularly interested in today's hearing because of its focus on the need for additional wildlife conservation efforts. I am an original cosponsor of the bill introduced by Senator Landrieu and Chairman Murkowski, and one of the primary reasons I support the bill is the inclusion of the non-game wildlife initiative, often called Teaming With Wildlife (TWW). I am convinced that funding for specific nongame conservation programs must be secured if we want to successfully work to keep species off of threatened and endangered species lists while also meeting the skyrocketing demand for outdoor recreation and education opportunities.

Fish and wildlife are one of this country's most valuable resources, providing my state of South Dakota and the rest of the country with numerous recreational, educational, and ecological benefits. For over 60 years, the Sport Fish and Wildlife Restoration Programs (commonly known as Pittman-Robertson and Dingell-Johnson/Wallop-Breaux Acts) have provided dedicated funds to protect sport fish and game species. These successful programs have restored many game species from historically low populations and benefitted generations of sports enthusiasts.

Unfortunately, dedicated sources of funding do not exist for over 2000 species of fish and wildlife, and current programs lack the ability to properly meet the growing needs of preservation and conservation of these species. An alarming number of species are added to the Endangered Species Act's (ESA) list of threatened and endangered species every year, with a large proportion of them being nongame fish and wildlife. Providing a stable source of funding for nongame species conservation would be an economic and sensible way to keep species off of the ESA list, instead of having to restore their population once on the list.

S. 25, introduced by Senators Landrieu and Murkowski, dedicates a percentage of federal offshore oil and gas revenues to states for wildlife programs. Currently, S. 25 dedicates seven percent of the revenues for wildlife conservation purposes and while I thank Senators Landrieu and Murkowski for including TWW funding in their bill and believe this is a good start, I do not believe that seven percent is enough.

Despite the hard work of state agencies to meet the needs of non-game species, most of their financial and human resources must be committed to preserving game or federally protected species. While game focused budgets for all fifty states add up to approximately $1 billion annually, nongame programs in all fifty states are supported by a total of less than $100 million. The small funding committed is not because of lack of need but because of a lack of a dedicated funding source such as TWW. I look forward to working with my colleagues on this Committee during the debate on this legislation to increase the funding level to 10 percent to ensure that a significant portion of needs in our fifty states can be met.

South Dakota is an example of a state which would like to do more for its nongame wildlife but can't without additional federal funds. The Governor of South Dakota, William Janklow, strongly supports the Teaming With Wildlife initiative and South Dakota's Department of Game, Fish and Parks (SDGFP) has shared with me the many things it would do if it received this much-needed funding.

For example, SDGFP has a Breeding Bird Survey ongoing which is a long-term monitoring program that allows SDGFP to detect population trends. During the last 30 years, six South Dakota breeding birds including the mountain grasshopper sparrow and the red-headed woodpecker have significantly declined. Many birds such as the burrowing owl, bobolink and northern pintail which depend on wetlands and grasslands have suffered significantly in recent years from declining habitat. The TWW funding would allow South Dakota to not only track breeding bird population trends but also to study the cause of the trends which would give SDGFP the information needed to better conserve declining species. Additional funding also would allow South Dakota to expand the study to monitor birds that are not detected during the current Breeding Bird Surveys because they are reclusive or active only at night.

TWW funding also could be used to help states meet the increasing demands of the public for participation and knowledge regarding our environment. In South Dakota, as with most western states, many citizens want to put their knowledge and skills to work for the environment. SDGFP has an extremely popular Wildlife Diversity Program which sponsors a modest small grants program for individuals. During the 1999 grant application period, the Department received 23 proposals for projects ranging from frog surveys to bird walks to stream monitoring by a science class. Unfortunately, only eight projects could be funded with the limited funds—$15,000—available. TWW funding would support the expansion of this program to ensure many more interested South Dakotans could take action to support the environment.

Another example of a program in which South Dakota would participate if the TWW funding was available is the North American Amphibian Monitoring Program. Most of us have heard concerns regarding the discovery of deformed frogs, a phenomenon that has drawn attention to the value of amphibians as indicators of environmental quality. In rural states like South Dakota, where landowners often depend on wells for their drinking water, water quality is a critically important health issue. In response to the increased awareness of conservation needs of amphibians such as salamanders, toads and frogs, the amphibian monitoring program was established but because of funding constraints, it is highly unlikely that the State of South Dakota will be able to participate in the program. The adoption of the TWW initiative would allow South Dakota to participate in this important monitoring program which would help ensure South Dakotans have the safest, cleanest drinking water possible.

Finally, in 1911, a small, plain butterfly was collected near the town of Volga, South Dakota. Dubbed the Dakota skipper, this butterfly depends on native prairie habitat. Unfortunately, grazing, herbicides and breaking-up of native prairie threaten its continued existence. To prevent this species from becoming extinct or in need of federal endangered species listing which could be a huge problem for landowners, remaining sites must be protected and properly managed. TWW funding would allow South Dakota to learn more about the Dakota skipper and the many neglected invertebrate groups. Increased knowledge will allow South Dakota to take steps to enhance these species' populations, prevent species extinction, and finally being to address the need to manage ecosystems rather than single species.

There are many other needs which South Dakota would attempt to address with TWW funding, but the examples I have shared today demonstrate the interest in and need for a dedicated funding source for nongame wildlife. As I mentioned previously, I cosponsored the Murkowski-Landrieu bill largely because of my support for the TWW initiative. However, I believe that the percentage allocated to TWW in the bill needs to be changed from 7% to 10%. I look forward to working with Senators Landrieu and Murkowski on this issue and others associated with this historic piece of legislation, and am hopeful that meaningful action can be taken on this bill before the end of the legislative year.

Thank you. Mr. Chairman.

PREPARED STATEMENT OF HON. EVAN BAYH, U.S. SENATOR FROM INDIANA

The people of Indiana have a history of working together to preserve wildlife. Seventy years ago, when animals like white tailed deer, turkeys and wood ducks, were disappearing, Hoosiers, working with the assistance of federal aid programs, restored these game animals. Using the then-new science of game management and education, they were very successful; game species thrive in Indiana today.

However, myriad threats to species persist in Indiana and across the nation. In Indiana, over 550 species, like bobcats, cardinals and turtles are not eligible for funding unless they are endangered. We need the resources to protect the habitats of these species and return them to stable populations. Title III of S. 25, the Conservation and Reinvestment Act, which will reinvest offshore oil and gas revenues for the benefit of diverse species, will provide those resources. The House version of CARA, H.R. 701, provides a more generous funding level of 10 per cent of OCS revenues for Title III.

Education is another important component of Title III of S. 25. Landowners ask for information about how to best manage their land for wildlife. Educators and citizens want to learn about Indiana wildlife so they can appreciate and protect it, even in urban areas. Indiana is home to the largest salamander in North America and the Indiana bat hibernates in our caves, yet many Hoosiers are not aware of these species. Informed citizens, who understand and value these resources, are critical to the future of species and habitats in Indiana.

Just as people in the past replenished game species in Indiana, it is our responsibility to maintain our wildlife for the benefit of the next generation. S. 25, in its entirety, will enhance our ability to ensure that a diverse array of species will survive.

I would like to submit a letter into the record from the Indiana Coalition* that supports wildlife funding under Title III of S. 25. The Coalition includes more than 75 member groups from across Indiana. Conservationists, sportsmen, land trusts, businesses, parks, departments and tourism and convention organizations joined to-

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*The letter has been retained in committee files.

gether to promote passage of this legislation that will return funds to the states for conservation, education and wildlife-related education.

PREPARED STATEMENT OF HON. MAX CLELAND, U.S. SENATOR FROM GEORGIA

Thank you, Mr. Chairman. I would like to thank you all for arranging a hearing on these important bills. I was very pleased to be an original co-sponsor of the Conservation and Reinvestment Act during the 105th Congress and was happy to once again co-sponsor the bill this year. I would like to thank Senators Landrieu and Murkowski for their leadership on this matter. I would also like to thank my colleagues for allowing Mr. David Waller the opportunity to speak before the Committee. Mr. Waller is a superb resource for the Fish and Wildlife Agency Community and Georgia is very proud and fortunate to have had him as Director of our state's Wildlife Resources Division since 1990 and with the Department for nearly 30 years.

David contacted me over two years ago to inform and educate my office about the merits and need for a project called Teaming with Wildlife, specifically how the project would provide a much needed funding source for the management of non-game species. As you will certainly discover, David's great passion, focus and commitment to purpose made it very easy to realize the merits of his cause. Unfortunately, because the Teaming with Wildlife proposal became burdened with the stigma of being called a new tax bill, the opportunity for the full Senate to hear the merits of the proposal were stifled. Thus, I was extremely excited when David informed me that the proposal had been attached to the Conservation and Reinvestment Act.

I was pleased to discover that the Conservation and Reinvestment Act had other provisions which I supported, including increased funding for the Land and Water Conservation Fund at both the federal and local levels, and provisions to protect and restore our coastal habitats. Although Georgia does not have a large percentage of offshore oil receipts, which correspondingly decreased the amount of financial resources the State would receive under Title I of the bill, I co-sponsored the Conservation and Reinvestment Act because I strongly supported the Title III provisions. Moreover, I believe that those Coastal States which contribute the most to Outer Continental Shelf revenues should benefit from a greater percentage of these receipts than those states which did not.

In conclusion, Mr. Chairman, I believe that the Conservation and Reinvestment Act provides valuable improvements in the federal government's distribution of conservation program resources which will be of great benefit to both natural resources and wildlife in America. Once again, Mr. Chairman, I thank you and the other honorable members of this Committee for this opportunity and will now yield to my good friend David Waller.

Senator BINGAMAN. Mr. Chairman, I am glad to be here to hear the testimony. I do not have an opening statement, but I appreciate your having the hearing.

The CHAIRMAN. Gentlemen, why do we not call the first panel up while my colleagues reflect on their remarks. The first panel will be the Honorable Dianne Feinstein, who I believe is coming over from the vote, the Honorable Barbara Boxer, who is with us this morning, and the Honorable Malcolm Wallop, Chairman of the Frontiers of Freedom. Then we will wander into the other two panels.

I would remind all my friends who are interested in this, in order for this legislation to be meaningful we have to have a progressive and aggressive OCS program. Otherwise, there will not be any revenue out there. So for those who feel strongly about revenue, remember where it comes from.

Anybody want to say something?

Senator BURNS. Mr. Chairman, I just have a statement I would put in the record, but I am looking forward to hearing from the witnesses.

[The prepared statement of Senator Burns follows:]

PREPARED STATEMENT OF HON. CONRAD BURNS, U.S. SENATOR FROM MONTANA

Thank you Mr. Chairman for the opportunity to address the committee this morning. I am pleased to see that the witness list includes a diverse group of interested parties and would like to welcome a fellow Montanan, Congressman Ron Marlene. As you are aware, Congressman Marlene served for the State of Montana and is now the Director of Legislative Affairs for Safari Club International.

As I mentioned in our hearing on April 20th, the pieces of legislation before the committee today leave me deeply concerned despite their good intentions. What makes the debate even harder is the fact that the legislation is so diverse that I support some portions of the bill wholeheartedly, but can not support other portions as they are currently written. The unfortunate outcome of this relationship is that we may have to throw the good out with the bad unless serious modifications are made to the bills before us.

As I have mentioned before, but feel I must reiterate, I am extremely supportive of helping the local communities in the coastal states that have severe infrastructure needs as a result of our reliance on the resources they provide to our great nation. I also support the funding of state based conservation efforts and funding for wildlife habitat. At the same time, I am extremely concerned about the effects that federal ownership has on Montana. We have more than enough federal land in Montana, and the simple fact is that we can't find the money within the federal budget to maintain it properly.

Our forest roads system is falling apart, noxious weeds run rampant on land, the forests are infested with beetles and other invasive species, and the list goes on and on. Then, when the federal government makes a commitment to compensate our local communities for the burden of federal ownership through revenue sharing or PILT payments, the promise is always broken. PILT still isn't full funded this year, and our timber, grazing and other revenues have dwindled to a mere pittance of what they once were. To be brutally honest, federal ownership is nothing more than a monkey on the back of every Montana tax payer. Yet while refusing to fund PILT and manage our land to produce revenue, the federal government is proposing to move an enormous land purchasing program off budget. It is a concept that worries me as a Montanan.

I am willing to work with my colleagues to come up with amendments that may make this legislation tolerable, but I am reserving my final decision until we see whether or not we can negate the devastating effects continual federal buy outs are having on the state of Montana and its economy. Before we blindly support such a large change of course for our nation, maybe we had better have a cumulative effects study completed which studies the impact that continued federal land acquisition is having on our local communities. What is it doing to the tax base and the property values in those areas susceptible to government acquisitions. After those results are in we may learn that we need to modify this legislation with a no-net-loss of private land provision. Or perhaps we give local governments a strict veto ability over acquisitions in their area. Perhaps we reduce the federal side and give more money to the states for conservation and wildlife habitat protections that don't involve turning the land over to federal ownership. I don't know the exact answer at this time, but this legislation must be modified before I can vote for it with confidence that it is the right thing for Montana.

I must also point out the importance of the comments made my Senator Slade Gorton in our first hearing. We are fighting a very expensive military action across the world right now. Additionally, we have Social Security to maintain and hopefully strengthen in the upcoming years. Now is probably not the time to create a new government entitlement program.

Thank you Mr. Chairman, for the ability to address the committee and our friends here with us today.

The CHAIRMAN. Without objection.

Senator CAMPBELL. The same with me, Mr. Chairman. Time is a wasting here. We got started late.

[The prepared statement of Senator Campbell follows:]

PREPARED STATEMENT OF HON. BEN NIGHTHORSE CAMPBELL, U.S. SENATOR FROM COLORADO

Thank you Mr. Chairman. I would like to welcome the witnesses and want to recognize the chairman for holding this series of hearings on the legislation which is before this committee today. This is a topic which is viewed strongly by all the interested parties and I hope this series of hearings will allow us to be able to find a

common ground that we can move, out of this committee, a sound piece of legislation that is not only good for the environment, but takes in the needs and concerns of the people who make their living off the land.

I have received many letters from Coloradans who have expressed an interest in trying to make sure I find the necessary balance and I intend to work with the committee to facilitate that process.

Thank you, Mr. Chairman.

Senator THOMAS. I had a statement last hearing. That is enough.

The CHAIRMAN. All right.

Senator CRAIG. What dare I do?

The CHAIRMAN. This is your big chance.

Well, as Barbara knows, we got lucky this morning. Please proceed.

STATEMENT OF HON. BARBARA BOXER, U.S. SENATOR FROM CALIFORNIA

Senator BOXER. Thank you so much, and in the spirit of cooperation I would ask that my statement be included in the record. Mr. Chairman, I would like to summarize it for you.

The CHAIRMAN. Without objection. Please proceed.

Senator BOXER. The other thing I have done is I have prepared, for the Resources 2000 bill that I will be talking about, I have prepared a question and answer, because I have got, as we all do, other obligations and I know you are going to have questions, and then I would be glad to answer any further questions as you would like me to.

The CHAIRMAN. Fair enough.

Senator BOXER. Mr. Chairman, I want to begin by commending both you and Senator Landrieu for your commitment to this important issue of preserving our country, in essence. I understand over the last 3 weeks you have had an impressive panel of experts ranging from local electeds, governors, farmland preservation groups, environmental organizations, and a world class athlete. All of these have come before you.

I want you to know that, with your support in the Senate Budget Committee, Senator Johnson, who is a sponsor of your bill, and I were able to team up and get a reserve fund into the Senate budget to support these bills, whatever version finally emerges. Unfortunately, despite the bipartisan support, this concept was stripped in the conference report. So as the budget is now put before us, we lost that battle.

But I look at it as a minor setback when I look at all of us who are working on this issue, because I think there is enough support to hopefully get this back on track.

The bill that I will briefly describe, that I hope that you would consider, is called the Permanent Protection for America's Resources 2000. It is written by myself and Congressman Miller. In the Senate it has the support of Senators Biden, Feinstein, Kennedy, Kerry, Lautenberg, Sarbanes, Schumer, Torricelli, and Wellstone, and we have really just gotten started to get co-sponsors.

So without going into too many minor points, let me give you the concept of the bill. Essentially, the bill would fund from a permanent source of funding the OCS revenues. We take half of those revenues, only half because we want to be conservative—we do not

know what they will look like in the future—and we use them for eight trust funds.

Now, quickly I will read the names of those trust funds because some of them will be very familiar to you: Land and Water Conservation Fund; Historic Preservation; Urban Parks and Recreation Recovery Program; Native Fish, Wildlife Conservation, Restoration, Management; Farmland, Ranchland, and Forest Land; Lands Restoration; Endangered and Threatened Species Recovery; and Ocean Fish, Wildlife Conservation, Restoration and Management.

Now, out of all of those trust funds—and Jody, correct me if I am wrong on this point—there are three entirely new programs. The others have all been with us either in the form of programs or trust funds. But we feel it is time that all of these historically underfunded programs deserve a permanent source of funding.

In essence, that is our bill. It is as simple as that. We think the fight over appropriations is a tough one because many of these things just lose out year after year. We think all of these purposes are so incredibly important.

I will give just one quick example of the historic preservation fund. As you probably know, that fund was authorized in 1977 and we provide $150 million for that fund. One quick example. I went out to a place in California called Santa Rosa. Some of you may or may not know it. They have there one of the last remaining what they call round barns in America and because—and I see that Senator Craig knows what a round barn is. I did not know what a round barn was. But essentially, they would take the horses and walk them around this barn, and they are complicated in the sense that the roof is round and it is hard to keep it together.

So they need these funds and it was falling down, they could not get the fund. The city council just scrapped together with anything they could find enough to just stabilize the building. It is just an example. Only two left—I am not sure about the whole country. I think there are two left in California. That is just an example.

We could go on to each of these. The urban parks—Mr. Chairman, nothing breaks my heart more than to see an urban park closed and kids going on skateboards in front of the closed urban park, playing in the street, in the traffic. It is not right for America as we look at keeping our kids out of trouble.

It goes on, it goes on from there. I could choose every single one of these funds. The endangered species, we need to help make sure that the burden to recover is not on one farmer or one city. We want to help them.

Ocean. We have not really ever looked at the ocean and its needs, because we have so much information on space and so little on the ocean.

So let me close here, because I do not want to start to wax eloquent, because I could try to, and probably would not, on all of this. But let me close by saying I am so happy we have so many bills on this subject coming from so many different philosophies, and I hope that we can work together and reach a compromise and do something wonderful across party lines. We have not done enough of that. I think this gives us a chance to do that.

Thank you very much, Mr. Chairman.

[The prepared statement of Senator Boxer follows:]

PREPARED STATEMENT OF HON. BARBARA BOXER, U.S. SENATOR FROM CALIFORNIA

Mr. Chairman, I want to thank you for the opportunity to testify before this committee. I am pleased to be here with Senator Feinstein showing just how important this issue is to our State of California.

Mr. Chairman, I want to begin by commending both you and Senator Landrieu for your commitment to this issue.

I understand that over the last three weeks you have had an impressive panel of experts ranging from local elected officials, governors from across the nation, farmland preservation groups, environmental organizations—and even a world-class athlete.

With your support, Senator Johnson and I were able to include an amendment in the Senate Budget Resolution to create a reserve fund to support these bills—whichever final version passes.

Unfortunately, despite the broad bipartisan support for this amendment, it was stripped in conference.

While that is a minor setback, it will not stop us from pushing forward. This is an issue for all Americans who want to see us protect and defend the beauty and history of our nation.

That is why Congressman George Miller and I introduced the Permanent Protection for America's Resources 2000 Act. Co-sponsors in the Senate include Senators Biden, Feinstein, Kennedy, Kerry, Lautenberg, Sarbanes, Schumer, Torricelli and Wellstone.

I know there are many bills out there and this is good. On both sides of the aisle—we are finally talking about making a permanent commitment to America's natural resources.

As the 20th Century began, one of the greatest conservationists of all time, Theodore Roosevelt, was our President. From 1901 to 1909, Teddy Roosevelt set aside places that millions of Americans still enjoy today.

If not for Teddy Roosevelt's leadership, we might have lost such national treasures as the Grand Canyon, Muir Woods, and Crater Lake. These natural monuments stand as a lasting testament to TR's foresight and pioneering work in environmental preservation.

As the 21st Century approaches, we must renew our commitment to our natural heritage. That commitment must go beyond a piecemeal approach. It must be a comprehensive, long-term strategy to ensure that when our children's children enter the 22nd Century, they can herald our actions today, as we revere those of President Roosevelt.

And preservation in the 21st Century goes beyond protection of such wonders as Yosemite and Yellowstone. It must be include an urban park in East Los Angeles where children can play basketball, a farm in Tulare County that can continue to grow oranges or a historic building in Orange County that can be restored.

Today, our natural heritage is disappearing at an alarming rate. Each year, nearly 3 million acres of farmland and more than 170,000 acres of wetlands disappear. Each day, over 7000 acres of open space are lost forever.

Across America, parks are closing, recreational facilities deteriorating, open spaces vanishing, historic structures crumbling.

Why is this happening? Because there is no dedicated funding source for all these noble purposes—a source which can be used only for these noble purposes.

The Miller-Boxer bill offers the most sweeping commitment to protecting America's natural heritage in more than 30 years. It will establish a dedicated funding source for resource protection.

A major funding source for resource protection already exists. Each year, oil companies pay the federal government billions of dollars in rents, royalties, and other fees in connection with offshore drilling in federal waters. In 1998 alone, the government collected over $4.6 billion from oil and gas drilling on the Outer Continental Shelf.

The Miller-Boxer bill would allocate a total of $2.3 billion every year from oil drilling revenues for permanent protection of America's resources. It provides:

- $100 million every year for urban parks and recreational facilities
- $350 million to restore native fish and wildlife
- $250 million to restore federal lands that are polluted or damaged
- $300 million to protect and restore the health of our oceans
- $150 million to protect our vanishing farmlands and open space
- $100 million to purchase habitat to help endangered species recovery, and
- $150 million every year to restore and protect our historical and cultural heritage through fully funding the Historic Preservation Fund.

The Historic Preservation Fund was established by Congress in 1977, to provide a dedicated source of funding to preserve our significant historic properties. And although Congress is authorized to spend $150 million from OCS revenues annually for this purpose, less than 29% of funding has been appropriated since 1977. That is more than $2 billion that could have been used to help restore the treasures of our nation scattered across the many states. In California, there's the Old Mint Building in San Francisco, Manzanar National Historic Site, and Mission San Juan Capistrano. Our bill would ensure that funds would be spent on their designated purpose.

Finally, the bill designates $900 million each year to purchase land by fully funding the Land and Water Conservation Fund as envisioned by Congress in 1965 when the Fund was established. Half would go to the States.

The good news is that Fund has collected over $21 billion since 1965. The bad news is that only $9 billion of this amount has been spent on its intended uses. More than $12 billion has been shifted into other federal accounts.

The funding Congress has made available has allowed us to purchase some key tracts of land, but we have missed golden opportunities to buy critical open space because the Land and Water Conservation Fund was critically underfunded.

Mr. Chairman, our bills do have several differences; but, they also have many similarities. I think it is important to focus on those similarities and work together to get something done. We have an unique opportunity to pass legislation that will leave a lasting legacy all across the nation—whether from an oil drilling state or a non-drilling state, a rural area or an urban area, a coastal state or an inland state.

I am encouraged by the interest in this issue and believe something can be accomplished. The time is now and we must work together.

Thank you, Mr. Chairman, for holding this series of hearings. I look forward to working with you and other members of the Committee on this critical issue. This is necessary and important legislation that will benefit our Nation's natural heritage, and leave a lasting legacy for future generations.

Mr. Chairman, it's a chance to work across the aisle for all the people. Thank you.

The CHAIRMAN. Thank you very much, Senator Boxer.

We welcome a former ranking member of this committee and a long-time participant in this process from this side of the dais. We look forward, Senator Wallop, to your presentation.

STATEMENT OF MALCOLM WALLOP, CHAIRMAN, FRONTIERS OF FREEDOM, ARLINGTON, VA

Senator WALLOP. Thank you, Mr. Chairman.

The CHAIRMAN. Give it to us with both barrels.

Senator WALLOP. I would also ask that my entire statement be inserted in the record.

The CHAIRMAN. Without objection.

Senator WALLOP. Frontiers of Freedom opposes enactment of the Conservation and Reinvestment Act, the Resources 2000 Act, the Public Land and Recreation Investment Act, and the National Park Preservation Act. While my remarks today apply primarily to S. 25, Mr. Chairman, most of them apply just as well to other bills under consideration.

Before I go on, I want to thank you, Senator Bingaman and Senator Landrieu for the fair way in which you have conducted these hearings, asking at least as much from those who oppose certain concepts as those who support them.

In regard to title I, Mr. Chairman, Frontiers of Freedom does support sharing Federal revenues from the outer continental shelf, oil and gas revenues, with the States, but we think that the OCS revenues should be shared in the same way that royalties from Federal onshore leases are shared. If that method were adopted, then those States that have OCS production off their shores would share the royalties evenly with the Federal Government. Thus, if

oil and gas production off the coast of Louisiana were to produce $4 billion, Louisiana would receive $2 billion of it.

This seems to us a fair and consistent way to share the OCS revenues. Unfortunately, the bill does not share this straightforward approach. Instead, it would share the revenues according to a complicated formula between 34 States designated as "coastal." I think, Mr. Chairman, you may remember with what derision Senator Leahy's attempt to make Lake Champlain, I believe it was, a Great Lake, and now all of a sudden States that are farther from OCS production than New Mexico are going to be sharing in these revenues.

This approach may gain political support, but it is such a bad idea substantively it is hard to know precisely where to begin. How can oil and gas production off the Gulf Coast or off of Alaska have any but the most minimal environmental impact on the Atlantic and Pacific coasts? Why do States far from OCS production need the money, and what possible claim do they have for a share in that money? They do not produce it and in most instances they do not permit it, the exploration for it.

It is enough to reward those States that have OCS moratoria to be provided with the oil and gas they need to run their powerplants and automobiles. I understand that the State of Michigan has got a bill in the legislature now that would deny us even slant drilling from onshore out underneath the Great Lakes.

Wyoming State Representative Carolyn Passeneaux has pointed out to me that S. 25, if enacted, could threaten the current system of revenue sharing with the States that have onshore Federal oil and gas leases. Once it is established that oil and gas royalties from OCS production can be earmarked for environmental programs, then it is reasonable to expect that the environmental pressure groups will use this as a precedent and demand that royalties from onshore production would also be earmarked for environmental programs.

There is another major problem with title I that goes to the heart of our concern for the whole bill, and that is the problem of land acquisition. Title I describes in vague terms a variety of environmental projects and programs that could qualify for funding, but it makes no mention of buying land, but neither does it prohibit using those funds to buy land.

State fish and wildlife agencies have the same incentives as Federal land agencies to buy land. More land increases their power and the size of their budgets and staff. Environmental problems may come and go and the priorities of elected officials change in every election, but once an agency has land or buildings to manage it has a permanent claim on the public treasury. You have witnessed that here with the National Park System and you have witnessed in Alaska what happened with the *Exxon Valdez* trust fund that spent well over a third of it in land acquisition.

So our first positive suggestion for improving S. 25 from the standpoint of private property ownership is to prohibit any recipient of title I funds from using even a dollar of it to acquire land or permanent interests in land such as a conservation easement.

Our second positive suggestion is to eliminate title II entirely. Despite all the criticisms that can be made of congressional appro-

priations for land and water conservation acquisitions, we still believe that the annual appropriations process is far preferable to creating an automatic entitlement.

Government does not need to own any more land, Mr. Chairman. The four Federal land agencies, according to BLM, control about 29 percent of the country, and other agencies such as the Department of Defense own millions of more acres, and the States do not even know how much they own. The GAO laid out two reports trying to track it and were not able to, and they gave up because the States do not know how much property they have. But the figure is around 42 percent.

Even Representative Regula, a staunch defender of Federal land ownership, has opposed major land acquisition increases simply because the Federal Government already owns far more than it can properly manage. The four Federal agencies, according to Regula, have identified a $12 billion backlog, which brings me to one of the points I want to make.

While S. 25 would create a trust fund to provide $405 million a year for Federal land acquisitions, it does nothing to provide the additional funding necessary to manage and protect these new acquisitions. Parks and preserves undoubtedly provide benefits, Mr. Chairman, but they do not renew themselves, Mr. Chairman. They require continuing investment to maintain and protect.

In this regard, I think another property owner protection offered by S. 25 would actually do more harm than good. Requiring large acquisitions over $5 million to be approved by Congress would encourage agencies to concentrate on forcing smaller landowners to sell. Congress should not create a two-class system in which large landowners are protected by Congressional involvement.

Mr. Chairman, we have other recommendations that are contained in this and ask that they be part of it, and would be happy to respond to questions.

[The prepared statement of Senator Wallop follows:]

PREPARED STATEMENT OF MALCOLM WALLOP, CHAIRMAN, FRONTIERS OF FREEDOM, ARLINGTON, VA

Chairman Murkowski and distinguished members of the committee, thank you for inviting Frontiers of Freedom to testify today on these important issues. My name is Malcolm Wallop, and I am chairman of Frontiers of Freedom. From 1977 to 1995 I represented Wyoming in the Senate, where I served on the Energy and Natural Resources Committee. As a rancher in Big Horn, Wyoming, I have a lifetime's experience of private stewardship and of federal land management practices. I founded Frontiers of Freedom to defend the constitutional rights of all Americans and to restore constitutional limits on government at all levels.

Frontiers of Freedom opposes enactment of the Conservation and Reinvestment Act, the Resources 2000 Act, the Public Land and Recreation Investment Act, and the National Park Preservation Act. Frontiers of Freedom also opposes the Clinton-Gore Administration's Lands Legacy Initiative and any other similar proposals that would significantly increase the level of government acquisition of private land. While my remarks today are directed primarily at S. 25, most of them apply just as well to the other bills under consideration. I will have a few things to say about those other bills towards the end of my testimony.

Before discussing our substantive criticisms, I want to thank you, Mr. Chairman, for the way you and your committee staff have conducted these hearings. You have invited a broad range of witnesses, including leading opponents of your legislation. And the reports I have heard all note that you and Senator Landrieu and other supporters of S. 25 listened attentively to your critics and took their testimony seriously. The fair and open way you are proceeding should serve as a model to other committees.

I especially welcome your invitation to opponents of more government land acquisition to suggest positive improvements to S. 25. In my testimony, I try to do just that. We at Frontiers of Freedom are ready to work with you and Senator Landrieu and your staffs to make this legislation into something landowners could live with.

In regard to Title I of S. 25, Frontiers of Freedom supports sharing federal revenues from Outer Continental Shelf oil and gas production with the States. However, we think that OCS revenues should be shared in the same way that royalties from federal onshore leases are shared. If that method were adopted, then those States that have OCS production off their shores would share the royalties evenly with the federal government. These revenues would not be earmarked for any specific programs, but would be available to the OCS States to use as they saw fit. Thus if oil and gas production off the coast of Louisiana produced $4 billion in net federal royalties, then Louisiana would receive $2 billion.

That seems to us the fair and consistent way to share OCS revenues. Unfortunately, Title I doesn't follow this straightforward approach. Instead, it would share the revenues according to a complicated formula between 34 States defined as "coastal States." It would do this under the rubric of "coastal impact assistance." Although this approach may gain political support, it is such a bad idea substantively that it is hard to know precisely where to begin. How can oil and gas production off the Gulf Coast have any but the most minimal environmental impact on the Atlantic and Pacific coasts? Why do States far from OCS production need the money? And what possible claim do they have to share in the money? They don't produce the oil and gas off their shores, and because they bear none of the burdens they have no right to any of the benefits.

This is bad enough, but there is more. S. 25 defines the Great Lakes States as "coastal States," but they are farther away from any OCS production than Missouri or New Mexico or many other inland States. Further, the Great Lakes States and most of the Atlantic and Pacific coast States are opposed to OCS drilling anywhere near their coastlines. It is my understanding that a bill has even been introduced in the Michigan legislature to ban onshore slant drilling that would go under the Great Lakes. Those States have made the decision that they do not want oil and gas production off their shores. That is their right. But they should not be rewarded by sharing in OCS revenues produced off the shores of States that are willing to help produce the energy that this country needs. It is enough reward for those States that have OCS moratoria to be provided with the oil and gas they need to run their power plants and automobiles.

Wyoming State Representative Carolyn Paseneaux has also pointed out to me that S. 25, if enacted, could threaten the current system of revenue sharing with the States that have onshore federal oil and gas leases. Once it is established that oil and gas royalties from OCS production can be earmarked for environmental programs, then it is reasonable to expect that the environmental pressure groups will use this as a precedent and demand that royalties from onshore production should also be earmarked for environmental programs. As a Wyoming taxpayer, this worries me because over $200 million was paid into the Wyoming general treasury last year as its share of federal royalties.

There is another major problem with Title I that goes to the heart of our concerns with the whole bill. That problem is land acquisition. Title I describes in vague terms a variety of environmental projects and programs that could qualify for funding. It makes no mention of buying land, but neither does it prohibit using Title I funds to buy private land. There are good reasons to think that a sizable share of the large sums that would be distributed under Title I would be used to acquire land.

Mr. Jack C. Caldwell of the Louisiana Department of Natural Resources testified before the House Resources Committee on March 9. In response to a question about how Louisiana would use its Title I funds, he said that his department had never bought land. But then he went on to give as a reason the fact that his department had never had any money to buy land. If S. 25 is enacted, this situation would change dramatically for the worse.

State fish and wildlife agencies have the same incentives as the federal land agencies to buy land. More land increases their power and the size of their budgets and staffs. Environmental problems and programs may come and go. The budget priorities of elected officials change after every election. But once an agency has land or buildings to manage, it has a permanent claim on the public treasury.

As evidence of the likelihood that much Title I money will go to buy land, I would merely point to the fate of the $900 million Exxon Valdez trust fund. No one at the time the fund was created predicted that the largest share would be used to buy land. Yet, as you have repeatedly pointed out, Mr. Chairman, that is exactly what has happened. To date, $380 million has been spent to acquire 647,000 acres. It is

my understanding that this acreage is equivalent to 65% of the private, non-native land in Alaska. And buying all this land has little to do with the aims of the trust fund—to clean up the oil spill and improve environmental protections.

Our first positive suggestion for improving S. 25 from the standpoint of private property ownership is therefore to prohibit any recipient of Title I funds from using even a dollar of it to acquire land or permanent interest in land, such as perpetual conservation easements.

Frontiers of Freedom's second positive suggestion is to eliminate Title II entirely. Despite all the criticisms that can be made of congressional appropriations for Land and Water Conservation Fund acquisitions, we still believe that the annual appropriations process is far preferable to creating an automatic entitlement. If eliminating Title II proves politically impossible, then we would urge you to lower the funding levels significantly and to place further restrictions on how the funds may be used.

Government doesn't need to own any more land. It already owns far too much land and far more than it can take care of properly. The four federal land agencies, according to the BLM, control about 676 million acres or over 29% of the country. Other federal agencies, such as the Department of Defense, own more millions of acres.

State and local governments also own a lot of land, although no one knows exactly how much. Several years ago, Representatives Don Young and Richard Pombo asked the General Accounting Office to compile and analyze government land ownership statistics. The two resulting GAO reports did a good job laying out the trends in federal land ownership since passage of the Land and Water Conservation Fund Act of 1965. The reports also made a stab at estimating how much of this federal land had been removed from management under the Multiple Use and Sustained Yield Act and placed in more restrictive categories of environmental protection. But when it came to compiling accurate statistics on state and local government land ownership, the experts at the GAO gave up simply because few state and local governments have any idea how much property they own. The records simply aren't there.

Robert J. Smith of the Competitive Enterprise Institute at your hearing two weeks ago estimated that government at all levels owns 42% of the nation's land mass. Similar estimates have been made by Jeffrey W. Goodson, an environmental consultant. These are only estimates, but it seems sensible to me that before embarking on a massive program of government land acquisition, the Congress should step back and take some time to inventory and assess the lands in government ownership. Once that inventory and assessment was completed, the Congress would be in a much better position to consider whether government needed to own more land and for what reasons.

At any rate, if government at all levels already owns over 40% of the country, then I don't think a plausible case can be made that government needs to own even more land for the purpose of environmental protection. A much stronger case can be made that private owners provide on average a much higher level of environmental stewardship than does public ownership and therefore that the environment would be healthier if we had less public land rather than more.

This is simply because private property owners have an incentive—their own self interest—to take care of what is theirs. This incentive is usually lacking with public or common ownership. There was recent confirmation of this fact when the Iron Curtain fell. The preservationists who tout government ownership as an environmental panacea led us to believe that we would find a Garden of Eden in the land of socialized property. Instead, we have discovered one environmental horror after another: dead lakes, poisoned land, vanishing wildlife.

In this country, public accountability has prevented some of the worst consequences of socialization. But we must not be blind to the environmental degradation caused by public ownership. Even Representative Ralph Regula, a staunch defender of federal land ownership, has opposed major land acquisition increases simply because the federal government already owns far more land than it can manage properly. Representative Regula recently pointed to the fact that the four federal land agencies have identified a $12 billion backlog in maintenance and operations.

This $12 billion backlog brings me to one of the main points I want to make. While S. 25 would create a trust fund to provide up to $405 million per year for federal land acquisitions, it does nothing to provide the additional funding necessary to manage and protect these new acquisitions. Adding to the federal estate without providing more money to manage and protect those resources must lead inevitably to the further degradation of our great national parks, forests, and refuges. The $12 billion backlog can only increase. In terms of environmental stewardship, S. 25 is therefore irresponsible in the extreme.

The bill's proponents nonetheless claim that the opposite is true—that the profits from the non-renewable resource of oil and gas production are being re-invested in the renewable resource of parks and preserves. This seems to me a misleading use of words. Parks and preserves are not renewable resources in the sense that they will provide a continuing stream of profits after the oil wells have gone dry. Parks and preserves undoubtedly provide benefits, but they don't renew themselves. They require continuing investments to maintain and protect. Rather than being renewable resources, parks and preserves are a perpetual liability on the public treasury.

Before the Congress embarks on a land-buying spree, it would seem to me prudent to consider how all this new property is going to be maintained. There are only two alternatives. Either taxpayers are going to have to pay more to maintain these new acquisitions, or the current appropriation must be stretched ever thinner to maintain more and more land. The budget for Yellowstone National Park and many of our other great national treasures is not adequate now. Adding more land within the current budget constraints means even less money for Yellowstone. Therefore if a trust fund must be created for the federal lands, Frontiers of Freedom recommends that the money should be used to clear up the $12 billion backlog in maintenance and operations before any new acquisitions are made.

Title II does limit federal acquisition authority under the Land and Water Conservation Fund by requiring that purchases be made only from willing sellers and only within congressionally-authorized units. These limitations on federal power are welcome, but as a practical matter I doubt that they will have much effect. The federal land agencies have perfected techniques involving harassment and coercion to turn unwilling sellers into willing sellers. The Park Service in particular has a long history of ignoring congressionally-enacted limitations on acquisition. To take only one of thousands of instances, at Sleeping Bear Dunes National Lakeshore, the Park Service has twice initiated condemnation lawsuits against Tom and Kathy Stocklen's canoe rental business even though the Stocklens possess a certificate of exemption from condemnation as provided by the legislation that created the park.

The federal land agencies use land acquisition as a tool to exert control over private property owners. They regularly try to force people to sell who don't want to sell and refuse to buy from people who are desperate to sell. Abuses have multiplied over decades because Congresses have evaded their responsibility to oversee and investigate the land acquisition programs. In this regard, I think that another property-owner protection offered by S. 25 would actually do more harm than good. Requiring that large acquisitions over $5 million be approved by Congress would encourage the agencies to concentrate on forcing smaller landowners to sell. If congressional authorization of land purchases is good—and I believe it is—then Congress should not create a two-class system of citizens in which large landowners are protected by congressional involvement and small landowners are not.

While creating a trust fund for federal land acquisition is of great concern, the big increase in land acquisition dollars actually comes in the state side of the Land and Water Conservation Fund. S. 25 would provide up to $405 million per year for state and local land acquisition and development. State and local governments would have to match LWCF grants dollar for dollar. Thus up to $910 million per year could be spent on buying private land.

S. 25's proponents deny that this would lead to a massive increase in land acquisition because historically state and local governments have used LWCF grants primarily for development projects. Comparatively few dollars have gone to acquiring land. That may be true historically, but the state side of the LWCF has never been funded at a high level. With $405 million flowing to state and local governments every year, they may end up spending a great deal of it on buying land.

Removing hundreds of millions of dollars of private land from productive uses every year would significantly reduce economic activity in many areas and consequently reduce the tax base. After that is accomplished, these state and local governments would then be burdened with the cost of maintaining their public lands. In effect, S. 25 would encumber state and local governments with a perpetual unfunded liability. It may be objected that the decision is up to state and local governments. However, the offer of matching federal funds tempts state and local governments into making that decision. To my mind, this aspect of S. 25 raises serious federalism concerns.

Frontiers of Freedom's positive suggestions for improving the state side of the LWCF would be to prohibit condemnation just as on the federal side and to limit the percentage of funds that could be spent on acquisition to the historic average level.

The LWCF trust fund created by S. 25 would also fund the Urban Parks and Recreation Recovery program up to $90 million per year. Someone from the sporting goods manufacturers, I believe, said on National Public Radio that Congress must

pass this program so that the children of Minneapolis will be able to play soccer. He claimed that in all of Minneapolis there was only one soccer field and consequently 10,000 children who wanted to play soccer had no place to play. For all I know, this may be true, although I suspect that if Minneapolis has only one soccer field it's because they've built ice rinks on them.

Some of the supporters of S. 25 and S. 446 made a similar argument at the pep rally held on the Capitol steps on April 20. Supporters passed out large round stickers with a soccer ball in the middle. The stickers read: "LWCF-For Our Children." There is something highly distasteful in radical preservationists advancing their anti-people agenda by hiding behind the interests of children. But the stickers made a valid point. Parks and recreational facilities are a great asset in any community. No doubt many communities would benefit by having more parks and swimming pools and golf courses and baseball fields.

What is objectionable about including the UPARR program as part of an automatic entitlement is that the UPARR program provides a benefit to urban and suburban communities by providing funds to build up their infrastructures, whereas the massive LWCF federal and state land acquisition required by S. 25 harms rural areas by taking land out of productive use and undermining local economic activity. So if we're doing this for our children, let's think about those rural children whose parents lose their jobs when federal timber contracts are voided, grazing permits are reduced to nothing, huge areas are withdrawn from mining claims, multimillion acre National Monuments are created by executive fiat. Alaska State Senator Robin Taylor has spoken eloquently about what it's like to live in the small town of Wrangell, Alaska when the Forest Service ended timber production in the Tongass National Forest and the unemployment rate went up to 40%. What about those children? Don't they matter?

Title III of S. 25 would create yet another new trust fund to provide a new revenue source for the highly successful Pittman-Robertson Fund. This title is more palatable simply because the dollar amounts are much lower. However, Frontiers of Freedom would make the same positive suggestion to improve Title III that we made for Title I. Any recipient of funds under Title III should be prohibited from spending even a dollar of the funds received on acquiring land or any permanent interest in land.

Title III has attracted a great deal of support from sportsmen, particularly hunters. I understand their reasons for being enthusiastic, but I would like to offer a word of caution. The benefits that S. 25 may provide for hunting and fishing and other kinds of recreation are far outweighed by the massive rate of increase in government land acquisition. While this may not be apparent immediately, the sad fact is that government land managers are now moving almost as quickly to restrict recreational activity on public lands as they have already moved to restrict economic activity.

Finally, let me say a very few words about the other bills that are having a hearing today in regard to the Resources 2000 Act: if creating three new trust funds is a bad idea, then creating eight new trust funds is that much worse. I wonder whether the Congress might just as well consider creating automatic entitlements for every government program and then go home. The Public Land and Recreation Investment Act takes the most objectionable trust fund in S. 25 and makes it a free-standing bill. The National Park Preservation Act is really just a wrapper to provide guaranteed funding for the massively expensive Everglades restoration project, but at least it creates a trust fund to provide money to manage and protect our federal lands rather than acquire more land that we must then find the money to manage.

To sum up Frontiers of Freedom's objections to the massive increase in government land ownership that would occur if S. 25, S. 446, or S. 532 were enacted into law, I would return briefly to the principles upon which this country was founded. The American system of constitutionally-limited government was instituted in order to secure the blessings of life, liberty, and property to all citizens. The revolutionaries of 1776 and the delegates to the constitutional convention of 1787 were very familiar with the old political maxim that "power follows property." The more property government owns or controls, the less power the people retain. As the balance of power shifts towards government, the more difficult it becomes for the people to maintain the blessings of life, liberty, and property. For this reason, the founders would have opposed our vast federal estate just as surely as they would have opposed our confiscatory levels of taxation. As the debate proceeds on this legislation, I urge you to recall the wisdom of our founding generation.

Mr. Chairman, this concludes my testimony. I would be happy to answer any questions you or other members of the committee may have.

The CHAIRMAN. Without objection. Thank you, Senator Wallop.

Senator FEINSTEIN. Hi, Malcolm. How are you?

Senator WALLOP. I would point out, Mr. Chairman, that this is where I left the Senate, arguing with Senator Feinstein.

[Laughter.]

Senator FEINSTEIN. Yes, I remember that. The desert is in good shape.

The CHAIRMAN. And the sheep are in good shape, too. They have got lots of water.

I welcome the Honorable Dianne Feinstein.

Senator FEINSTEIN. Thank you.

The CHAIRMAN. Please proceed and we will see where indeed we left off when Malcolm was here or not. Go ahead.

STATEMENT OF HON. DIANNE FEINSTEIN, U.S. SENATOR FROM CALIFORNIA

Senator FEINSTEIN. Thank you very much, Mr. Chairman and members of the committee.

I am here in support of a bill which I have introduced, which I recognize is one of many. It is S. 532, the Public Land and Recreation Investment Act. It is a moderate bill, if you will.

The CHAIRMAN. I might add for those of you who are interested in the comparison of the bills, they are there on that chart. You will see your bill there as well, Senator Feinstein.

Senator FEINSTEIN. Thanks very much, Mr. Chairman.

This bill has been introduced in the House by Representatives Campbell and Thompson. It is H.R. 1118.

I want to just begin by thanking my colleague Senator Boxer for her leadership on this issue and her sponsorship of the Permanent Protection for America's Resources Act, of which I am a co-sponsor.

I happen to be a supporter of the Land and Water Conservation Fund. It has helped to preserve nearly 7 million acres of America's most special places—Yellowstone, the Big Sur coastline, the Cape Cod National Seashore, Manassas National Battlefield, the Blue Ridge Parkway, and in my area the Golden Gate National Recreation Area.

As we all know, it derives its funding from Federal oil and natural gas leases on the outer continental shelf. In the past 34 years the Land and Water Conservation Fund has collected $21 billion, but only $9 billion has been spent. We have accumulated a $13 billion unspent backlog. Last year Congress appropriated only $328 million of the $900 million that the Land and Water Conservation Fund collected.

We currently have a budget surplus and there is substantial need at the Federal, State, and local levels for this funding. I believe it is funding that the people of America overwhelmingly support. There is not a city or a State I know of that cannot use this money wisely and well, and certainly major Federal projects such as preservation of the Everglades and, with great respect for my colleague Senator Wallop, the California desert still remain incomplete.

So the approach I bring to this issue is straightforward and simple. There is a need for a steady appropriation into the Land and Water Conservation Fund. It can be done. The bill I have introduced sets $900 million as a floor for annual appropriations to the

fund, meeting the authorized funding level for this program. This fulfills the spirit and intent of the authorizing legislation.

The bill also sets a realistic methodology for dispensing the fund: 50 percent for Federal land acquisition, 40 percent in noncompetitive grants to States, with States required to pass through 50 percent of this funding to local governments; and 10 percent to urban parks under the Urban Park and Recreation Recovery Program, known as UPARR. As the Mayor of San Francisco, I used this program to build pocket parks and recreation facilities in the very dense Mission District of San Francisco, so I know it works and how important it is.

The bill is simple, direct, and will do the job. It is also a moderate, relatively low cost alternative should other proposals pending in Congress prove too expensive or too controversial. I hope that if we cannot agree on a new broad-based conservation initiative or if we cannot find money in the budget to "do it all," we can at least make a commitment to fund the Land and Water Conservation Fund and UPARR. It is time that we fulfill the extraordinary promise that it offers.

I thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Feinstein.

A couple of questions come to mind. Senator Wallop, what would be the impact on the inholders and the inability of the appropriation process to take care of their legitimate concerns where they have lost, if you will, the value because of limitations on access or various other restrictive covenants that have been put on by Federal ownership and they are kind of left out there, and we do not seem to be able to address the appropriations?

How do you perceive that we take care of that?

Senator FEINSTEIN. You are asking me, Mr. Chairman, or Senator Wallop?

The CHAIRMAN. No, I am asking Senator Wallop. He brought that up in his statement.

Senator WALLOP. Mr. Chairman, I am all for, as you would recall, addressing the needs of the inholders. But I think the language in S. 25 is awkward in that it, one, creates two classes of property holders, one with $5 million and one below that.

But secondly, the problem that happens is that the land managing agencies have a way of putting the screws to people with inholdings. While they say they are a willing buyer or a willing seller, they have a way of making it impossible to be anything but a willing seller and the land value is promptly diminished by their actions, whether it is the National Park System or the Fish and Wildlife Service or the Forest Service or whomever.

The CHAIRMAN. Well, as we know, Senator Landrieu feels particularly strong about this because of the tremendous impact of OCS activity off of Louisiana. I am inclined to agree with her, that if you have OCS on land you share, but if it is offshore you have the impact but there is no revenue stream coming back to the affected communities to underwrite the cost of the services, schools, whatever infrastructure, and there should be some consideration given.

That is one of the basics of this bill. The other, Senator Feinstein, is the realization that we have not funded through the appro-

priation process the statewide land and water conservation portion since 1995. What we have got here, since we have this pyramid of bills, is a real interest in States acquiring it for various reasons.

One of the departures you see on that chart is who would have control, whether it would be the States and the communities or pretty much the Federal Government and the dictate from Washington as to what is best for the citizens of each area. That is part of the mix that we have tried to address in some of the bills, particularly S. 25.

But we have a substantial interest from Florida. Florida disallows any OCS activity, yet they have significant need. Their excuse is, well, they are adjacent to the Gulf States and the water knows no boundary. So this is part of the difficulty of trying to address legislation like this. Who shares?

You pointed out very succinctly the reality, why 34 States? Well, there is a certain political momentum associated with that, if indeed that is what it is going to take here. As was pointed out by Senator Boxer, the Budget Committee in its conference saw fit to strike the entire program.

So, I think we have an interesting challenge ahead of us to try and address the concerns of the communities that are impacted and the States that are impacted proportionally. If you do not want OCS off California, that is your own business. But then, should you share proportionately with the other States that do?

Well, I have gone on long enough. I think you have got a tenor.

Senator FEINSTEIN. Mr. Chairman, may I just make one quick comment about my bills?

The CHAIRMAN. Do you want to respond? Please proceed.

Senator FEINSTEIN. Now that I put on my glasses, I see the zeros on historic preservation, Federal lands restoration. Nothing in the bill, of course, prevents an allocation for any one of those purposes within the confines of the other parameters. I just wanted to make that clear.

The CHAIRMAN. Right.

Senator FEINSTEIN. Thanks.

The CHAIRMAN. Senator Bingaman.

STATEMENT OF HON. JEFF BINGAMAN, U.S. SENATOR FROM NEW MEXICO

Senator BINGAMAN. Thank you very much. Thank you both for testifying.

I also, Senator Wallop, have some concerns about the notion that 34 States are coastal States and that New Mexico does not happen to be, at least in the definition I have seen.

Senator WALLOP. But you are closer to OCS production than some of those that are coastal.

Senator BINGAMAN. Is Wyoming a coastal State?

Senator WALLOP. No, we are not a coastal State.

The CHAIRMAN. No, they did not make the list either.

Senator BINGAMAN. Well, at any rate I do have concern. I think that the core notion behind the bill is that there are coastal impacts as a result of offshore drilling, which clearly is true, and that we should commit a certain percent of the funds from the offshore

drilling to address those coastal impacts, and I think that is also true.

I guess I have concern, though, as to how much of the money that is being spread around these 34 States has any relationship to offshore drilling and really relates to being so-called coastal impact assistance. I do not know if you had any more thoughts on that. I thought that part of your testimony was insightful. I think it is a weakness of the bill if you look at it from a logical point of view.

Senator WALLOP. The Federal Government, if it discovers coastal impacts in States that do not allow outer continental shelf drilling, can deal with that through the appropriations process. But I do not understand why those States that do not allow it at all, and particularly those Great Lakes States—and when a State like Michigan is now even trying to put legislation in, pass legislation through the legislature that will not even allow slant drilling from onshore out under. It is pretty hard to make a case that they have coastal impact assistance needs that should come from the hides of Louisiana, from Texas, from other States that do in fact permit this drilling and do in fact have the impacts.

So that I would like to see the States' share go to those States that are actually producing. The Federal Government gets a share, gets half of this money, and it can use it for coastal impact assistance if it finds that it needs it in Florida where they do not allow it.

Senator BINGAMAN. Let me just ask Senator Feinstein a question. One of the other subjects that has come up in a couple of the hearings we have had here is the notion that we should stay true to the purpose of the Land and Water Conservation Fund. That theme runs through a lot of the testimony here.

Many of the purposes that we are now talking about committing money to are extremely worthwhile purposes that I support greatly. But it is a substantial change as I would see it from the original purpose of the Land and Water Conservation Fund.

Does that give you any concern? Take historic preservation, for example. I think we should do better in funding historic preservation than we have. But that has not been a traditional use of Land and Water Conservation Funds the way I understand it. Maybe I am misinformed.

Senator FEINSTEIN. I think that is correct in its absolute statement. I do think that there is nothing that prevents say a Federal land acquisition that may have some component part of historic preservation or involve an endangered species or a coastal or marine resource. But we have chosen to keep to the traditional allocation formula, but to specify, because I have heard some of the arguments, well, we want this to go to the State and there has never been enough.

I thought, well, if we could just spell out that it is 50 percent Federal, 40 percent State, 10 percent UPARR, that that in itself handled a lot of problems and would make the appropriation easier.

Senator BINGAMAN. That is all I have.

Senator WALLOP. Senator Bingaman, could I make an observation on that? I am not opposing urban parks by any stretch of the

imagination, but one of the problems is that as these lands come out of the tax bases of the States a couple of things happen. One of the things that happens is that rural children have a greater impact than urban children. Nobody is paying the slightest bit of attention to the consequences to urban children when a community loses all its timbering jobs, mining jobs, or other kinds of things.

In Senator Murkowski's State, when the Forest Service ended production in the Tongass unemployment went up 40 percent, and there is no UPARR's for them. It is an urban program.

I think two things ought to take place: one, there seriously ought to be an attempt to deal with the impacts of Federal land acquisition on rural and isolated communities; and two, recognize that every time that we acquire more land we either add to the $12 billion backlog of operations and maintenance that now exists or we add to the burden of the taxpayer in some other way to find a means to maintain it.

Nobody anywhere in this legislation is suggesting that the Park Service or the land managing agencies ought to have money out of this resource to go to refurbishing what they now operate, which is in terrible condition, Yellowstone in particular.

Senator BINGAMAN. Thank you both.

The CHAIRMAN. Thank you very much, Senator. I appreciate your statement.

Senator Thomas, Senator Craig, Senator Campbell, Senator Burns, Senator Fitzgerald, Senator Akaka in that order. And we had some more Senators come in, Senator Lincoln and Senator Bayh.

Let me just point out that there is a difference of $1.4 billion between your bill, which is S. 532, and Senator Boxer's, which is S. 446, and it is self-evident. It marks quite a contrast of opinion from the standpoint of the State of California.

Senator FEINSTEIN. Yes, I am aware of that, Mr. Chairman. The thrust behind my bill was really to set an amount that is modest, that has a rationale in history, and that is the authorization, and could with prudence be appropriated every year, and then to set the divisions within that. That is the whole thrust of the bill.

The CHAIRMAN. Well, we have seen, of course depending on the point of view, some appropriations that the administration has been able to generate. I think there was one in Montana that foreclosed the development of a mine. There was another one in the redwoods. Sometimes there is some pretty high powered momentum behind appropriations processes. This committee was bypassed, and the merits of that speak for themselves in my opinion.

It just proves that you just cannot necessarily depend on the legitimacy of the appropriations process if they go around the authorizers, and that is what occurred in that case.

Senator Thomas. I have got to say hello to a couple people. Senator Craig is next.

Senator THOMAS [presiding]. First let me especially welcome Senator Wallop to our panel. He did a great job representing Wyoming. I was disappointed when he decided not to run, but I have overcome that since. Welcome back. Nice to have you.

Senator Feinstein, where does the money come from? Do you have any new source of revenue in your proposal?

Senator FEINSTEIN. Well, it comes from the offshore oil drilling off the outer continental shelf, which was established by law to be the source of funding for the Land and Water Conservation Fund.

Senator THOMAS. So you do not make the division?

Senator FEINSTEIN. And that would be offset for the offshore oil drilling, that this revenue would go into protection of land that was thought worthy by the Congress.

Senator THOMAS. The outer continental, the beyond three miles?

Senator FEINSTEIN. Yes, that is right. Yes, that is what the money is supposed to be used for.

Senator THOMAS. So you do not divide that, then, between the State and the Federal? It all still goes to the Federal in your bill?

Senator FEINSTEIN. No. What my bill—it is authorized to appropriate $900 million a year. The fact of the matter is we never do. There is a backlog of $13 billion that has not been appropriated, spent for other purposes.

Senator THOMAS. I understand, but it is already authorized.

Senator FEINSTEIN. Within the $900 million, what we are saying is 50 percent should be spent for Federal purposes, 40 percent should be spent by the State, of which there is a pass-through of that 40 percent of half to local governments, and 10 percent be used for the urban parks program within that $900 million appropriation. That is the thrust of the bill.

Senator THOMAS. The Land and Water Conservation Fund is already authorized.

Senator FEINSTEIN. For $900 million, but it is not appropriated.

Senator THOMAS. I understand, and yours does not appropriate it, either.

Senator FEINSTEIN. We set an appropriation level each year of $900 million.

Senator THOMAS. That is an authorization.

Senator FEINSTEIN. It sets an appropriation level to meet the authorization, yes.

Senator THOMAS. So it is an entitlement. The Congress then after this has no impact into the amounts.

Senator FEINSTEIN. Well, the Congress could change it, but the Congress has never spent the amount that could be appropriated. What we are saying is now that there is a time of surplus—I mean, the Land and Water Conservation Fund has never really been utilized. It is a fight every year.

So what we are trying to say is now we have a surplus. I happen to think the American people believe this is a very worthy Federal expenditure. They want this protection. Therefore I believe the Congress should provide it.

Senator THOMAS. So if it is spent out of the Social Security surplus, that is okay?

Senator FEINSTEIN. To this amount, I believe it is. I believe it is a prudent amount, yes. And I think it will not impact Social Security.

Senator THOMAS. I guess my curiosity, Dianne—it does not seem to me like it does anything very different than we already have, because we can do that now, but we do not.

Senator FEINSTEIN. It sets the level and it sets the percentage of allocations in each of the categories.

Senator THOMAS. Thank you.

Senator FEINSTEIN. You are very welcome.

Senator CRAIG. Thank you very much, Senator Thomas.

Malcolm, welcome back to the committee. Senator Feinstein, it is great to have you with us.

Senator Wallop, would you find S. 25 more palatable if there was a provision in it that said that States that already have large amounts of Federal land, like your home State of Wyoming or my home State of Idaho, or in this instance I am referring to Senator Thomas' legislation that says that a State that already owns more, where the Federal Government already owns more than 25 percent of the land, that they could not acquire more, that there would have to be a net zero difference. If you were going to preserve private properties, you would do that with exchange for Federal properties.

Senator WALLOP. Senator Craig, yes, I would feel better about that. The problem that we have is that any Nation that owns—after the Soviet Union and China, we are the largest publicly owned land mass on Earth.

Senator CRAIG. That is right.

Senator WALLOP. My guess is that we as a Nation own more than 42 percent. The States have no idea how much land they own. To continue to withdraw land from the tax rolls and production is a net burden on the taxpayer someplace around and nobody is addressing that.

One of the problems that we had when President Reagan came to town, we were going to try to just rearrange the land ownership patterns between the Forest Service and the BLM. You may recall that the BLM and the Forest Service would argue like hell about 60 acres that they owned someplace that they had to drive through 35 miles of the other agency's land just to manage it.

I think that this whole government land ownership thing needs a far calmer appraisal than it has received, and to add now to that burden, especially in those States whose land mass is already more than half owned by the Federal Government, it just takes it out of our school systems.

Senator CRAIG. Well, would you find it more palatable if we also included funding for the—when we talk about—and Senator Feinstein is right in relation to desires under which we would like to fund the projects under land and water conservation versus the money available and how it is allocated, that there is a pent-up list.

But lists are only made by desire, not by realities of moneys available. We have this huge list in Veterans Affairs of hospitals and veterans homes we would like to build, but they percolate up and they meet the budget requirement of the day and we fund them accordingly, and we understand that process.

But how about in relation to Federal landlocked States, again the payment in lieu of taxes? Why not fund the payment in lieu up to current levels out of the land and water or OCS moneys?

Senator WALLOP. Make us a coastal State, too.

Senator CRAIG. Well, I am talking about Idaho——

Senator WALLOP. Yes, I hear what you are saying. Yes, it should be funded.

Senator CRAIG. It should be.

Senator WALLOP. It is an obligation that the government once admitted to and would in fact be on our tax rolls were it not for the fact that it is on their land mass.

Senator CRAIG. Well, if the State of Michigan is a coastal State, i.e., tied to the Atlantic by the Saint Lawrence Seaway, then Idaho is a coastal State because I have a seaport in my State and ocean-going barges make it inland to Idaho to load up with wood and grain and everything else. So I have to think, Mr. Chairman, that Idaho deserves to be on the list. We are at the end of the slackwater transportation system of the Snake and the Columbia.

Now, that is a big of a stretch, but I did not ever think of Michigan as a seacoastal State. Yes, it has the Great Lakes and I understand that, and I have never seen an oil rig out in the Great Lakes.

Be that as it may, those are the realities we deal with. I am not very supportive of this legislation because I do not want to see moneys dedicated without the appropriating process involved, number one. But number two, I am tremendously frustrated when we have drawn a conclusion in our country that the only way you save the environment is to have the Federal Government own it, instead of create the incentives to allow private property ownership.

Now, outside of all of those arguments, I am a pretty staunch advocate for getting money to cities for parks and for greenbelts and buffers and all of those kinds of things to improve the urban environment. I find those tremendously valuable. On those kinds of things Senator Feinstein and I would find agreement.

But it has to come in our ability to pay for it. Just because we balanced the budget and fought 15 years to get there from the time I came to Congress and now that we have a surplus in Social Security, somehow we have now found all of these new Federal needs. I think we are wrong and the American people know we are wrong when we ask for that.

We did not fight to balance the budget so we could spend more money as a government. This is one Senator that is simply going to have to vote no on these kinds of ideas, because I do not think they fit. I think our citizenry has well understood what we can and cannot do.

I am still going to fight that we appropriately allocate OCS moneys to land and water conservation and that we meet as many of those priorities as we can. But I do not think that I find the answer in many of these proposed pieces of legislation.

Malcolm and Dianne, thank you.

Senator WALLOP. There is something that does not cross the political mind when it sits and does things that sound nice. But to acquire land is to acquire an obligation.

Senator CRAIG. Yes.

Senator WALLOP. These parks are not renewable resources. They are managed resources that have an obligation to appropriate money and to deal with them. The fact of it is that Federal land is among the worst conditioned land in all of America.

Senator CRAIG. Especially those Federal assets that find themselves highly trafficked by the public. We are simply not keeping pace with managing them where there is heavy human impact, and of course those are the most desirable ones.

Thank you, Mr. Chairman.

The CHAIRMAN. If I may remind my colleagues, we have two more panels today. Senator Campbell is next.

I wonder if we did make Idaho a legitimate seaport, would that sway the Senator from Idaho?

Senator CRAIG. Mr. Chairman, you intrigue me. Let us discuss that.

Senator CAMPBELL. You are also getting me interested, Mr. Chairman. I would point out that two of the coastal States are Texas and California. The largest tributaries of both of those States, the Colorado and the Rio Grande, start in Colorado. So I do not know how far we are going to stretch this, but we want to get in on it, too.

Senator BURNS. Whoop.

Senator CAMPBELL. You have got a little trickle up there in your State, but we claim most of it.

Well, let me——

The CHAIRMAN. Well, there is 36 votes, Senator Landrieu.

[Laughter.]

Senator LANDRIEU. We are working on it.

Senator CAMPBELL. As you know, Senator Feinstein, we did a hearing recently on S. 25 and at the end of that testimony I was convinced that there was a lot of good in that bill, even though it is obviously going to cost some money. But as I see what is going on in many of the areas in our inner cities, where there is a lack of public facilities, I know that we have got to do a better job and that money has to come from somewhere.

But being a westerner, I see the other side of that coin in that it always worries us as westerners, I guess, about taking land off the tax roll, buying up land and putting it with some kind of government agency. Where are the offsets going to come from? As I understand your bill, the offset for that, that was the 40 percent you talked about that would come from the fund that would go to the States. Is that correct? Is that what I understood?

Senator FEINSTEIN. It would still be the outer continental shelf funds.

Senator CAMPBELL. Your bill basically allows the acquisition of land, but not operation and maintenance of it?

Senator FEINSTEIN. That is correct.

Senator CAMPBELL. So as I understand it, the section in your bill would also transfer some money to States for the operation and maintenance of that?

Senator FEINSTEIN. The answer is yes, they could use it for that.

Senator CAMPBELL. But it certainly would not address the loss of money to communities for the property tax, as an example, that would no longer be there.

Senator FEINSTEIN. That is correct.

Senator CAMPBELL. That was my only question, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Campbell.

Senator Burns.

Senator BURNS. I just have a question, Senator Feinstein.

Welcome back, Senator Wallop, nice to see you.

I guess my question is along the same lines as Senator Craig's and Senator Campbell's. We do not fully fund PILT now and I

would ask you, are you fully prepared to fully fund PILT and gross receipts of resources of land acquired by the government?

Senator FEINSTEIN. The answer to your question is yes. This is a big issue in northern California and it is an important one, so the answer is yes.

Senator BURNS. It would seem like we have a hard time doing that, and I would just like to state for the record that any time we take land off the tax rolls this increases the burdens in private landowners. It goes back to what Senator Wallop said a while ago, that you might have a willing buyer and a willing seller and the willing seller has been forced into a situation where he has no options left but to sell, and that excites me greatly.

Montana is not a coastal State, nor do we want to be. I do not want to make any miscalculations here.

Senator LANDRIEU. You may be if we do not do something around here. It is coming your way.

Senator BURNS. All your water starts up home, Mary.

Senator LANDRIEU. I know.

Senator BURNS. And we are concerned about that, river compacts and the ability to manage our waters and our resources.

It is like the man said, when you acquire land you acquire responsibility. That goes both for the government and for a private landowner. So I have very serious concerns. I think the bill can be made right. I am a very strong supporter of parks and open areas for our folks that live in the cities.

Right now my big concern are folks that live in the rural areas of this country. Let me tell you, they are not getting along very well. You may talk about an economic boom, but we have got a depression in rural America, a depression, not a recession, a depression.

So I thank you for your testimony this morning.

Senator FEINSTEIN. I thank you.

Senator BURNS. The bills can be made so they are compatible. I really sincerely believe that.

Senator FEINSTEIN. I am glad to hear that.

The CHAIRMAN. Thank you very much, Senator Burns.

In the order of appearance, Senator Akaka, Senator Lincoln, Senator Landrieu.

STATEMENT OF HON. DANIEL K. AKAKA, U.S. SENATOR FROM HAWAII

Senator AKAKA. Thank you very much, Mr. Chairman. I ask that my full statement be placed in the record.

The CHAIRMAN. Without objection.

Senator AKAKA. I want to welcome Malcolm back to the committee and also Senator Feinstein, and also my former colleague in the House Ron Marlenee, who is sitting here with us, and welcome you here.

Thank you, Mr. Chairman.

[The prepared statement of Senator Akaka follows:]

PREPARED STATEMENT OF HON. DANIEL K. AKAKA, U.S. SENATOR FROM HAWAII

Mr. Chairman, thank you for holding this third hearing on the important conservation initiatives on today's agenda. I would like to welcome my distinguished colleagues Senators Boxer and Feinstein and the panelists representing state gov-

ernments and national associations. Let me thank all of you at the outset for taking the time to provide us your views on these measures.

As you know, the bills we are examining today are of interest to many constituencies, whether they are coastal communities worried about the impact of offshore oil production, or federal agencies concerned about the backlog in federal acquisition projects, or state wildlife agencies which have never received adequate funding, or small towns which have never had the resources to establish urban parks and or maintain open spaces. The initiatives before the Committee offer unparalleled opportunities for us to address many of the Nation's outstanding conservation needs.

Certainly my own state has special conservation requirements. Hawaii is an ecologically diverse archipelago blessed by both marine and terrestrial resources, from volcanic landscapes and tropical forests to saltwater ponds and reef ecosystems. But like other states, we are subject to multiple and significant pressures on our environment and we need to conserve and protect our unique natural heritage carefully.

Mr. Chairman, the measures before us reflect different approaches to conservation.

The President's Lands Legacy program is a robust initiative that fully funds the Land and Water Conservation Fund, helps states and communities preserve green spaces, protects oceans and coasts, and includes provisions for endangered species conservation.

Senator Boxer has introduced "Resources 2000," S. 446. This legislation is the most environmentally ambitious of the bills. In addition to fully funding the LWCF, it provides additional funds for historic preservation, lands restoration, endangered species, ocean and wildlife conservation, and farmland and open space preservation efforts. I appreciate the vision Senator Boxer brings to this effort.

Senator Feinstein's bill, S. 532, is less far-reaching, but it reflects solid, basic thinking. It fully funds the LWCF, including the neglected State-side program, and places new emphasis on the Urban Parks Recreation and Recovery Program.

Finally, S. 25, authored by Senator Landrieu and yourself, Mr. Chairman, also fully funds the LWCF, and sets aside dedicated funding for state wildlife conservation programs and coastal impact assistance. Most significantly, S. 25 would ensure that communities and states would receive compensation for the multiple impacts of offshore oil production on their economy, environment, and infrastructure. I commend you and Senator Landrieu for your attempt to strike a balance among a variety of difficult policy and regional issues.

Mr. Chairman, I must admit that I have concerns about each of these initiatives. I am concerned about funding distributions among states. I am concerned about potential oil drilling incentives. I am concerned about specific funds for endangered species preservation. I am worried about our ability to exercise proper environmental oversight of the new funding provided for in these initiatives.

But I would urge us all to remember that, collectively, the bills before us represent an historic opportunity that must not be allowed to pass. There is plenty of room for accommodation on legislation of such scope, so let's work together to bring conservation back to the center of our national agenda, where it belongs. I would like to commend each of the Senators and yourself, Mr. Chairman, for your efforts in brining these bills before us. Through these bills collectively we have a chance to shape our environmental legacy in a fundamental way for generations to come.

Thank you, Mr. Chairman. I look forward to hearing from our witnesses.

Senator CRAIG [presiding]. Senator Akaka, thank you very much. Senator Lincoln.

STATEMENT OF HON. BLANCHE L. LINCOLN, U.S. SENATOR FROM ARKANSAS

Senator LINCOLN. Thank you, Mr. Chairman.

I want to thank our colleagues for being here today and for all of your work in this arena, and certainly my colleague Ms. Landrieu and the chairman. I will keep my remarks brief and do not have really any questions.

Title III of S. 25 will provide Arkansas as well as all of our States with needed funding for wildlife preservation and habitat conservation. My home State of Arkansas is in great need of this funding support to augment and help continue current conservation

programs already in place, not to mention beginning some new needed programs.

I would like to submit for the record, a letter sent to me by the Director of the Arkansas Game and Fish Commission in support of S. 25, of which I am a cosponsor, the Conservation and Reinvestment Act of 1999. It details the wildlife conservation programs undertaken by the Arkansas Game and Fish Commission and just how these additional revenues will help wildlife conservation in my State.

I would like to read a quick excerpt from the letter if I may. A quote from our Director, Steve Wilson:

"In Arkansas, about 86 percent of all wildlife species are neither pursued consumptively nor listed as threatened or endangered. There is no reliable dedicated funding for conservation, recreation, or education programs for these non-game species. While populations of many of these species are in fine shape, others are suffering long-term declines and seem on a path towards a future listing as threatened or endangered under the Endangered Species Act.

"The Arkansas Game and Fish Commission believes that the best way to handle such situations is to conserve declining species before they reach critical low population levels.

"Funding under the Title III of S. 25 will provide needed resources for the State agencies to help identify and prevent species from becoming listed under the Endangered Species Act."

Again, I thank our distinguished witnesses for joining us and certainly for the hard work that all of the Senators are putting into this issue.

Thank you.

[The information referred to follows:]

ARKANSAS GAME & FISH COMMISSION,
Little Rock, AR, April 28, 1999.

Hon. BLANCHE LINCOLN,
U.S. Senate, Washington, DC.

DEAR SENATOR LINCOLN: Thank you for your co-sponsorship of S. 25, the Conservation and Reinvestment Act (CARA) and for your support of wildlife conservation. As the Energy and Natural Resources Committee conducts hearings on CARA, I urge you to support raising the Title III fish and wildlife allotment from seven percent to ten percent, to match the House level in H.R. 701.

In Arkansas, about 86 percent of all wildlife species are neither pursued consumptively nor listed as threatened or endangered. There is no reliable, dedicated funding for conservation, recreation or education programs for these nongame species. While populations of many of these species are in fine shape, others are suffering long-term declines and seem on a path toward a future listing as threatened or endangered under the Endangered Species Act. AGFC believes the best way to handle such situations is to conserve declining species before they reach critically low population levels.

I have attached for your information a summary of our agency's full funding needs to meet our highest goals for nongame wildlife conservation, education and recreation.* We estimate that about $17 million per year is necessary to make progress to restore declining species, as well as to expand public recreational and educational opportunities. If AGFC must lower its sights, we estimate more than $8 million per year is needed to simply stabilize declining nongame species, as well as meet existing nongame recreational and educational demands.

The Senate's seven percent Title III funding level would provide about $3.84 million federal dollars per year to Arkansas. The House's ten percent level would provide about $5.49 million, a $1.65 million difference in federal funds.

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*All attachments have been retained in committee files.

The ten percent House level would, when combined with the 25 percent state match, provide a total of about $7.32 million per year for nongame wildlife work. This amount approaches but still falls short of that needed to meet AGFC's lower tier of goals—to merely stabilize declining populations and meet existing public recreational and educational demands. However, some programs estimated to be needed to meet one or more of the three goals would have to be eliminated or underfunded.

The Senate's seven percent allotment would provide far less money for nongame work—about $5.13 million per year when matched with the required 25 percent state funds. At this level, which is more than 35 percent below the level needed to meet our lower tier goals, AGFC could not implement many anticipated programs. As a consequence, most or all of even our lower tier goals likely could not be reached.

	Federal $$	Federal $$ + State Match $$
Senate 7% funding level	$3.84 M/yr	$5.13 M/yr
House 10% funding level	5.49	7.32
AGFC's Lower Goals		8.14
AGFC's Highest Goals		17.51

For example, the four educational nature centers AGFC has committed to build will be a top priority for funding and would consume about four-fifths of the $5.13 million in CARA-based funds currently provided for by S. 25. Remaining funds would be allocated among only the highest-priority anticipated conservation or recreation programs. Programs that would be cut in the process might include: urban wildlife management; volunteer coordination; nongame-specific habitat protection; cost-share wildlife viewing grants to communities; wildlife viewing trail development, maintenance and facilities; wildlife feeding and viewing stations; conservation education curricula and materials for schools; outdoor classrooms; extension service technical support; corporate and local government habitat programs; species, habitat and management research; "how to" wildlife management guides; on-site interpretive programs; demonstration projects; and public training workshops.

AGFC is charged with stewardship authority for the fish and wildlife resources of Arkansas, and is ready and willing to take on the full spectrum of wildlife challenges with adequate funding. We urge you to support an increase in S. 25's Title III allocation from seven to ten percent, to help us meet our nongame wildlife goals. Thank you for your support.

Cordially,

STEVE N. WILSON,
Director.

Senator CRAIG. Senator Lincoln, without objection your letter will become a part of the record.

Senator Landrieu.

STATEMENT OF HON. MARY L. LANDRIEU, U.S. SENATOR FROM LOUISIANA

Senator LANDRIEU. Thank you, Mr. Chairman. I am sorry I was delayed momentarily. I had to be present at another hearing to welcome a nominee at another meeting or I would have been here on time and early.

Senator WALLOP. I know the sensation.

Senator LANDRIEU. Senator, you have been here before, so I know that.

I welcome Senator Feinstein. As you know as a cosponsor of one of the major bills, S. 25, and the chairman, we are very—I am very supportive. But actually, Senator, after reading your testimony about giving Louisiana $2 billion, which would be half, I may substitute my bill for that one. I do not know if we could get that through, but I appreciated your comments about wanting to as well

as your acknowledgement of the contribution that our State as the oil-producing State makes toward this whole effort.

But let me say seriously as an original co-sponsor, all three titles of S. 25 are in my opinion critical and need to be funded, and the bill was put together in quite a balanced way. But title III, which is why we are here today—and this is the third of our hearings on these proposals, which is the wildlife and conservation title—actually enjoys right now, for the members of our committee, the broadest support, I think, across the country, across party lines, both in the House and the Senate, due to the good work that many people in this audience have put together over the last months and years, because all the titles are important. Obviously, title I to my State is crucial and full funding of land and water is very important.

But title III is so significant because there are over 3,000 organizations in this country, as I said, from liberal to conservative, from Democrat to Republican, mostly outdoor enthusiasts, people that understand the great value of our outdoors and wildlife and conservation programs to try to find a permanent source of funding. Not necessarily to acquire new land, although that would not be prohibited, but to help manage the land, both public and privately owned lands, to help promote the development, to encourage species from becoming endangered, so that no further rules and regulations are laid down which cause all of us great difficulty.

So title III I think is one of—all the titles are terrific, but this is a great strength to this proposal, and it is going to meet so many critical needs. I point out a couple of things to my colleagues. One, we are trying to find this without raising any new taxes. Two, we are trying to do it within a balanced budget by using some source of revenue in a more wise and conservative manner than we are using it now, to reinvest back instead of just taking, to take a portion and reinvest it back in wildlife and conservation.

I would venture to say that, whether you are on the Lake Michigan or in Wyoming or California or Colorado or Louisiana, there are literally probably hundreds of organizations in your State that enthusiastically support title III of this bill, because it is not just for hunters and fishermen, but, as Senator Lincoln pointed out, it is for non-game species.

We have a thousand species on the endangered list, over a thousand. We have only been successful in getting a few off, at great expense, at great difficulty, Senator Feinstein, as you know. You have been through some of the major wars in this country over that.

This title is to give States money to help them prevent species from becoming endangered by recognizing that when species are on the decline we can do a lot in terms of education to prevent that. The other thing that I like so much about this title, and I want to urge my colleagues to look deeper as to what title III is about, is the great ability for us to give money to States and local governments to help with the education. Conservation really begins in elementary school. It does not begin here in the halls of Congress. It begins as we educate our children about the value of conservation and preservation and being careful with our environment.

I know that you all have many popular programs in your States that encourage children through our zoos and through our estuary

programs and our wildlife habitats. So part of title III can be used for that.

I also just want to stress that for tourism—you know, many of our States depend on tourism, but more and more it is ecotourism, people coming to hike and to visit these natural sites. That is what title III is all about.

So I understand there is controversy over title I. I understand this controversy over title II. But I want to thank the chairman for his great work, and Don Young in the House and John Dingell in the House, for pushing title III of this bill, because it is broadly supported. It does not raise taxes, and it gives money to States and local communities that can do a tremendous amount.

Just one final point, Senator Wallop, to you. I know that there is a difference about what land ownership means based on if you are in a western State or a southern State or an eastern State. Last week, right where you are sitting Christie Todd Whitman from New Jersey, our Governor, said that she has a State with 8 million acres and 5 million people. They just passed a billion dollar bond issue to purchase more open space, to purchase more land, because they do not have enough.

Sitting next to her was a gentleman representing the chairman's State. They have 350 million acres and 500,000 people. They do not necessarily want to purchase more land in Alaska because the government already owns 90 percent.

What I said then and what I say again this morning, is we are intending to fashion a bill that works for every part of the Nation, that is sensitive to local needs, that gives discretion at the local level, that compensates Western States for the fact that much of their land is owned, but not to stop an effort that will help States like New Jersey, Louisiana, to find some justice in this whole issue as many other States.

So I want to thank the Teaming With Wildlife people as I close, and I will have many questions and other comments at the question time, but I thank this coalition for the tremendous energy that they have brought. Also, I want to stress the great need to fund this title in a way that is conservative and responsible to the taxpayers of our Nation.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Landrieu.

Senator WALLOP. Senator Landrieu, could I just make an observation. My heart goes pitter-pat too on things that are full of the good fuzzies, and these are. I am not opposed to protecting species and other kinds of things. But before you get too far down the road I think it is important to remember that Federal funding is a Federal vested interest and that when sporting groups and others are advocating this, you have to watch the rise of the animal rights movement, the anti-hunting movement in this country, the tendency of the National Park System, the Forest Service, and others to begin now to limit access and other kinds of things, and question whether it is a good idea to give these people doing that kind of work more power.

Federally funded environmental education is scientifically a catastrophe. It comes with a point of view. It comes with a bias that is pretty much anti-private ownership, anti-personally managed.

Senator LANDRIEU. Well, some criticism has been levied against a portion in title II, which is fully funding the Federal side of land and water, as there is some disagreement on this committee about how we should do that. But title III is funded through the standing Pittman-Robertson with a lot of discretion to States, a lot of local governments, not too much at all of Federal control for the States and local governments to manage in a multiple way this land so as to do exactly what you are pointing out. Not to limit it but to open access to the land for multiple purposes.

Now, I am not much of a hunter. I think Senator Lincoln does a good job at that and others. But I enjoy the outdoors in other ways. So that is the whole purpose of title III, to allow people to make good choices and not to limit it to one.

Senator WALLOP. I have some suggestions in there that go through the anxieties that I have. I mean, I did not just come and say do not do anything.

Senator LANDRIEU. But thank you. Your positive comments would be appreciated.

The CHAIRMAN. He always has a mix.

Senator LANDRIEU. Well, any constructive criticism.

The CHAIRMAN. There you go. He has got some constructive criticisms, I assure you.

Any further? If not, let me thank the Honorable Dianne Feinstein, the Honorable Malcolm Wallop. We appreciate your statements and your testimony, and I think we will, as we develop this legislation, take heed of your recommendations.

Ron Marlenee, the Director of Legislative Affairs for the Sierra Club. Ron, good morning. Come join us. Tom Kiernan, president of the National Parks and Conservation Association; David Waller, director of the Georgia Wildlife Resource Division; Mark Van Putten, president of the National Wildlife Federation; and Lieutenant Colonel Dennis L.—excuse me—J. Foster, retired, executive director of the Masters of Foxhounds Association, on behalf of the Wildlife Legislative Fund of America; and Mr. Mark Schaffer, vice president for programs, Defenders of Wildlife.

We do not have any ladies with us.

Senator LANDRIEU. We are over here.

The CHAIRMAN. We will do the best we can.

Senator LANDRIEU. We will hold our own. We will watch them right over here.

The CHAIRMAN. Does anybody have to catch a plane, a train, or otherwise?

[No response.]

The CHAIRMAN. If not, Ron, you are up. Is that fair enough?

STATEMENT OF RON MARLENEE, DIRECTOR OF LEGISLATIVE AFFAIRS, SAFARI CLUB INTERNATIONAL, FAIRFAX, VA

Mr. MARLENEE. Thank you, Mr. Chairman——

The CHAIRMAN. Nice to see you again.

Mr. MARLENEE [continuing]. And members of the committee, for allowing Safari Club International to testify. We think that this is one of the most important pieces of legislation, S. 25 and H.R. 701, and will have the most profound long-term effect on wildlife since

Pittman-Robertson and Wallop-Breaux statutes were enacted, the first of which was about 60 years ago.

Sportsmen have put more than $3 billion into wildlife and wildlife habitat under these laws, and Pittman-Robertson has been one of the greatest success stories known to wildlife conservation. In recent years this effort has been diluted and drained of funds by mandates and requirements of the Federal Government. Trying to keep up with funding endangered species, coastal protection, and other programs, agencies, State agencies, are having shortfalls that force them to dip into funds that sportsmen have paid into to enhance wildlife populations.

There was a concept in the last two Congresses to increase, to fund this by having an excise tax. However, this Congress with S. 25 and H.R. 701 by Senators Murkowski and Landrieu and Congressmen Young and Dingell, they have found a way to achieve the important goals of increasing this funding and conservation without imposing an unpopular excise tax and without robbing, without robbing the State fish and wildlife agencies of the discretion to make professionally sound decisions on wildlife conservation funds and management. Safari Club International and sportsmen in general across the United States of America support this effort.

In addition, S. 25 could well be termed a partial solution to unfunded Federal mandates, which this country has had far too many of. Under title III the new funds that S. 25 creates will be able to fund the State fish and wildlife agencies for conservation of game, non-wildlife, endangered species conservation, and the State agencies will be able to use this money in ways that they feel is most appropriate.

There needs to be assurances, however, that the States retain the discretion to determine what wildlife management needs should be met by the funds available through this bill. We do not want the States to be coerced into spending money on programs that they do not need or do not want. This could be accomplished by stating in the legislation the term "wildlife" includes both game and non-game species and by adding language to prevent the Secretary from using his authority to set standards and approve projects funded under title III by either pressuring, coercing the States, or discouraging them from other programs and certain projects that the States may want.

We should allow the States to decide how to use OCS money under Title III of S. 25. By doing this the State agencies will be able to work with the Federal Government and with other entities in virtually all areas of wildlife conservation.

We would suggest that the bill is less than perfect when it comes to the section dealing with private property. We hope that this section does not sink a bill which has so many benefits that accrue to it. Inasmuch as the legislation seeks to solve one tax problem regarding wildlife, we believe that to avoid creating another tax problem another amendment should be added to require that any proposed, any proposed acquisition, receive specific authorization from the U.S. Congress.

This would help to prevent a shrinking tax base or economic base for the local communities. Now, this has been proposed basically in some tangent legislation that is floating around in both houses.

Another concern we have is the loss of access to public lands for hunting, fishing, and other recreation. This is important to Safari Club. Before we fund, give more funds, to purchase more land from which sportsmen may be excluded, we would like to see language added to the bill that the Federal agencies using funds under title II to purchase private land should be required to demonstrate to the State and local governments that any closure or restrictions of access over the past 5 years have not adversely affected public access for recreation, hunting, or fishing opportunities.

We are also concerned that the Federal Government may be inclined to transfer acquired property to a non-State or non-Federal entity for management or for the benefit of that entity. If that transfer results in a loss of public access or recreational opportunity to hunt and fish, then it should be prohibited. Why should we use taxpayers' money to acquire private property, then to just turn it around and give it to an entity that can deny public access?

In closing, because the public and outdoor recreation and conservation are supposed to be the beneficiaries of this legislation, we would hope that an anti-profiteering clause would be built in. Such language could embrace the concept that none of the funds in this legislation should be used to acquire private property from an individual, a corporation, an NGO if the property is acquired less than 1 year prior to the transaction and the transaction results in a net price that exceeds the cost of the land plus the normal brokering fees consistent with the rate in that area.

I thank you, Mr. Chairman and members of the committee, and we stand steadfastly as a group of sportsmen behind the legislation, hoping for improvements in the private property area.

Senator Landrieu, I congratulate you on a great statement that you made here regarding conservation and education. It was very good.

Senator LANDRIEU. Thank you.

The CHAIRMAN. Thank you, Mr. Marlenee. We appreciate hearing the views of the Sierra Club.

Our next witness is Mr. Tom Kiernan——

Senator LANDRIEU. Safari, not the Sierra, no.

Mr. MARLENEE. You lost my vote.

The CHAIRMAN. I deserve to lose it.

[Laughter.]

Senator LANDRIEU. The chairman has been working extra hard. Do not blame him.

The CHAIRMAN. It must be the pollen in Washington.

Mr. Kiernan, you are next, but Senator Graham has asked that you be put off until the end to accommodate him. So I have to work with him, so I better accommodate him.

I might alert you that I am going to be asking you a question as to why the National Parks and Conservation Association chose to segregate Denali, our largest national park, and list it as endangered—I did not know parks were endangered—because there is an effort to try and provide more public access so people can enjoy that park when we have access in other parks with more than one road. I suspect I know the answer, but nevertheless I will be interested in hearing your version.

Mr. KIERNAN. I look forward to doing that, sir.

The CHAIRMAN. So why do we not go to David Waller, Georgia Wildlife Resources Division, followed by Mr. Mark Van Patton—Putten, excuse me—and then we will have Lieutenant Colonel Dennis Foster, Mark Shaffer, and then lastly Tom.

So please proceed, David.

STATEMENT OF DAVID WALLER, DIRECTOR, GEORGIA WILDLIFE RESOURCES DIVISION, SOCIAL CIRCLE, GA

Mr. WALLER. Thank you, Mr. Chairman. I have submitted testimony, so I will just hit the high points from that.

My name is David Waller and I am director of the Georgia Wildlife Resources Division and vice president of the International Association of Fish and Wildlife Agencies, and I really appreciate the opportunity to appear before you today to convey the International's strong support of S. 25. We believe this bill is the most sweeping wildlife funding bill in this half of the century and will go a long way towards conserving our Nation's fish and wildlife and providing much in demand conservation education and wildlife-associated recreation.

We appreciate the leadership of the chairman and that of Senator Landrieu, Senator Lott, Senator Breaux, and Senator Johnson in sponsoring this landmark legislation. The International would also like to recognize Senator Boxer for addressing some of the same needs in S. 446.

There is a compelling need to fully fund State wildlife conservation efforts in time to prevent species from becoming endangered. Many species in this country are declining and heading rapidly towards the endangered species list. We have the opportunity now to act cooperatively with private landowners in a non-regulatory incentive-based manner while there is still time and at much less cost to conserve our Nation's wildlife legacy.

Dedicated, reliable, and adequate funding would not only allow States to conserve species and preclude the social and economic impacts associated with listing species. It would also generate significant new economic opportunities for local communities. A wildlife-rich outdoor experience is vital to communities. It is vital to the States' nature-based tourism and it is vital to related outdoor industries. Wildlife watchers spend over $29 billion a year in State and local economies, generating over a million jobs.

This bill provides funding for comprehensive State programs addressing wildlife conservation, recreation, and education efforts together, which makes good economic sense.

States are the front-line managers of fish and wildlife in this country and have broad authority for fish and wildlife within their borders, including on most Federal lands. Because of the consistent, dedicated source of funds, we have successfully restored many game species, like white-tail deer, wild turkey, striped bass, pronghorn antelope, and on and on. all of these are wonderful success stories. And we are ready to do the same thing now with some of our non-game species that are declining, some of the species like Baltimore orioles, American goldfish, bog turtles, and many, many more that are not yet endangered.

The needs of State wildlife agencies to attend to these declining species really exceeds a billion dollars, but even half that amount

would go a long ways toward producing significant on the ground results.

As you know, for the past 7 years we have built up a national coalition of over 3,000 organizations and businesses that we call the Teaming With Wildlife Coalition. We believe Title III of S. 25 fulfills the basic goals of Teaming With Wildlife, but with a different funding source.

We strongly support S. 25 for the following reason: It provides a permanent and consistent funding source, which is important. It is administered through the Pittman-Robertson Act, which is a tried and proven act. It allows States in working with their citizens to determine the conservation priorities and how to address those at a State and local level. And it brings equity to wildlife conservation funding, giving all Americans the opportunity to join sportsmen in paying for conservation.

In addition to these comments, the International respectfully requests, Mr. Chairman, that you increase from 7 to 10 percent the dedication of OCS funds to title III. I am submitting for the record a report done by the Association which substantiates those needs and demonstrates that the States can accomplish—what the States can accomplish with these funds.

Second, we respectfully urge you to raise the minimum level for a State from one-half of one percent to one percent to help the smaller States that have some of the greatest needs, including Hawaii and some Northeastern and mid-Atlantic States.

Let me briefly share some comments on S. 446. The International is pleased that title VII of S. 446 provides funding for State level wildlife conservation. However, the concerns we have with S. 446 are the elaborate planning requirements, the term "native fish and wildlife" which could be problematic, and the fact that conservation education and wildlife-associated recreation needs are not addressed, and a 6-year phase-in from $100 million to $350 million. Let us now wait 6 more years to address these conservation needs.

Finally, Mr. Chairman, we appreciate President Clinton's commitment to work with Congress to bring the contemplated programs under permanent appropriations authority. We are concerned that the Lands Legacy Initiative does not address the large and growing fish and wildlife conservation needs of our States and communities today. A key missing part of the puzzle is title III of S. 25 and without that the administration's proposal is a glass half full and will not be successful in restoring America's wildlife.

In closing, Mr. Chairman, State fish and wildlife agencies across the country stand ready to work hand in hand to assure a future for America's wildlife and help millions of people enjoy and appreciate wildlife from their backyards to the backwoods.

Thank you.

[The prepared statement of Mr. Waller follows:]

PREPARED STATEMENT OF DAVID WALLER, DIRECTOR, GEORGIA WILDLIFE RESOURCES DIVISION, SOCIAL CIRCLE, GA

Thank you, Mr. Chairman. My name is David Waller, Director of the Georgia Wildlife Resources Division and Vice-President of the International Association of Fish and Wildlife Agencies. As you know, all 50 State fish and wildlife agencies are members of the Association. I appreciate the opportunity to appear before you today

to express the strong support of the Association for S. 25, the Conservation and Reinvestment Act.

The Association sincerely appreciates your efforts and those of Sen. Landrieu, Sen. Loft, Sen. Breaux, Sen. Johnson and the other co-sponsors, in bringing this far-sighted conservation proposal to the table, which will provide consistent and dedicated funds to the states to conserve our fish and wildlife resources, provide for the protection and restoration of our coastal habitats and living resources, fund land and water conservation activities at all levels of government, and provide much needed recreational opportunities for our citizens, thus resulting in economic growth to our communities.

The Association is also encouraged that Sen. Boxer and others have recognized many of these same needs in introducing S. 446, the Resources 2000 Act. We do have concerns about the focus, legislative construct, spending direction and funding levels in S. 446 which I will share with you later in my testimony.

The Association, founded in 1902, is a quasi-governmental organization of public agencies charged with the protection and management of North America's fish and wildlife resources. The Association's governmental members include the fish and wildlife agencies of the states, provinces, and federal governments of the U.S., Canada and Mexico. All 50 states are members. The Association has been a key organization in promoting sound resource management and strengthening federal, state, and private cooperation in protecting and managing fish and wildlife and their habitats in the public interest.

Mr. Chairman, I know that you are well aware of the longstanding commitment and priority of the Association to securing the necessary funds so that the State fish and wildlife agencies can address the needs of all fish and wildlife species in their states, including conservation education and wildlife associated recreation needs. As you know, the states have principal and broad authorities for the conservation of fish and resident wildlife within their borders, even on most public lands. Congress has given the federal executive branch agencies (USFWS and NMFS) certain statutory conservation obligations and responsibilities for migratory birds, anadromous fish and listed threatened and endangered species, but this responsibility remains concurrent with State jurisdiction. However, states are the front-line managers of fish and wildlife within their borders.

You are also well aware of the long history and strong commitment of support for funding state fish and wildlife programs by the sportsmen and women of this country through their purchase of hunting and fishing licenses, and contributions from excise taxes they pay on sporting arms and ammunition, fishing tackle and other equipment, import duties on fishing tackle and pleasure boats, and gasoline excise taxes on outboard motor and small engine fuels. These funds are apportioned to the States under permanent appropriation in the form of matching grants under the Pittman-Robertson Act of 1937 and the Dingell-Johnson/Wallop-Breaux Act of 1950 and 1984, respectively. These license and excise tax funds are the principal source of funds for State fish and wildlife programs. Our successes under this legislation are well known from restoration of white-tailed deer and pronghorn antelope to wild turkey and wood duck and striped bass. While there have been corollary benefits to species other than those that are hunted and fished, from the conservation of habitat, etc, there simply have not been either sufficient or dedicated funds for the State fish and wildlife agencies to adequately address the conservation needs of so-called "nongame" species, which constitute approximately 90% (over 2000 species) of the vertebrate species in the United States. S. 25 will position the State fish and wildlife agencies to duplicate the tried and true success of the Pittman-Robertson and Wallop-Breaux programs with species such as the cerulean warbler, bluebirds, loggerhead shrike, American goldfinch, bog turtle, and species of frogs and salamanders that are declining.

Responding to early warning signs of decline in these nongame species by addressing life needs and habitat requirements through cooperative non-regulatory programs with private landowners will not only conserve the species but also help avoid the social and economic disruption associated with listing species as threatened or endangered. Most threatened and endangered species come from this universe of so-called nongame species, which makes sense if you think about it, because we have not had adequate funds to address these nongame species needs, whereas we have had funds for game and sportfish species conservation. The more we know about declining species' the quicker we can respond with a broad array of incentive-based, non-regulatory programs that gives us maximum flexibility in working with the landowners to allow them to meet both their land management objectives and fish and wildlife conservation objectives. This preventative conservation approach just makes both good biological and economic sense.

Seven years ago when the Association made a commitment to secure funding for comprehensive wildlife programs in the states, we began to enlist a support coalition that has now grown to over 3000 conservation, business and other organizations. Our "Teaming With Wildlife" initiative, as we called this endeavor, built up tremendous grassroots support around a funding mechanism patterned after Pittman-Robertson and Wallop-Breaux that would extend the existing excise taxes on sporting arms, ammunition and fishing equipment to other outdoor recreational gear at a very modest level. However, this user-fee approach did not gain the bipartisan political support in Congress needed for success. There was broad bipartisan recognition of the need for these funds and the merits of the proposed state based wildlife conservation, conservation education and wildlife-associated recreation programs, but not for the funding mechanism. S. 25 has married these needs with those of coastal habitat and living resource conservation, and a recommitment of Congress to funding the Land and Water Conservation Fund and Urban Parks and Recreation Recovery Act, all from a portion of revenues from gas and oil leases and royalties from the Outer Continental Shelf. We particularly appreciate that S. 25 addresses funding to all of these needs at the state level.

Mr. Chairman, let me emphasize to you that the original "Teaming With Wildlife" initiative, and its new manifestation in Title III of S. 25, is grounded in working cooperatively with private landowners, communities, and citizens to provide them with the information and assistance they need to improve their quality of life while meeting their land management objectives and satisfying the conservation of fish and wildlife. We have found that most landowners are interested in and willing to do good things for wildlife if they have the appropriate information and a little bit of technical assistance. You may be surprised, but when private forest landowners are asked why they want a forest management plan for their property, the most frequent response is to enhance the wildlife on their property!

Title III of S. 25 is not predicated on a lot of land acquisition for wildlife—as you know, it is neither appropriate nor can we afford to purchase the land that is necessary to conserve the fish and wildlife resources of this Nation. We can and must continue non-regulatory, incentive-based cooperative efforts with our private landowners and communities to provide them with accurate information on fish and wildlife needs and technical assistance and initiatives to facilitate landowners and communities working with our agencies to meet those needs. Further, through working with our schools and in other educational venues, we can help grow a strong stewardship ethic in the children of the next generation to ensure the conservation of these fish and wildlife resources. Finally, by providing to communities and landowners the information and assistance they need, we will help them enhance their capabilities to provide wildlife-based tourism opportunities, thus boosting the local economy by taking advantage of robust fish and wildlife populations.

Before I comment specifically on S. 25 and S. 446, let me summarize for you the needs in the States for wildlife conservation, conservation education and wildlife associated recreation.

- More than 90% of the funds that states have for wildlife comes directly from anglers and hunters which means that less than 10% of state fish and wildlife agency funding is for the conservation of 86% of our nation's wildlife species. State agencies have barely enough funding from established game species funding sources to support vital sportfish and game conservation programs. While wildlife budgets for all 50 states add up to approximately $1 billion annually, nongame funded programs, lacking a similar dedicated funding source, have many unsatisfied needs. Thirty-two states operate nongame conservation, recreation, and education programs on less than 5% of their fish and wildlife budgets. S. 25 will provide the states with the funds to achieve preventative conservation through collecting good information (from fish and wildlife surveys and inventories), implementing appropriate management and habitat conservation endeavors, and retaining the State fish and wildlife agencies ability to work with greater flexibility with private landowners in a non-regulatory, incentive based manner.
- Dwindling fish and wildlife species and habitat directly affect some of the fastest growing forms of outdoor recreation. Wildlife viewing is the number one outdoor activity in the United States and has become a billion-dollar industry. Hiking participation has risen 93% and camping 73% in the past 12 years. Wildlife-based tourism is escalating at a higher rate than any other segment of tourism worldwide.

  Impressive participation statistics translate into billions of dollars of economic activity each year:

—Wildlife watchers spent $29 billion in state and local economies during 1996, a 39% increase over 1991 spending, according to the latest U.S. Fish and Wildlife Service survey.

—Watchable wildlife recreation supports $22.7 billion in salary and wages and more than one million jobs.

- A documented upswelling of interest in conservation education programs is both good news and represents a challenge as state fish and wildlife agencies are hard-pressed to keep up with the public demand for technical assistance for private landowners, developers and local governments, informational materials on wildlife, landscaping for wildlife, and requests on where to view wildlife. Innovative wildlife education programs enjoy positive responses, but often lack sufficient funding. Funds under the Conservation and Reinvestment Act will enable all 50 states to support increased wildlife related recreation and conservation education participation. Local communities will benefit from increased tourism. Tourists will extend their stay an extra day or two if they discover more wildlife watching opportunities during their visit. Finally, a caring citizenry is essential to the success of all wildlife conservation efforts and maintaining the natural systems that support us.

The Association estimates $1 billion or more in additional funding needs annually for all 50 states for these programs. However, even a half billion dollars will have a significant positive benefit for 2,000 nongame species, as well as benefit many other species as well. Game and nongame species share the same habitat and both usually benefit from conservation efforts such as restoring wetlands, stream rehabilitation or habitat restoration.

Funding state conservation, recreation and education efforts together makes economic and social sense. To sustain the growth in wildlife-based tourism and outdoor recreation requires an investment in our nation's wildlife and land and water base. Particularly, opportunities close to urban and rural communities for fishing, hiking, wildlife viewing and outdoor recreation programs are becoming increasingly important for families and communities. Enhanced conservation education efforts will facilitate better-informed citizens and assure a high quality of life for people and wildlife.

S. 25 will provide the appropriate funds to the States to satisfy these very vital needs.

Mr. Chairman, here are the reasons the Association strongly supports S. 25 and believes it will help meet quality of life goals for millions of Americans while contributing to enhanced fish and wildlife conservation, conservation education and wildlife related recreation programs.

- S. 25 re-commits the United States to a policy of dedicating revenues from the use of non-renewable resources into securing the status of living renewable resources, conserving land and water resources, and providing recreational opportunities for our cities and local communities, through a permanent, indefinite appropriation to fund state-based programs. We will continue to work closely with bill sponsors to fine-tune the language in S. 25 which addresses the question of whether any of these revenues could be a potential incentive to states to encourage more drilling. We appreciate that the sponsors' goal is to ensure that there is no incentive in the bill and that with regards to drilling in OCS waters, the bill is "drilling neutral".
- S. 25 builds on the support the states have relied on for decades from our Nation's hunters and anglers to finance state fish and wildlife programs by broadening this funding support to a permanent, indefinite appropriation from a general revenue source, the leases and royalties on Outer Continental Shelf gas and oil extraction. We support the use of the very successful Pittman-Robertson Act as the means of apportioning the funds to the States under a separate subaccount, to be used for the purposes of enhanced comprehensive fish and wildlife conservation, conservation education, and wildlife associated recreation programs. This is a proven, efficient system.
- S. 25 will permit the States to avoid the economic and social disruption from listing species as endangered by taking preventative conservation measures early on to address life needs and habitat requirements of declining fish and wildlife species before they reach a level where listing is necessary to protect them.
- S. 25 focuses decisions on spending priorities at the local (not Washington) level, where states and communities are in the best position to know what those needs and priorities are. We must facilitate local identification of issues and problem solving, not top-down prescriptive solutions.

- S. 25 allows States to work with private landowners in a non-regulatory, incentive-based manner to achieve their land management objectives consistent with good conservation for fish and wildlife species.
- S. 25 allows and positions local communities to take best advantage of robust fish and wildlife populations through nature-based tourism opportunities (bird watching tours, hiking tours to natural vistas, etc.) thus providing local economic support to those communities.
- S. 25 builds on our citizens' strong sense of stewardship about their land by making them a part of the problem solving and implementation of solutions.
- Through ensuring the conservation of good habitat for fish and wildlife, the programs funded by S. 25 will ensure the quality of life for our citizens and future generations, since we all rely on the same life support systems.
- S. 25, in addition to wildlife programs, will provide funds for coastal restoration and enhancement programs, wetlands restoration, coastal zone management efforts, and environmental remediation from the impacts of on-shore landing of OCS gas and oil, through the proper location, placement and mitigation of pipelines, roads, and other infrastructures needs.
- S. 25 restores certainty to the stateside aspect of the Land and Water Conservation Fund program so that conservation and recreation projects of highest state and local priority are satisfied.

Mr. Chairman, the Association respectfully requests that you make two changes in Title III of S. 25. First, we sincerely urge you to increase from 7% to 10% the dedication of OCS funds to Title III programs. Critical needs exist in the States for enhanced fish and wildlife conservation, conservation education, and wildlife associated recreation. I am submitting for the record a report done by the Association which substantiates those needs, and most importantly, demonstrates, using case studies, what the States are prepared to accomplish with the availability of funds under CARA. I would again highlight for you, Mr. Chairman, that the State fish and wildlife agencies proposed programs are rooted in cooperative partnerships with private landowners, communities, counties and businesses to facilitate their engagement and participation in meeting fish and wildlife conservation objectives. Our agencies' experiences have been that as long as landowners and communities are involved early enough in the process, and afforded appropriate respect and professional courtesy, many land management and fish and wildlife conservation objectives can be mutually satisfied. As you know, community health, quality of life, and fish and wildlife health all go hand-in-hand, since we all share the same habitat and depend on the same land, air and water for our sustenance. We believe the dedication to ensuring the conservation of fish and wildlife resources and their habitats at the state and local level will help ensure the quality of life for our communities. Open space not only provides for fish and wildlife habitat, but for people to enjoy, appreciate and learn about fish and wildlife and their needs.

Our second request for a language change involves the minimum apportionment level a state could receive. In order to appropriately fund programs where the needs are the greatest, we respectfully request that the minimum funding level for a state be raised from ½ of 1% to 1%. This will greatly benefit Hawaii and several of our smaller mid-Atlantic and northeastern states where pressures on wildlife and habitat are great and demands for recreation and education programs are high. The apportionment to the other States will be reduced only very minimally, but the benefit will be great to the fish and wildlife resources and citizens in the smaller states. We urge your favorable consideration of that change also.

Let me now comment on S. 446, the Resources 2000 Act. The Association is encouraged that S. 446 has a title that contains provisions for funding to the states for State-based enhanced wildlife conservation. We are also encouraged that S. 446 seeks to use certain OCS revenues under a permanent, indefinite appropriation.

However, we do have several serious concerns about some specific provisions of S. 446. First, the OCS source funds in S. 446 are limited to only royalties and revenues from wells in Western and central Gulf of Mexico OCS waters that are producing as of January 1, 1999. We understand that this is the bill sponsors' way of ensuring that this bill is in no way a potential incentive to encourage further OCS drilling, and even though further (after January 1, 1999) OCS exploration and drilling will continue both within and outside of these areas, none of the revenues will go to fund the programs under this bill, rather, they will be deposited in the federal treasury. The consequence of the S. 446 language would be very self-limiting and guarantee substantial reductions over time in the amount of money available to fund conservation efforts. We believe that the price and supply of oil and natural gas (and not the potential for grants to the states) is the driving determinant of new exploration and drilling, which is corroborated in the recent Congressional Research Service report on OCS Oil and Gas Leasing and Revenue (IB10005, January 1999).

Our second concern is that the native fish and wildlife conservation and restoration title in S. 446 amends the 1980 Fish and Wildlife Conservation (federal nongame) Act, instead of Pittman-Robertson. The amendments to the 1980 Act replace the existing "nongame fish and wildlife" language everywhere with "native fish and wildlife", and add an additional purpose to preserve biological diversity by maintaining an assemblage of native fish and wildlife species. The definition of native fish and wildlife could be a significant problem because it includes only species that currently or historically occur in an ecosystem, and are not there as a result of introduction. It also gives the Secretary of the Interior final decision authority as to what is a native species. It is virtually impossible to substantiate the origin of many of our indigenous fish species and this definition could exclude spending money which would be beneficial to salmon restoration, for example. Further, many fish species firmly established in our Potomac River drainage, such as the smallmouth and largemouth bass, channel catfish, rock bass, and several species of sunfish, were introduced many years ago from other parts of the country. No one really knows the origins of other species. Also, the restoration of the Eastern peregrine falcon was from a captive-bred source of hybrid North American-European-African peregrine falcons, which under this definition in S. 446, would not be eligible for funding conservation activities therefor. It is not at all clear whether a project which would benefit native species plus other species of uncertain origin would be eligible for funding. We doubt that "native" is a workable legal definition because there are hundreds of species whose status as native is uncertain and it is virtually impossible in many cases to carry out a project which would not benefit some non-native species.

Our third concern with this title of S. 446 is that, while the elaborate and rather prescriptive planning requirements in the 1980 Act may have been appropriate in 1980, most states have already recognized the need to look comprehensively at the resource base, habitat availability, land use activities, and user demand in their state, and have prepared a strategic plan for the fish and wildlife resources in their state, after due and appropriate public review and participation. We believe that the states do not need to be legislatively directed to do more planning, but are ready and prepared now to spend money on the ground to address conservation needs. Some have responded to these concerns of ours by suggesting that if the states already have a plan, it should facilitate quick approval. Our concern is that with a fairly elaborate planning process requirement, if any entity disagrees with the Secretary's approval of the state plan, there are enough legal hooks to hang litigation on, which could cause significant delays in getting funds to the State for immediate on-the-ground conservation activities.

Our fourth concern with this title of S. 446 is the availability of funds, which start at $100 million and are ramped up to $350M over six years. We know that our needs are much greater than even $350M, and conclude that $100M is simply not adequate to address those needs. The limitation on revenue from wells producing on January 1, 1999 will reduce funding by about 30% by 2004 which means that all Titles would be reduced and less than $200 million would be available for wildlife. Funding commensurate with the States' significant needs should be available from the startup, as we have outlined earlier in this statement.

Our final concern with this title in S. 446 is that the 1980 Fish and Wildlife Conservation Act does not authorize funding for either conservation education or wildlife associated recreation. We have earlier stressed the needs in these two arenas also, and are disappointed that no funds are made available for those purposes in S. 446.

Finally, Mr. Chairman, let me briefly comment on the Administration's Land Legacy Initiative. We appreciate President Clinton's commitment to work with Congress to bring these programs under permanent, indefinite appropriation. At this point, we have seen very little information on the specifics of the proposal, other than a summary of programs and dollars. The Administration's proposal appears to be grounded largely in land acquisition. However, the Administration's initiative does not address the large and growing fish and wildlife conservation needs of our states and communities today. A key part of the puzzle missing from the Administration's proposal is Title III of S. 25, providing permanent and dedicated funding for state-based enhanced wildlife conservation, conservation education, and wildlife associated recreation programs to work cooperatively with private landowners, communities and citizens through non-regulatory, incentive based programs to enhance stewardship of their land, improve the quality of life for our citizens, meet fish and wildlife conservation needs, and provide an economic boost to our rural communities. Without those provisions, the Administration's proposal is a glass half full and will not be successful in restoring America's wildlife.

Mr. Chairman, let me conclude my remarks by reiterating our strong support for S. 25. This could be the most comprehensive piece of conservation legislation in our lifetime. Thank you for the opportunity to appear before you today and I would be pleased to respond to any questions.

The CHAIRMAN. Thank you, Mr. Waller.

Mr. Mark Van Putten.

Senator CRAIG. Mr. Chairman, before Mark begins, I have got to leave and I apologize to all of you. But I do want to associate myself with the remarks Mr. Waller and Mr. Marlenee have made as it relates to the ability of States both in game and non-game species to manage and the need for some of these dollars. Obviously, title III is an important title to this.

My objections to this bill are spotted based on where we see the money and how we involve our States and of course the private property factor that Mr. Marlenee mentioned. But there is no question that when it comes to managing our wildlife and the value of that none of us stand in the way of that argument.

Thank you. Thank you, Mr. Chairman.

Senator THOMAS. Mr. Chairman, I too must leave, but I want to say a similar thing. I think there are great opportunities in this bill to do some things. We all have our little problems with that land acquisition aspect, but from helping national parks to helping non-game to helping States do the things, I think there are great opportunities here. I just want you to know that we want to work on that.

Thank you all for being here.

Senator LANDRIEU. Thank you.

The CHAIRMAN. Thank you, Senator Thomas.

Please proceed, Mr. Van Putten.

STATEMENT OF MARK VAN PUTTEN, PRESIDENT AND CEO, NATIONAL WILDLIFE FEDERATION, VIENNA, VA

Mr. VAN PUTTEN. Thank you, Mr. Chairman.

The CHAIRMAN. We are limiting everybody to 5 minutes. So I want to make sure that everybody knows. Go ahead.

Mr. VAN PUTTEN. Thank you. I appreciate the opportunity to testify before you this morning on behalf of the National Wildlife Federation, America's largest conservation advocacy and education organization. I especially appreciate the opportunity, Mr. Chairman, that you and Senator Landrieu and Senator Graham and other sponsors of the bills that are pending before the committee today and that are the subject of this hearing.

This is a historic opportunity to enact permanent and meaningful conservation funding that will benefit wildlife, wild places, and generations of Americans. The National Wildlife Federation has made it our top priority to work with you to achieve these goals.

As we have already heard this morning, however, there are some pitfalls that need to be navigated. Among them are the need to assure that any bill does not create incentives for increased oil and gas drilling or include unreasonable restrictions on the Federal Land and Water Conservation Fund. I have submitted written testimony for the record, Mr. Chairman, and I would like to have that admitted, if you will——

The CHAIRMAN. Without objection.

Mr. VAN PUTTEN [continuing]. And address my oral remarks this morning on title III and on S. 446 as they pertain to the wildlife funding.

Enacting dedicated wildlife conservation funding legislation has long been a high priority for the National Wildlife Federation. We have been part of the Teaming With Wildlife Coalition you have heard about already this morning since its inception. We greatly appreciate the opportunity by the sponsors of the two bills, S. 25 and S. 446, that address substantial and reliable funding for State fish and wildlife agencies to be dedicated to wildlife conservation and education programs.

The broad constituency that supports the need for increased non-game wildlife funding will look to you to assure that funds for wildlife conservation are included in the bills that become law.

I want to speak briefly to four aspects of the wildlife conservation elements of these two bills: the need to assure that in the final legislation there is permanent funding for wildlife conservation; second, that it is prioritized for those species that have the greatest conservation need; third, that there is a planning mechanism; and fourth, to assure adequate public participation in the State programs that will ensue.

First, permanent funding. As you have already heard from Director Waller, there is a stellar record of restoring game species in America with leadership by State agencies. That record includes wild turkey, elk, and striped bass that have been restored to their native habitat. One of the major reasons for these successes is the permanent and reliable funding stream created in the Pittman-Robertson bill.

But these funds are not adequate, as Director Waller has already spoken to, for these agencies to meet the extensive conservation needs they currently face. Establishing a new and permanent funding stream will allow these State agencies to be proactive in the management of all wildlife species and we join Director Waller in urging this committee to amend the Senate bill to match the House bill and to provide the 10 percent funding.

Secondly, prioritization of these funds for the needs of historically underfunded programs, especially for non-game species. Roughly 90 percent of species, those that are not hunted or fished for or Federally listed as threatened or endangered, receive unreliable financial support. Annual funding for all State programs for these so-called non-game species amounts to less than $100 million a year, in contrast to the more than $1 billion a year currently spent on State game programs.

It makes sense to prioritize this new funding stream to prevent the decline of these species before they reach a crisis point and more dramatic intervention, such as endangered species protection, is necessary, and we would urge this committee to amend these titles to prioritize the funds for non-game programs.

Third, planning. In order to address the needs that we heard about for the diverse array of species, we need to have a scientifically based State-wide planning process. There are a number of models that are in existence for this type of process already, including the process in the Pittman-Robertson Act. We are not advocating a prescriptive planning process, but one that includes general

guidelines, and I have outlined those in greater detail in my written testimony.

Finally, public participation. As we have learned from history and as Director Waller has alluded to, there is a broad-based constituency in America for protecting and restoring our wildlife resources. That constituency needs to be enlisted with its expertise and its commitment to adequate public participation in the planning processes for using these new funding streams for wildlife.

Mr. Chairman, the bills before this committee have the potential to make a historic contribution to the cause of wildlife conservation. We commend you for your leadership in this effort and we are committed to work with you to assure that the various proposals are merged in a way that brings out the best qualities of each, avoids the pitfalls I have mentioned, and allows a final piece of legislation to have the broad base of support necessary for passage.

Thank you very much.

[The prepared statement of Mr. Van Putten follows:]

PREPARED STATEMENT OF MARK VAN PUTTEN, PRESIDENT AND CEO, NATIONAL WILDLIFE FEDERATION, VIENNA, VA

Mr. Chairman, members of the committee, thank you for this opportunity to testify before you. My name is Mark Van Putten; I am here on behalf of the National Wildlife Federation, the Nation's largest conservation advocacy and education organization.

I want to congratulate the sponsors of S. 25, the Conservation and Reinvestment Act of 1999 (CARA), S. 446, the Permanent Protection for America's Resources 2000 Act (Resources 2000), S. 532, the Public Land and Recreation Investment Act of 1999 (Public Lands Investment), and S. 819, the National Park Preservation Act (Park Preservation) for their tremendous leadership in introducing the bills that are now pending before this Committee. Each presents an historic opportunity to enact permanent and meaningful conservation funding that would benefit wildlife, wild places, and generations of Americans to come. Your bills, and the support they have received, suggest that at long last the Nation is ready to produce a solution to its pressing conservation funding needs.

If we are successful in passing a permanent conservation funding bill, it would be a conservation milestone comparable to the passage of landmark laws like the Clean Air and Clean Water Acts, and the original Land and Water Conservation Fund. There are considerable hurdles, budgetary and otherwise, yet to be overcome. Like you, however, we recognize that there is a rare window of opportunity to pass significant legislation.

The National Wildlife Federation (NWF) has made it our top priority to have the final legislation be consistent with our five principles. It should:

- assure permanent, dedicated funds that do not require annual Congressional appropriation;
- assure these programs do not reduce or divert funds that are currently available for other conservation purposes;
- include funding for state fish and wildlife agencies that would support conservation, recreation, and education programs for a diverse array of fish and wildlife species, with an emphasis given to nongame species;
- guarantee funding for the Land and Water Conservation Fund at the authorized $900 million level and divide those funds equally between federal and state programs without unreasonably restricting the use of those funds; and
- provide funds for coastal conservation efforts in a manner that does not create an incentive for coastal states and their local governments to support inappropriate new offshore oil and gas development, and include strong guidelines to ensure that the funds are used for the restoration and enhancement of coastal natural resources.

This testimony focuses primarily on S. 25 and S. 446 because they are more ambitious in their attempts to address broad conservation needs. While we are supportive of the provisions in S. 532 and S. 819, these bills are narrowly focused on the Land and Water Conservation Fund (LWCF) and national parks, respectively. The opportunity to obtain substantial, permanent funding for conservation is not likely to happen again in the near future. We encourage all of the bill sponsors to think

broadly about the nation's conservation needs and provide a level of funding that is commensurate with the value of the natural resources that are at stake.

Although this testimony details the differences among the various bills, it is important to recognize that they are not so far apart that reconciliation is unthinkable. CARA and Resources 2000, in particular, share a surprising amount of common ground. Both of these bills direct that receipts from non-renewable oil and gas drilling off of the Outer Continental Shelf (OCS) be used for the protection and renewal of our vulnerable coasts, public lands, and wildlife resources. Moreover, both bills acknowledge the serious conservation needs that now exist and respond by providing a dramatic and permanent increase in conservation funding resources (more than $2 billion annually). We strongly encourage the Members of this Committee to work together to ensure that there is the necessary bipartisan support to make permanent conservation funding a reality.

FUNDING AT ANY COST?

The opportunities presented by these conservation funds are enticing. It is vital, however, that a new conservation funding law does not inadvertently create negative environmental impacts. One of the big hurdles remaining for these bills is the fact that CARA contains language that directly links a state's funding allocation to the amount and proximity of oil and gas drilling occurring off its shores. The significant restrictions that CARA places on the use of federal LWCF dollars is another area of serious concern. We look forward to working with the Committee to ensure that these issues are addressed before the bill proceeds through mark-up.

The following testimony provides a comparison of the primary features of S. 25 and S. 446, evaluates them in light of NWF's five principles, and offers suggested changes to the bills.

FUNDING STATE FISH AND WILDLIFE CONSERVATION

State fish and wildlife agencies are responsible for the management and protection of the majority of fish and wildlife species that inhabit their borders. Their efforts in the conservation of fish and wildlife species have yielded remarkable results including the restoration of wild turkey, elk, black bear, and striped bass populations to their native habitats. Often funds are not adequate for agencies to meet their extensive conservation needs, and frequently, difficult programmatic decisions must be made based on limited budgets. Substantial new funding would provide a much-needed shot in the arm to state fish and wildlife agencies for improvements in on-the-ground management of wildlife species.

Traditionally, much of the funding for wildlife management has come from the support of sportsmen and women through excise taxes on hunting and fishing equipment and through the sale of sporting licenses. Given that hunters and anglers pour millions of dollars annually into state wildlife programs, it is not surprising that the vast majority of those funds have historically been used for the management of hunted and fished (or "game") species.

Yet roughly 90% of species, those that are neither hunted or fished nor federally listed as threatened or endangered (often referred to as "nongame" species), receive significantly less reliable financial support. Annual funding for all state nongame programs amounts to less than $100 million compared to more than $1 billion spent for state game programs. It makes sense to set aside funding to prevent the decline of wildlife species before they reach a crisis point when recovery is often more costly.

There is widespread agreement about the need to increase funding for wildlife conservation, however, there are important questions about where the money should come from and a long history of failed attempts to get dollars for these programs. In 1980, Congress passed the Fish and Wildlife Conservation Act, which was designed to protect the nation's nongame wildlife resources. The law was intended to augment state wildlife programs aimed at nongame species. Unfortunately, Congress never appropriated funds for this program—so the law was rendered meaningless.

The National Wildlife Federation, along with other organizations, developed the Teaming with Wildlife Initiative to address the unfulfilled promise of the Fish and Wildlife Conservation Act. The Teaming with Wildlife concept sought to garner funds for wildlife from a user fee on outdoor recreation equipment. The Teaming with Wildlife Initiative faced its own set of political obstacles that have kept the user fee concept out of the legislative arena. The idea of funding nongame wildlife programs, however, is still very much alive. A broad constituency for wildlife funding now exists and strongly supports the inclusion of a nongame wildlife component in any permanent conservation funding bill.

State Fish and Wildlife Funding—S. 25 (CARA) and S. 446 (Resources 2000)

S. 25 would automatically direct 7% of the annual OCS revenues to states to allow for the development and implementation of programs for wildlife conservation, conservation education, and wildlife associated recreation. To accomplish this, the bill creates a new subaccount under the existing Federal Aid in Wildlife Restoration Act (the Pittman-Robertson Act) for directing these funds to the states. Based on predicted FY 2000 OCS revenues, this title would provide approximately $321 million annually to the states. States would receive their allocation based on the state's population and land area relative to other states.

This bill would fund management efforts necessary to sustain healthy populations of wildlife (e.g. gathering scientific data, monitoring species, direct management of habitat, captive breeding, relocation, etc.). Additionally, it would support recreation-associated efforts such as construction of wildlife viewing structures and trail maintenance. In several places, the bill language indicates that it is intended to benefit a "diverse array of wildlife and associated habitats, including species that are not hunted or fished." The bill does not, however, give explicit priority to nongame species.

Resources 2000 also provides funding to state fish and wildlife agencies for wildlife conservation, however, it uses a different approach. While CARA relies on the Pittman-Robertson Act to convey OCS revenues to states, Resources 2000 makes use of the "Fish and Wildlife Conservation Act of 1980." This Act, which was passed nearly two decades ago, recognized the lack of reliable funding for comprehensive nongame wildlife management. Unfortunately, no funds have ever been requested by the Executive branch, nor has Congress ever appropriated funds to this law. Resources 2000 amends this Act and redirects it to "preserve biological diversity by maintaining natural assemblages of native fish and wildlife." Over the next 5 years, the bill gradually increases funding for this program to $350 million annually. Like CARA, a state would receive its allocation under Resources 2000 based on population and land area relative to other states.

Suggested changes to the wildlife title

We strongly urge you to maintain a wildlife funding component as these bills move forward. Both funding mechanisms offered under the existing bills—Pittman-Robertson and the Fish and Wildlife Conservation Act of 1980—have positive features. Whatever mechanism is ultimately used to distribute wildlife funding to states, we recommend that it incorporate the following four components—what we have termed "four P's for wildlife": permanent funding for wildlife conservation; prioritization for those species that have the greatest conservation need; a strategic planning mechanism; and public participation in the development and implementation of state wildlife conservation programs.

Permanent and Substantial Funding—Like the other conservation programs covered by these bills, state wildlife protection programs will be able to dramatically improve their conservation work if they have a reliable, substantial source of funding. It is essential that this funding be provided on a permanent basis. Among other things, this will provide states with some certainty about future funding levels, which in turn, will allow them to begin developing the type of ambitious, long-term conservation projects that are needed to save declining wildlife species.

The needs of wildlife species are great and existing funds are limited. To ensure that wildlife funding needs are fully addressed, we encourage the bill sponsors to raise the level of wildlife funding to 10% of OCS revenues (approximately $459 million) to match the levels provided for under H.R. 701, the House version of CARA. Wildlife conservation funding needs are not only extensive, they are immediate. Resources 2000 would not reach its full funding level of $350 million per year for five years. By delaying the flow of substantial funds for wildlife conservation, states will be unable to make effective, pro-active program developments for several years. We recommend that any wildlife provision be designed to provide the full level of wildlife funding from the outset.

Prioritization for Nongame—Given the longstanding emphasis that state fish and wildlife agencies have placed on game species, the legislation should be written in a way that clearly directs states to prioritize the use of these funds for species that are neither hunted or fished, nor listed as endangered or threatened under the federal Endangered Species Act. Bill language that requires the states to place an increased emphasis on nongame species would help to rectify the historic imbalance that has left these programs underfunded.

Planning—In order for state fish and wildlife agencies to effectively address the conservation needs of a diverse array of species, they need to develop scientifically-based, statewide conservation plans. Conservation planning will help state agencies determine the wildlife species and habitats that have the greatest conservation

needs, identify the threats they face, and outline the conservation and management strategies necessary to protect them. By making use of the best available scientific information and addressing areas where there are information gaps, a state conservation plan will establish the framework for pro-active, efficient, and effective conservation of fish and wildlife species.

The following elements could be used as guidelines for development of state plans:

- A broad-based assessment, by the relevant agencies, of the state's animal and plant species. This should be done at a more general level in order to create an overview of the status of plants and animals in the state, with more detailed analyses done for select species (e.g. indicator species, endangered species, keystone species).
- Identification of essential habitat necessary to protect key species and ensure adequate representation of all native ecosystem types, and identification of key threats to species and essential habitat.
- Prioritization of management, research, and land acquisition needs.
- A monitoring and assessment program that provides feedback to state wildlife managers for use in adapting their management plans as new information becomes available.
- A meaningful public participation program that not only seeks out public input, but also identifies opportunities for increasing the public's awareness, interest, and participation in state wildlife protection efforts.

We recognize the potential dangers of placing burdensome planning requirements on the states and inadvertently wasting funds that could have been better spent on actual conservation activities. We also recognize, however, that lack of planning could result in the funds being spent on uncoordinated, unrelated individual projects that do not maximize the benefits to wildlife. To balance these two concerns, we recommend that a planning process be incorporated into the bill, but that it not attempt to be too prescriptive. Instead, the planning requirements should provide general guidelines about what should be in a plan, but leave room for each state to adapt the planning process to suit its individual needs. Furthermore, states that already have adequate statewide conservation plans should not be required to do further planning.

The states should not be prevented from receiving funds for critical wildlife and habitat conservation needs while they are in the process of developing a broad-based conservation plan. To assist states in the development of these plans, states should receive a greater proportion of federal matching funds for planning efforts. In addition, federal agencies should coordinate and provide technical assistance to states where appropriate. Finally, the planning and implementation process should incorporate the type of federal oversight and accountability currently in place under Pittman-Robertson.

Public Participation—Within the context of developing broad-based conservation plans, it is critical that wildlife conservation programs take into account the knowledge, skills and interests of the public during its strategic planning. The final legislation should include language that would provide for public meetings or citizen advisory committees to help guide the programs that states develop with these federal funds. By incorporating public involvement at meaningful times throughout the planning and implementation process, state fish and wildlife agencies will be able to generate more publicsupport and understanding of their management decisions and their conservation efforts.

THE LAND AND WATER CONSERVATION FUND

There is also a long history of unfulfilled funding for land and habitat acquisition. The Land and Water Conservation Fund (LWCF) was created by Congress in 1965 to preserve wildlife habitat and wildlands, as well as to protect our outdoor recreational resources for future generations. Like the pending bills, LWCF is based on the idea that revenue paid into the Federal Treasury for the right to exploit offshore oil and gas reserves—(i.e. royalties from private companies that drill for oil and gas on the Outer Continental Shelf)—should be used for conservation purposes. Revenue for LWCF comes primarily from Outer Continental Shelf (OCS) receipts, with some additional portion coming from the sale of surplus government property.

LWCF is authorized to receive $900 million annually, however, it has rarely come even close to receiving this amount from Congress. LWCF funds are subject to annual approval by Congress and each year LWCF funding gets caught up in the political process. In general, LWCF funding has plummeted since 1979. And for the last four years, the state-side of LWCF received no funding—leaving state and local governments without sufficient resources to meet community demands for accessible local recreational opportunities. Instead, these OCS receipts have been funneled

back into the general treasury. It is estimated that approximately $11 billion of OCS funds meant for LWCF have been diverted for other uses and there is now a huge backlog of projects that are awaiting funding.

Although LWCF has always received less funding than was authorized, it has contributed greatly to our nation's land-based resources. In every state, LWCF dollars have been used to create local parks, provide much-needed outdoor recreation facilities, and protect dwindling open space areas. Playgrounds, swimming pools, and scenic trails around the country are attributable to LWCF. CARA, Resources 2000, and Public Lands Investment go a long way towards fulfilling the original promise of the 1965 Land and Water Conservation Act.

Land and Water Conservation Fund—S. 25 (CARA), S. 446 (Resources 2000), and S. 532 (Public Lands Investment)

CARA provides 14.4% of annual OCS revenues (approximately $660 million) to be permanently and automatically directed to the Land and Water Conservation Fund, split evenly between the federal and state sides of LWCF. Additionally, it provides 1.6% of OCS revenue (approximately $73 million) for the Urban Parks and Recreation Recovery Act of 1978 (UPARR). It funds UPARR and LWCF out of the same pot of money and caps the combined total at $900 million; this leaves both funds below their fully authorized levels.

CARA places a number of serious restrictions on how these LWCF funds may be used including: no expenditures can be made for purchases that exceed $5 million unless they have been specifically authorized by a subsequently enacted law; 2/3 of the funds must be spent on lands east of the 1001 meridian; land acquisitions must be within the exterior boundaries of existing federally managed areas (e.g. the National Forest or Park systems) or a land management unit established by an Act of Congress; and funds can not be used for condemnation purposes.

Resources 2000 does not significantly amend LWCF. It provides permanent and automatic appropriations, at the fully authorized level, to both the state and federal components of LWCF (i.e. $450 million each). Although Resources 2000 does fund the Urban Parks and Recreation Recovery Program (at $100 million), it keeps it entirely separate from. LWCF. The bill's LWCF title is free of the types of problematic and unnecessary restrictions found in CARA.

S. 532 (Public Lands Investment) is focused exclusively on funding LWCF and UPARR using OCS revenues. It provides $810 for LWCF ($360 million for states and $450 million for federal acquisitions) and $90 million for UPARR. As noted earlier, we believe that the focus on LWCF and UPARR unnecessarily narrows the scope of the bill. Like Resources 2000, however, it is free of the restrictions on federal usage of LWCF dollars that are in CARA.

Suggested changes to the LWCF title

We strongly recommend that the LWCF/UPARR provisions be designed to ensure that each of these programs reach their full level of authorized funding ($450 million each for state/federal LWCF and $100 million for UPARR). We support the Urban Parks program and the worthwhile urban recreation areas it creates; however, it should be kept separate and distinct from LWCF funding.

Most importantly, we urge the Committee to eliminate the restrictions on federal LWCF spending that are now found in CARA. In its current form, CARA would effectively cripple what is now an underfunded, but functional federal LWCF program. One of the most damaging restrictions in CARA is the requirement that federal purchases over $5 million be authorized by subsequently enacted law. This means that the majority of LWCF projects will be forced to get approval through Congress and will again be subject to the political battles that currently hinder the application of LWCF. This restriction should either be lifted entirely or the cap set at a much higher level. If this last change is not made, the benefits of permanent and automatic LWCF funding may be lost. Instead, opportunities for land acquisition will be lost while waiting for Congressional approval.

In addition, we urge that the other restrictions to the federal LWCF program also be removed from this bill. The requirement that 2/3 of the funds be spent in the East is an arbitrary and illogical restriction, particularly in light of the accompanying requirement that the federal lands be acquired only in areas within the external boundaries of existing federal lands (there are far fewer tracts of federal land in the East). This latter provision would restrict the use of LWCF federal funds to only those areas that are within existing federal areas (inholdings) and could have devastating implications for the use of LWCF.

COASTAL CONSERVATION

It is hard to overstate the environmental degradation caused by OCS drilling—impacts that result from the initial exploration and development of the platforms; from the production, transportation, and refining of oil and gas; and ultimately, from our own consumption of OCS petroleum. Unfortunately, the lion's share of these impacts are borne by America's coastal zones and fragile marine ecosystems, which rank among our most biologically rich and economically significant natural systems. In general, coastal states that have oil and gas drilling off their shores suffer from the most chronic and direct impacts of this industry. The recent oil spill from a grounded tanker in Coos Bay, Oregon, however, clearly illustrates the hazards that oil and gas related activities pose to all of the nation's important marine and coastal resources. Fragile coastal ecosystems around the country face threats from development and other types of human disturbances. Our coasts are now home to over half of the nation's population, which places incredible pressures on these ecosystems. As our population continues to expand, it will become more difficult to maintain intact, functioning coastal ecosystems. If we do not protect these coastal resources, we will lose economically valuable fisheries, irreplaceable outdoor recreational opportunities, and unique assemblages of species. Our nation's marine resources face similar pressures. Increased pollution, climate change, overharvesting of fisheries, and other factors are threatening the survival of many marine species—including endangered marine mammals like the blue whale and Hawaiian monk seal, and commercially valuable fish species like red snapper and bluefin tuna. These are resources we cannot afford to lose. As a result, the use of coastal impact assistance dollars to support coastal and marine conservation work in areas with, and without, offshore drilling is both appropriate and necessary.

Coastal Conservation—S. 25 (CARA) and S. 446 (Resources 2000)

CARA provides 27% of annual OCS revenues (approximately $1.24 billion) to 35 coastal states (including the Great Lakes states) for use in the following areas: air and water quality; fish, wildlife, wetlands, and coastal restoration; and in states with offshore drilling, for onshore infrastructure and public service needs. This enormous pot of money is divided among the states using a formula based 50% on the state's proximity to OCS drilling, 25% on its population, and 25% on its shoreline miles.

Like CARA, Resources 2000 contains a funding program that addresses coastal conservation. Resources 2000, however, places more of an emphasis on ocean species and marine ecosystems than CARA. Resources 2000 has no provision that serves as a "coastal impact assistance" fund to mitigate the impact of OCS drilling. Instead, Resources 2000 provides $300 million (phased in over a five year process) that is divided with 2/3 going to 35 coastal states for ocean fish and wildlife conservation and 1/3 going to the Commerce Department to support competitive grants for living marine resource conservation.

Notably, funding for this program is completely de-linked from OCS production levels and the proximity of drilling sites to a particular state. Instead, states receive their allocations using a formula that is based 2/3 on population and 1/3 on shoreline miles. Moreover, the revenue source for all of the titles in Resources 2000 is limited to OCS revenues from currently producing leases in the central and western Gulf of Mexico (as of January 1, 1999).

Suggested changes to the coastal/marine title

The devastating impacts that offshore oil and gas drilling can have on our coastal and marine ecosystems are substantial. Thus, it is-appropriate that at least some portion of the revenue derived from OCS drilling be used to mitigate its impacts. "Coastal impact assistance" funds, however, should not be used to subsidize environmentally harmful infrastructure projects. These funds should be directed to projects that ameliorate the environmental impacts of OCS oil and gas development. Rather than supporting unwise development, the bill should require a demonstration that each impact assistance project will benefit the natural environment and will be consistent with the Clean Water Act, the Coastal Zone Management Act, and other federal environmental laws. Further, the majority of these funds ought to be used for direct coastal and marine conservation purposes. Priority should be given to uses of the funds that directly offset the impact of OCS drilling, protect and enhance fish and wildlife habitat, and support the repurchase of OCS leases.

Any coastal/marine title must be designed in a way that does not create financial and political incentives for coastal states to accept increased offshore oil and gas development. Under CARA, the allocation of OCS leasing revenues to coastal states and their local governments is based on a formula that rewards increased production. To eliminate these incentives, the allocation of funds to coastal states should

be based on their population and shoreline miles. Alternatively, allocation of state shares of coastal impact assistance should be set at the time the bill is passed (i.e. fixed at the rate of current production levels) or based on an average production level over the last 20 years.

ENDANGERED SPECIES PROTECTION

The National Wildlife Federation considers nongame wildlife programs to be the area of greatest conservation need. If OCS revenues—beyond the 10% we have recommended for nongame protection—are made available for wildlife, they should be directed towards the protection of threatened and endangered species. A long history of inadequate funding for the federal Endangered Species Act has made it extremely difficult to recover threatened and endangered species. To address this need, the National Wildlife Federation has called for a dedicated funding source that could provide reliable dollars for endangered species habitat protection. The use of Outer Continental Shelf revenues for private landowner incentives programs—programs that get landowners more engaged in endangered species protection efforts—would be a particularly sensible and beneficial application of these dollars. Many threatened and endangered species depend heavily on private lands for their habitat, yet the Endangered Species Act has been relatively ineffective at improving conditions for species on these lands. Moreover, current implementation of the Act has left many private landowners antagonistic toward endangered species. Positive outreach efforts could help minimize their hostility toward the Act.

Endangered Species—S. 446 (Resources 2000)

If it can be done without jeopardizing funding for state wildlife programs, the Committee should include a title for endangered species funding. Resources 2000 creates a dedicated source of funding ($100 million annually) to create an incentives program for private landowners who are contributing to the recovery of endangered and threatened species (as well as the habitat upon which they depend). The U.S. Fish and Wildlife Service and National Marine Fisheries Service (the two agencies responsible for implementing the Endangered Species Act) would use the funds to provide grants to landowners who enter into "recovery agreements" that contribute to the recovery of the species in ways that go beyond the existing obligations under the law. These recovery agreements must have clear goals and be periodically reviewed to evaluate whether the goals are being met. Priority would be given to small landowners and farmers.

Increased outreach to landowners is desperately needed to ensure the continued survival of many endangered species that are found primarily on private lands. These proposed "recovery agreements" would provide beneficial incentives to encourage landowners, who might otherwise be uninterested, to contribute to the recovery of species.

CONCLUSION

The conservation needs for state fish and wildlife management, as well as for coastal and land conservation programs are tremendous. And the threats to these resources loom larger the longer it takes us to act. These bills have the potential to make a lasting, historic contribution to the conservation cause.

We look forward to working with the sponsors of these bills to ensure that the proposals are merged in a way that brings out the best in all of them and allows the final piece of legislation to have the broad base of support necessary to ensure passage into law.

The CHAIRMAN. Thank you very much, Mr. Van Putten.

Our next witness will be Lieutenant Colonel Dennis Foster. Please proceed.

STATEMENT OF DENNIS J. FOSTER, EXECUTIVE DIRECTOR, MASTERS OF FOXHOUNDS ASSOCIATION

Mr. FOSTER. Thank you, Mr. Chairman. Mr. Chairman, my name is Dennis Foster and I serve as the executive director of the Masters of Foxhounds.

The Masters of Foxhounds often works closely with the Wildlife Legislative Fund of America on conservation and wildlife restoration issues, and I am testifying today on behalf of both organiza-

tions. I thank you for the opportunity to speak to you about S. 25, the Conservation and Reinvestment Act, CARA.

The Masters of Foxhounds Association of America is the governing body of organized fox, coyote and drag hunting in the United States and Canada. The Masters of Foxhounds is an international corporation, Canada and the United States, which works to promote the sport of fox hunting, to preserve open spaces and wildlife habitat for all country sports, and to educate the public in an attempt to assure fair and accurate representation for sportsmen involved in fox hunting. It also monitors and guides fox hunts to assure that sportsmen adhere to fair sporting practice and promote good public relations.

The Wildlife Legislative Fund of America is a coalition of national sporting and conservation organizations and includes hundreds of State and local hunting, fishing, and trapping clubs representing over 1.5 million American hunters and anglers.

The Masters of Foxhounds and the WLLA both strongly support CARA and we are pleased to see it introduced into the 106th Congress. We support the legislation's attempts to allocate a portion of receipts from outer continental shelf revenues to aid important conservation and recreational programs such as the Land and Water Conservation Fund and the Federal Aid in Wildlife Restoration Fund, also known as Pittman-Robertson.

We believe that CARA represents a responsible reinvestment of revenue from non-renewable resources into invaluable renewable resources, such as conservation and recreation. Specifically, I would like to talk to you—take some time today to discuss the provisions of title III of the legislation that are of particular interest to our groups.

Title III of CARA addresses funding for wildlife restoration through the Pittman-Robertson account managed by the U.S. Fish and Wildlife Service. We encourage your efforts in this legislation to bolster and extend this highly successful program that provides aid to wildlife management and helps support a wide array of habitat conservation efforts.

Since 1939 Pittman-Robertson has collected and disbursed over more than $3 billion for wildlife conservation and recreational projects across America. The funds are derived from an 11 percent excise tax on sporting arms and ammunition, a 10 percent tax on pistols and revolvers, and an 11 percent tax on archery equipment sold specifically for bow hunting. These taxes are well worth the benefits provided to important wildlife conservation.

We recognize and applaud the significant role Pittman-Robertson funds have played in protecting all wildlife, game and non-game species alike. However, we suggest that it would not be appropriate for a fund sustained by hunters to be used specifically for non-game wildlife. Therefore we are very pleased that CARA does not earmark these new funds expressly or exclusively for non-game programs.

The framework that CARA outlines for the use of the funds will allow State fish and wildlife professionals the flexibility to spend the money on wildlife as each individual State determines, while authorizing conservation education efforts as well. Providing flexi-

bility to the States has been a feature of the Pittman-Robertson program and CARA continues that tradition.

We strongly support this approach and would oppose amendments to dictate to the State agencies how to spend or earmark these additional moneys.

We know that some groups have taken issue with the land acquisition provisions of title II and we would like to suggest a fix to address both their concerns as well as some of ours. CARA would allocate a percentage of revenues earned from OCS development to revitalize the Land and Water Conservation Fund matching grant and Urban Parks and Recreational Recovery Programs by providing matching grants for the acquisition and development of conservation and recreational resources.

To alleviate the concerns of those uncomfortable with this land acquisition provision, we suggest that the title II allocation be reduced by at least 3 percent and that these funds be reallocated to title III. This would align the Senate measure with the House legislation, which provides 10 percent of the Federal OCS revenues in title III, and the Pittman-Robertson account.

Further, we would like to address issues relating to the match required for States to receive Pittman-Robertson funds.

Senator LANDRIEU [presiding]. Mr. Foster, can you try to quickly wrap up?

Mr. FOSTER. Sure.

Senator LANDRIEU. Thank you.

Mr. FOSTER. Presently States must provide a 25 percent match to a 75 percent Federal contribution. To come up with the non-Federal match, States charge license fees to hunters. While we fully support increased Pittman-Robertson funding, we are concerned that the increased Federal dollars coming in will put pressure on States to increase their license fees to provide for their match.

To avoid this problem, the bill provides a transition period during which the Federal share may be 90 percent. It may be appropriate to extend this transition period to avoid putting upward pressures on license fees. This would ensure wildlife restoration funding without placing further burdens on States and through them on the hunters who provide for the fund through excise taxes in the first place.

Thank you for allowing me to testify.

Senator LANDRIEU. Thank you very much.

Senator Graham has joined us from Florida and may have a statement or two. But I wanted to switch the order if I could because he is in a little time frame and, Tom, have your testimony presented and acknowledge, recognize the Senator for a moment, and then, Mark, if you do not mind, we will get right to you. Senator, do you want to say a word?

STATEMENT OF HON. BOB GRAHAM, U.S. SENATOR FROM FLORIDA

Senator GRAHAM. Thank you, Madam Chairperson. I have an opening statement which I will file for the record, and I am going to have to leave at noon and I would like to request to be able to submit questions for written response if I am not able to reach them during my period in the hearing.

[The prepared statement of Senator Graham follows:]

PREPARED STATEMENT OF HON. BOB GRAHAM, U.S. SENATOR FROM FLORIDA

Mr. Chairman, members of the Committee, thank you for this opportunity to review a topic of great importance to this committee, the state of Florida, and the United States: preservation of our nation's precious natural treasures, particularly our National Parks.

In particular, I am pleased that we will be hearing today from Mr. Tom Kiernan, President of the National Parks and Conservation Association. Mr. Kiernan will be speaking about legislation that Senators Reid, Mack, and I introduced two weeks ago—S. 819, the National Park Preservation Act.

Our bill would annually utilize $500 million in Outer Continental Shelf revenue to safeguard threatened or impaired ecosystems, protect critical habitats, and maintain other core resources within the National Park system. It would earmark $150 million/year for Everglades preservation. I am proud that the National Parks and Conservation Association, National Wildlife Federation, National Audubon Society, the Natural Resources Defense Council and other organizations have expressed support for our legislation.

I look forward to hearing our witnesses' views on this legislation, which is critically important to the future or our National Park System.

Thank you, Mr. Chairman.

Senator LANDRIEU. Yes, okay.

Tom.

STATEMENT OF THOMAS C. KIERNAN, PRESIDENT, NATIONAL PARKS AND CONSERVATION ASSOCIATION

Mr. KIERNAN. Thank you, Senator and members of the subcommittee. My name is Tom Kiernan and I am the president of the National Parks and Conservation Association. NPCA is America's only group focused solely on protecting and enhancing America's national park system and we have nearly 400,000 members throughout the country.

I appreciate the opportunity to testify today strongly in favor of S. 819, which is the National Parks Preservation Act. Our national parks were created to permanently protect the natural and cultural treasures of this country, while at the same time making them available for Americans to see them, enjoy them, and be educated by them. The creation of even one national park creates a daunting commitment, a commitment to find the financial and the personnel and the intellectual resources to protect that park in perpetuity.

Based on the polling that we have done, Americans understand that challenge and support that challenge. Unfortunately, the threats to our parks, both the threats inside the parks and those outside the parks, are growing drastically, and it is for those reasons that we strongly support S. 819.

We also support it because of the way that S. 819 seeks to address the threats, in particular from outside the parks. Let me explain our support for S. 819 by referring to a report that we released 2 weeks ago. It is called "NPCA's Ten Most Endangered National Parks." In this report we lay out many of the threats to the parks, a surprising number of which come from outside our park boundaries. They include air pollution, water pollution, incompatible adjacent development, and noise pollution.

Until now, the Park Service has not had the tools to work cooperatively with these sources of pollution outside of the parks, to work with those communities in ways to address those problems.

S. 819 gives the Park Service the ability to work cooperatively and effectively in partnership with surrounding communities.

Parks that can be helped by S. 819 include the Great Smokies, which over the last many years has had serious air pollution problems negatively impacting the visitor experience and at the same time the plants and animals in the parks. You used to when you went to the Smokies be able to see on average 100 miles. Now you go and on average you can see 25 miles.

As far as the plants and animals, there are approximately 30 species that have proven negative impacts from the air pollution in the park and another 60 that we believe are impacted. I will mention, one of the 30 is George Washington's favorite, the cherry tree. This past summer was, in addition, the worst record for air pollution in recorded history down at the Smokies.

Another park that would be helped by S. 819 is Everglades, which is one of our most severely endangered parks because of the reduction of water into the park and the pollution in that water entering the park. S. 819 would provide $150 million annually over 15 years for the first of its kind restoration effort that we think is at the top of the needs of the National Park System.

A report that we released a couple weeks ago also points to many of the threats inside our parks. Those include invasive species, rot and mildew in our collections, and traffic congestion inside our parks. An example of one of these parks is, unfortunately, Yellowstone, the world's first national park and the model for national parks and national park systems throughout the world.

In Yellowstone we have got invasive species. One example is the lake trout in Yellowstone Lake that is decimating the native cutthroat trout in that lake, that is wreaking havoc to the ecosystem surrounding Yellowstone Lake as the river otter and the grizzly bear depend on the cutthroat, and I also mention the cutthroat are a glorious species to fish for and having the lake trout is ruining the fishing in Yellowstone Lake.

If you have got problems like this in Yellowstone and Everglades, just imagine what is happening in the other 376 units of the National Park System.

We also support S. 819 because of the way it goes about protecting our parks. It has got means by which grants can come out to local and State communities to help them solve the problems and the threats that are addressing the parks. For example, traffic congestion in a park could be helped by a grant or surrounding community to design a mass transit system that would help the community and the park as well.

In conclusion, NPCA believes that $500 million identified in S. 819 must be additive to full funding of the Land and Water Conservation Fund.

For the chairman, although my testimony today focused on S. 819, I also want to recognize your work, Senator, Senator Boxer and Feinstein's work, for trying to fully fund LWCF. We appreciate that and look forward to working with you and everyone on the committee to address both S. 819, but also the needs for the Land and Water Conservation Fund.

Thank you.

[The prepared statement of Mr. Kiernan follows:]

PREPARED STATEMENT OF THOMAS C. KIERNAN, PRESIDENT, NATIONAL PARKS AND CONSERVATION ASSOCIATION

Mr. Chairman, and members of the Subcommittee, my name is Tom Kiernan and I am President of the National Parks and Conservation Association (NPCA). NPCA is America's only private non-profit organization dedicated solely to protecting, preserving and enhancing the U.S. National Park System. I appreciate the opportunity to testify today in favor of S. 819, the "National Park Preservation Act."

INTRODUCTION

Our national parks were created to permanently protect nationally significant resources—natural, cultural and historic—so they would be available for the education, enrichment, and enjoyment of future generations of Americans. The creation of even one national park represents a daunting commitment. It entails (or should entail) a promise to provide the financial, intellectual, and personnel resources needed to protect an area, sometimes millions of acres, from harm forever, while at the same time making it possible for people to access and enjoy the area. This is quite a challenge, but one that most people can recognize and accept.

More difficult to accept is what it means to create an entire National Park System such as we have in the United States. This requires a different kind of commitment, one that I think we in the United States have not fully acknowledged. When we speak of our magnificent National Park System, we should recognize that what happens outside the parks is just as important as what happens inside. If we are serious about preserving these places, we should be prepared to defend them from all threats, internal and external, even if it inconveniences us or requires economic sacrifices.

In the United States, I do not believe that we have made the national commitment that is needed to keep the National Park System healthy and vibrant through the 21st century and beyond. However, S. 819 is an important first step toward that goal because of its explicit recognition that many serious threats to our parks originate outside their boundaries, and because of its creation of a mechanism to deal with those threats.

OUTSIDE THREATS TO PARKS

Two weeks ago, NPCA released a list of 10 endangered national parks. The report noted that much of what jeopardizes our national parks originates outside their boundaries. Air pollution. Water pollution. The introduction of exotic species. Incompatible development. Loss of biodiversity. Noise pollution. Until now, the National Park Service has had few tools to address these problems at their source. But with S. 819, the NPS can open up a whole new toolbox. NPCA believes much more can and should be done to protect national parks from outside threats. Nevertheless, S. 819 is an excellent start.

Under S. 819, the National Park Service would have a dedicated, annual revenue source of $500 million to help parks "that have ecosystems, critical habitat, cultural resources, or other core park resources that are threatened or impaired." Some $350 million would be available to fund projects directed at outside threats to the parks. These funds could be used to do great good for the National Park System. Traffic congestion in parks might be reduced by partnering with local gateway communities to provide public transportation into parks. Or the NPS could help a nearby community purchase modern streetlights that would reduce light pollution spilling over into a park.

Similarly, NPCA hopes S. 819 would allow the National Park Service to purchase easements outside the park. Such easements could preserve scenic viewsheds. They could benefit biodiversity in the National Park System by creating secure corridors for wildlife migration. This easement authority also might be used to create protected riparian corridors to preserve park water quality.

This portion of S. 819 represents a significant change in how we think about our national parks and what is required to truly protect them.

THREATS INSIDE NATIONAL PARKS

Thirty percent of the funds available under S. 819 ($150 million) would go toward eliminating threats to park resources that originate inside the park boundaries. Sadly, there is no shortage of examples:

- Chaco Culture National Historic Park—historic Anasazi buildings are disappearing because of inadequate maintenance.

- Gettysburg National Military Park—part of the building around the famous Cyclorama painting recently collapsed and Gettysburg's collection of Civil War treasures is rotting away.
- Grand Canyon National Park—on some days, more than 6,000 cars at the South Rim compete for 2,000 parking spaces. Part of the solution is a mass transit system to reduce the number of cars.
- Haleakala National Park—invasive species of plants, animals or diseases originally unknown to the area have seriously disrupted this very fragile ecosystem. It is worth noting that what is now a major problem inside the park, began when the Argentine ant, feral pigs and goats, avian malaria, and others were brought to Maui from outside.
- Mojave National Preserve—there are thousands of acres that are still privately owned inside the park. These lands could become pockets of development that could ruin the remote desert setting the preserve was created to protect.

And last, but certainly not least, Yellowstone National Park. Yellowstone is our oldest national park. It is the model for the national parks and for America's conservation ethic, yet we have neglected it to the point where its crumbling sewage system dumped thousands of gallons of sewage and wastewater last year into Yellowstone Lake and near Old Faithful. It's disgraceful.

If this is happening at Yellowstone, just imagine what neglect and lack of funding is doing to our 377 other park areas. The scope of what is being left undone in our National Park System is astonishing. There is a desperate need for the funds that would be made available by S. 819.

EVERGLADES RESTORATION

Everglades National Park has become one of our most severely endangered parks precisely because of the intentional distortion of the ecosystem outside the park. Now, after 50 years of destruction, a federal and state partnership is about to begin a multi billion dollar effort to repair some of the damage and restore the ecological health of the Everglades. S. 819 would provide $150 million annually for 15 years for this first-of-a-kind restoration effort. Under current cost estimates, the federal share of this effort would be approximately $250 million annually. NPCA believes that S. 819 is a reasonable mechanism for delivering a large percentage of those funds.

USE OF OCS REVENUES

S. 819, like the other bills under consideration today, would tap into leasing fees generated by offshore oil and gas drilling. These revenues also are used to finance the Land and Water Conservation Fund. By using OCS revenues for these conservation purposes, we can benefit from the depletion of one natural resource while preserving another. I believe that it would be difficult to find a more elegant symmetry in the history of American politics.

I would like to stress that NPCA believes strongly in the need to create a full and permanent LWCF funding mechanism. Eighty percent of everything ever built in America has been built since 1950—and the past two decades have seen tremendous growth in our country. Much of this growth has been economically beneficial, but it has all too often been accompanied by environmentally damaging losses of open space and wildlife habitat. Equally damaging are the losses of local outdoor recreation opportunities and the ability to protect the integrity of our national and state parks and refuges. Current trends in national demographics, increases in natural and cultural tourism, and expanding commercial and residential development in communities adjacent to our public lands clearly demonstrate the critical need for a comprehensive, sustainable program to support the conservation of open space and habitat at the national, state and local levels.

NPCA believes that the $500 million identified in S. 819 must be additive to full funding for the Land and Water Conservation Fund at $450 million per year for each of the federal and state portions of the LWCF program. With up to $2-4 billion available annually from offshore drilling, we believe we can do both.

Mr. Chairman, although my testimony today focuses on S. 819, I would be remiss if I did not commend you and Senators Landrieu, Boxer, Feinstein and others for your interest in revitalizing the LWCF. Many contentious issues remain to be resolved—for example, NPCA objects to incentives for additional offshore drilling and to arbitrary restrictions on where LWCF funds can be spent. Nevertheless, we believe it is extremely encouraging that so many members of the Senate have taken an interest in this issue. We look forward to working with these members to pass a bill that benefits all parties.

CONCLUSION

Mr. Chairman, we cannot effectively protect our national parks if our concern for their well being stops at the park gate. NPCA thanks Senators Graham, Reid and Mack for their introduction of S. 819 and we are grateful for your willingness to consider this legislation as part of larger efforts to protect America's natural resources. We applaud all Members who are working to develop national legislation that can provide a sustainable, critically needed funding base for local, state and national conservation. NPCA believes that such legislation would provide a great and lasting legacy for our nation.

Thank you. I would be happy to answer any questions.

Senator LANDRIEU. Thank you for your testimony.

Senator, did you have any questions now or do you want to finish the witnesses?

Senator GRAHAM. Why do we not hear from all the witnesses and then I will ask questions.

Senator LANDRIEU. Great.

Mr. Shaffer.

STATEMENT OF MARK L. SHAFFER, VICE PRESIDENT FOR PROGRAMS, DEFENDERS OF WILDLIFE

Mr. SHAFFER. Thank you, Senator Landrieu.

I would like to thank Chairman Murkowski for the opportunity to be here today and address the committee. My name is Mark Shaffer. I am vice president for Programs for Defenders of Wildlife. Defenders is a national nonprofit organization with over 300,000 members and supporters and we are advocates for the conservation of our native wild animals and plants in their natural habitats.

We would like to thank Mr. Murkowski, you Senator Landrieu, you Senator Graham, and Senators Boxer and Feinstein for your leadership in working to secure dedicated funding to conserve our Nation's natural resources. We hope that the following comments will prove useful to you as these bills work their way through the committee legislative process.

Defenders' highest priority for this Congress is passage of legislation that will provide dedicated funding to aid in the comprehensive conservation of our Nation's wildlife legacy. Of the various bills under consideration at these hearings, we believe S. 446, the Resources 2000 Act, would accomplish this goal more effectively. This is our view for three reasons.

First, S. 446 would assure that moneys directed to State fish and game agencies to bolster wildlife management at the State level, a purpose which we strongly support, would be for all wild plant and animal species, and it would require that each State undertake a thoughtful and thorough assessment of all their wildlife species, the habitat needs of those species, the threats to those species and their habitats, and the management actions necessary to address those threats.

It is, after all, habitat that is the key to conservation success. 85 percent of the more than 1,000 native species listed as threatened or endangered are in that condition at least in part because of habitat loss or alteration. Without habitat protections, game and non-game species alike can become threatened or endangered in short order.

We believe such comprehensive conservation planning focused on habitat needs is absolutely essential to assure the effective and effi-

cient conservation of our wildlife heritage. At least two States, Florida and Oregon, have undertaken such habitat-focused planning exercises. I have brought copies of each plan and I would like to offer them for the record and for your consideration.

Each of these efforts has its own unique features, but each serves as a prototype for the sort of comprehensive conservation planning that will be necessary to maintain our Nation's wildlife legacy. Properly done, such plans could be the blueprints for conservation success and could provide a common framework for effective coordination of conservation programs at the Federal, State, and local levels.

The second reason we favor S. 446 is that, like S. 25, it provides dedicated funding for the LWCF, but it does so without providing either new incentives to expand offshore drilling or placing undue restrictions on the Federal part of LWCF. The restrictions currently contained in S. 25 that we find problematic are the need for authorizing legislation on any acquisitions of greater than a million dollars, requiring that two-thirds of yearly funding be spent east of the hundredth meridian, and the prohibition on the acquisition of properties outside of current boundaries of existing Federal land management units.

We have noted in our written testimony, which by the way I would like to have entered into the record, some examples of the problems that these restrictions could create for addressing real conservation needs.

The third reason we favor S. 446 is that it includes significant dedicated funding for incentives to private landowners to help them be better stewards for threatened and endangered species. Private lands will play a critical role in our Nation's efforts to conserve its wildlife legacy. After all, over 40 percent of listed species are not even known to occur on Federal lands.

We know that many private landowners are good stewards of their land and want to do the right things to help maintain our Nation's wildlife heritage. We also know that some stewardship activities have a real cost. In those instances where landowners need assistance with positive actions on behalf of listed species, we believe it is appropriate for the government to provide that assistance.

By providing $100 million per year for endangered species recovery actions on private lands, S. 446 would enable the Fish and Wildlife Service and the National Marine Fisheries Service to support private initiatives that would serve the public good. We believe such an approach to endangered species management is long overdue.

Again, thank you, Mr. Chairman and members of the committee, for your leadership in working for dedicated funding for the conservation of our natural resources and for providing this forum to hear our views.

[The prepared statement of Mr. Shaffer follows:]

PREPARED STATEMENT OF MARK L. SHAFFER, VICE PRESIDENT FOR PROGRAMS, DEFENDERS OF WILDLIFE

Defenders of Wildlife presents the following testimony on the Resources 2000 Act (S. 446), the Conservation and Reinvestment Act of 1999 (S. 25), the Public Land and Recreation Investment Act of 1999 (S. 532), the National Park Preservation Act of 1999 (S. 819), and the Lands Legacy Initiative. Defenders is a nonprofit conserva-

tion organization with more than 300,000 members and supporters that advocates the conservation of all native wild animals and plants in their natural communities. Although we have concerns about certain provisions in some of the proposals under consideration, we are extremely grateful to all the cosponsors of the above legislation and to the Clinton Administration for their leadership and commitment in securing dedicated funding to conserve our nation's natural resources. We would like to thank Chairman Murkowski and Senator Bingaman for these hearings and hope that the following testimony will assist you and your staff as these proposals work their way through the committee legislative process.

Defenders' highest legislative priority this Congress is to see the passage of legislation that will provide dedicated funding to aid in the conservation of our nation's imperiled biodiversity, and believes that Outer Continental Shelf revenues are an appropriate source of such funding. As provided in greater detail below, Defenders believes that of all the proposals under consideration during these hearings, the Resources 2000 Act combines the most comprehensive and effective menu of programs at a substantial level of funding to accomplish this goal. Defenders, therefore, strongly supports and endorses the Resources 2000 Act.

Defenders also cannot support any legislation that would provide incentives for offshore oil and gas drilling nor allow coastal impact aid funding to be used for environmentally damaging activities. It is our view that S. 25 would do so and other proposals would not. On that basis alone we cannot support S. 25 in its current form.

The Resources 2000 Act would fund a menu of programs that we believe collectively will make a significant contribution to the conservation of our nation's biodiversity. For example, the Lands Restoration fund will support needed restoration on federal and tribal lands; while the Farmland and Open Space Preservation Grants will help state, local, and tribal governments assist private landowners in protecting farmland, forestland, and ranchland from unwanted development through permanent conservation easements. The President's Lands Legacy Initiative also contains many of these same elements. We would like to focus our testimony, however, on those three areas dealing with funding for the development and implementation of comprehensive state-wildlife conservation plans, full and dedicated funding for the Land and Water Conservation Fund, and dedicated funding for the recovery of endangered and threatened species.

1. Planning and implementation assistance to the States for the development and implementation of wildlife and habitat conservation plans

S. 446 and S. 25 both propose to provide a portion of Outer Continental Shelf revenues to fund state wildlife conservation programs—a goal that we strongly support. The Administration's Statement of Principles on Lands Legacy Legislation also supports funding to states to conserve habitat for at risk and non game species. S. 25 would accomplish this goal by augmenting state fish and game agency funding through the existing Federal Aid in Wildlife Restoration Act (a.k.a. Pittman-Robertson). Defenders supports the approach taken in S. 446 which would utilize the Fish and Wildlife Conservation Act of 1980 (FWCA) as the funding vehicle.

In 1980, Congressman Forsythe and Senator Chafee co-sponsored landmark legislation designed to provide much-needed financial assistance to state fish and game agencies to begin to better address, in a comprehensive and proactive way, the conservation needs of the whole array of species that make up our wildlife heritage. The FWCA recognized the many significant values of wildlife species, the majority of which are neither hunted, trapped or otherwise caught. It also recognized that the traditional sources of funding for wildlife management, such as those available through Pittman-Robertson, were so closely tied to game species, that "nongame species" were not receiving adequate conservation attention, and as one result, many were becoming listed as threatened and endangered. This far-sighted legislation sought to do two things. The first was to establish a reliable source of funding for nongame management to complement the very successful game management programs of the state fish and wildlife agencies. The second was to ask the state fish and game agencies to develop and implement conservation plans and programs for nongame fish and wildlife. Although enacted into law, the FWCA was effectively never funded by Congress.

S. 446 would rightfully remedy that situation. Moreover, it would update and further refine the goals of the FWCA. Since 1980, science and society have come to recognize the fundamental value of biodiversity—the full array of species and the natural communities and ecosystems they form across the landscape. We have also come to recognize that the leading threat to the maintenance of our biodiversity is the continued loss of habitat. And, without proper habitat protections, game and nongame alike can become threatened or endangered species in short order. Today,

we should be more concerned with defining and meeting the habitat needs of all our wildlife species, rather than focusing on such transient distinctions as game or nongame.

S. 446 would both fund the FWCA and amend it in recognition of this evolution in our understanding of the conservation problem. It replaces the term "nongame" with "native fish and wildlife species" to better express our true goal for comprehensive conservation. In the same spirit it expands the definition of wildlife to include invertebrates, wild plants, and endangered and threatened species; all essential components of our biodiversity heritage. And, it maintains the requirement of the FWCA for the development and implementation of state-based wildlife and habitat conservation plans.

A STRATEGIC APPROACH TO STATE WILDLIFE CONSERVATION

The FWCA's emphasis on sound, broad-based planning is particularly important. Even with the significant funding levels proposed in both S. 446 and S. 25, it will be necessary to strategically prioritize and target how the money is spent to most efficiently and effectively conserve biodiversity. The FWCA was prescient in understanding the need for a comprehensive, state-wide assessment of our wildlife species, their habitat needs, the threats to these species and their habitats, and the management actions necessary to address those threats. It was intended as an intensive look at what it would take to conserve all species. Equally important, the FWCA recognized the need for meaningful participation and expressly provided for it in the development, implementation and revision of state plans. Twenty years later, with an evergrowing list of threatened and endangered species—now more than 1000 native species, eighty-five percent of which are at risk due to habitat loss—the need for such broad-based planning efforts has never been greater.

What are the key elements of such state-based conservation plans?

1. They are broad-based, both biologically and institutionally. They cover all animal and plant species, but they can do so through a coarse filter (community-based)/fine filter (rare, threatened, or endangered species occurrences) approach. They also are done in coordination with other relevant state and federal land and resource management agencies.

2. They identify the key habitat areas that must be maintained in current land-uses to provide adequate habitat for all natural community types (the coarse filter) and all *focal* species (e.g., threatened, endangered, or otherwise of management concern (whether game or nongame)).

3. They identify the key threats to focal species and essential habitats, and identify and prioritize management options and research needs for addressing those threats.

4. They use the best available data and information, such as state Gap Analysis and Natural Heritage databases and, if necessary, identify additional survey needs where data gaps exist.

5. They establish a practical and informative program of monitoring and assessment of essential habitat and focal species status that can assist the agency in taking an adaptive management approach to conservation. Such programs should be geared to evolving the state's habitat conservation system plan on a periodic basis to address changing conditions.

6. As any good government planning exercise must, they provide for meaningful public participation in the development, implementation and periodic revision of the plan.

7. They provide opportunities to educate and inform the public on the importance of conserving wild species and their habitats.

At least two states—Florida and Oregon—have taken the initiative to attempt such statewide conservation plans. In Florida, the effort was led by the Game and Freshwater Fish Commission, demonstrating what the state agencies could do with adequate funding of the FWCA. In Oregon, I am proud to say that the effort was led by Defenders of Wildlife and The Nature Conservancy, but with active participation and support from relevant state and federal agencies, and the private sector. Copies of each plan have been provided to this committee. Each effort has its own unique features but each serves as a prototype for the type of state-wide conservation planning that will be necessary to maintain our nation's biodiversity. This is the kind of far-sighted, proactive, problem-solving approach to conservation that was envisioned in the FWCA and that, with passage of S. 446 can become a reality in all states.

We believe such planning exercises are absolutely essential to the effective and efficient conservation of our wildlife heritage, be it game, nongame, or endangered species. Properly done, such plans could be the blueprints for biodiversity conserva-

tion success, and could provide a common framework for effective coordination for existing or new conservation programs at the federal, state, and local levels.

2. Full and permanent funding for LWCF

One of the major tools we have available to us to provide the habitat essential to maintain our biodiversity heritage is the LWCF. Full and dedicated funding for the LWCF has been a top priority for Defenders of Wildlife and the rest of the environmental community for many years. The importance of LWCF is clearly recognized across the array of proposals under consideration: S. 25, S. 446, S. 532, and the President's Lands Legacy Initiative all provide dedicated funding for LWCF.

We support the funding levels provided for both federal and stateside LWCF in S. 446. This level of funding is needed both to address the estimated $10-12 billion in current acquisition needs for our National Wildlife Refuges, Forests, Parks, and BLM managed special areas and to give states and local entities the resources they need to preserve dwindling vestiges of habitat and greenspace.

The ability to acquire land across a continuum of jurisdictions—federal, state, and local—is a critical tool in the increasingly difficult battle to preserve what remains of our nation's dwindling wildlife habitat and natural ecosystems. As our nation's population grows by about 2.5 million people annually, accompanying development and sprawl continue to fragment and destroy habitat. Loss of habitat is the primary cause of species endangerment and will lead to more listings under the Endangered Species Act.

A 1995 report by Defenders, "Endangered Ecosystems: A Status Report on America's Vanishing Habitat and Wildlife" found that extensive habitat destruction is reaching the point where the nation faces the loss of not just thousands of species, but hundreds of natural ecosystems as well. The report identified the 21 most endangered ecosystems which include the south Florida landscape, southern Appalachian spruce fir forest, California native grasslands, southwest riparian forests, southern California coastal sage scrub, and tallgrass prairie. The ten states with the greatest overall risk of ecosystem loss were found to be Florida, California, Hawaii, Georgia, North Carolina, Texas, South Carolina, Virginia, Alabama, and Tennessee; however all states were found to have serious problems.

Unacceptable LWCF restrictions

A secure and adequate stream of LWCF funding is absolutely necessary to help slow this loss before it accelerates further. S. 446 and S. 532 would accomplish this without imposing the types of unacceptable restrictions on federal LWCF projects contained in S. 25; restrictions that would limit needed flexibility and could result in unforeseen obstacles and unnecessary delays for high priority projects and willing seller landowners.

The first of these restrictions would require new authorization for funding of each federal acquisition in excess of $5 million. This is unnecessary and duplicative, as federal acquisition is already authorized in a number of statutes. And it would put numerous federal projects right back where they are now—unnecessarily delayed because funding is unavailable.

The second restriction, requiring that two-thirds of yearly funding be spent east of the 100th meridian imposes an arbitrary geographic limitation that could affect new opportunities similar to the recent Headwaters Forest and New World Mine projects and timely acquisitions from willing sellers of inholdings in a number of western states including Washington, Oregon, California, Montana, Wyoming, Idaho, Nevada, Utah, Colorado, New Mexico, and Arizona.

The third restriction would prevent acquisition outside the exterior boundaries of out current land management systems. We believe that this would pose a serious impediment to the creation of any new units in our federal lands systems and could result in the loss of numerous conservation opportunities. Moreover, this provision would affect the National Forest System's current authorization allowing acquisition of lands adjacent to its boundaries. The ability of the National Forest System to acquire adjacent lands can be particularly important in preventing fragmentation of habitat and establishing wildlife corridors. A prime example of an ongoing project which could be jeopardized by this language is the North Florida Wildlife Corridor or Pinhook Swamp which eventually will provide a linkage between the Okeefenokee National Wildlife Refuge in Georgia and the Osceola National Forest in Florida. This linkage would complete a large, regionally significant conservation area providing a stronghold for wide-ranging species such as the Florida black bear and the federally endangered Florida panther; these species have been pushed into areas so small that a predominant cause of mortality is motor vehicle collisions. The North Florida Wildlife Corridor is looked to nationally as an example of a successful-public-private-non-profit cooperative venture to enhance the value of protected

areas by establishing their connection as one major ecosystem and for this reason was identified as a model for future land acquisitions in the 1993 National Research Council study Setting Priorities for Land Acquisition. This purchase is also important in protecting a recharge area for the aquifer that supplies drinking water for more than 20.5 million citizens of Florida and Georgia and will be open as a recreation area for hiking, fishing, hunting, camping, and wildlife observation.

Finally, while we support funding for the Urban Parks and Recreation Recovery program (UPARR), we believe it should be provided in addition to the $900 million for LWCF as in S. 446, not taken out the total for LWCF as in S. 25 and S. 532.

3. Funding for the recovery of endangered and threatened species

Lastly, Defenders strongly supports the Endangered and Threatened Species Recovery title of S. 446 which would provide much needed and dedicated funding to assist in the recovery of those species of wildlife most in need- endangered and threatened species. Through nonregulatory incentives this money would be available to those private landowners interested in assisting with the recovery of federally listed species.

The Endangered Species Act (ESA) is the most important piece of legislation ever enacted into law to conserve endangered species and their habitats. Since 1973, the ESA has prevented the extinction of hundreds of species and has helped focus attention on the need to conserve our nation's imperiled biodiversity. We can and must, however, do better. Due in part to improper implementation and inadequate funding, few species listed under the ESA have recovered. If we are to fulfill the goal of the ESA—the conservation of endangered and threatened species and the ecosystems upon which they depend—we cannot be satisfied with merely holding species at the brink of extinction. There must be a concerted effort to implement programs and actions that promote the recovery of listed species and their habitats.

Habitat loss is recognized as the primary factor leading to the endangerment of species in the U.S. Much of that habitat is found on non-federal lands. It has been estimated that nearly half of all federally listed species occur exclusively on non-federal lands, and that over sixty percent of their populations are on non-federal lands. Clearly, if we are to recover our nation's endangered and threatened species, we must conserve and restore their habitats on non-federal lands.

The Resources 2000 Act would help accomplish this goal by providing much needed funding for the purpose of enlisting the voluntary participation of private landowners in the recovery of endangered and threatened species. Under this provision, $100 million a year of dedicated funds would be available to the U.S. Fish and Wildlife Service and National Marine Fisheries Service for the purpose of assisting private landowners in the development and implementation of endangered and threatened species recovery agreements. This provision contains two important standards to guide the types of agreements to be funded, but without being so prescriptive as to restrict innovation. First, the agreement must clearly contribute to the recovery of an endangered or threatened species. Second, financial assistance under this program would be restricted to voluntary activities that are not otherwise required under law, including mitigation performed under an ESA incidental take permit.

While not included in S. 25, we would like to offer some brief comments on Section 205 of Title II of the Conservation and Reinvestment Act of 1999 as introduced in the House of Representatives (H.R. 701). This section appears to be an effort to provide a Habitat Reserve Program for endangered and threatened species. While we support the concept of such a program, the section as currently drafted contains several flaws. First, there is absolutely no money allocated for the program. Without funding, even the best crafted and most well-intentioned legislation cannot attain its goals. The source of funding is also important. Defenders could not support such a program if it were funded from U.S. Fish and Wildlife Service and National Marine Fisheries Service operating budgets or existing programs, or from funding provided under the bill for federal LWCF. Second, there is no restriction against use of these funds for actions otherwise required under the law, including mitigation performed as a condition of an ESA incidental take permit. Utilizing taxpayer dollars to pay people to comply with the law is simply bad policy.

In conclusion, Defenders believes there is an historic opportunity in the 106th Congress to pass landmark legislation to fund the menu of programs needed to help protect our magnificent natural heritage as we move into the 21st century. We look forward to working with both Chairman Murkowski and the committee as this process moves forward. Thank you.

Senator LANDRIEU. Thank you, Mr. Shaffer.

Are there questions from the panel, Senator Akaka or Senator Graham?

Senator AKAKA. May I pass it on to him since he has to leave?

Senator LANDRIEU. Yes. Senator Graham, why don't you proceed.

Senator GRAHAM. Thank you, Senators. I appreciate your courtesy in allowing me to ask what will be a short set of questions, primarily directed at Mr. Kiernan.

In the hearing that we had on April 27 regarding the Urban Parks and Recreation Recovery Program, the committee had some discussion about the interrelationship of national parks, State parks, and urban parks. From that came a discussion of was there a means by which we could establish within functions, such as parks, wildlife protection, coastal protection, an integrated process that would recognize that each level of government had a particular role and responsibility in achieving the ultimate objective.

I wonder if you could comment about that issue of interrelationships of national, State, and local parks as a function to achieve the variety of purposes which parks serve for the people of America.

Mr. KIERNAN. Happy to, Senator. Let me just underscore that basic point. There is a system of parks. We have the National Park System. But we cannot protect our national parks without also at the same time having a set of State parks, having a set of local parks, to meet the full spectrum of needs and wishes of the American public as far as recreation, as far as wildlife protection and resource protection.

So we strongly support the full funding of UPARR, feeling that that, by taking care of our State and local parks, helps us to as well at the same time take care of national parks.

I would also add that your bill, S. 819, in the way that it helps the surrounding communities work better with the national park enables the Park Service to demonstrate its ability to work well with the surrounding communities. Senator Wallop and others have spoken to the National Park Service at times not being responsive to the surrounding community, not working well with them. This gives the ability, gives the Park Service the ability, to work with those communities and to solve these problems, both with the community, but also when it relates to a State park near by or a local park near by. The Park Service can play a role in integrating and helping all of those park systems work together.

Senator GRAHAM. As you mentioned, in S. 819 there is a specific provision that relates to the Everglades. I might be accused, unjustly of course, of parochialism relative to that issue. I will say that I have a long personal involvement with the Everglades and an investment personally in what needs to be done in order to protect them.

Let me ask two or three questions that relate to the Everglades specifically. Has there ever been a national park which, once established, had to be disestablished because it lost the natural resource values that had led to its initial establishment? Second, how close do you think the Everglades are to losing their natural values that had led in 1947 to the creation of the Everglades National Park? And what are the potential lessons that are going to be learned from the restoration of the Everglades that might be applicable to other threatened national parks?

Mr. KIERNAN. To take those in order, to my knowledge there has not been a park that has been de-designated because of the loss of the resources. I can check on the staff side and we can report if I am inaccurate with that.

As to the question whether the Everglades is close to having severe problems, the answer is absolutely. You can simply point to the wading bird population, which has dropped by 90 percent. That is, it is 10 percent of what it used to be. So the Everglades are very close to ecological collapse.

I think some of the lessons that we will learn in the restoration process: While the Everglades are one of our most endangered parks, there are many other parks that are very endangered, and the massive restoration effort one would hope would teach us some techniques, tools, tactics for restoring large natural ecosystems.

So I think we can learn a lot from it. I will quickly point out that, while we are putting, hopefully, $150 million into the Everglades each year, there are many other parks that are not in as bad shape. But we are learning that if we do not do it right the first time, if we do not take care of our parks, it is going to cost us a lot more 10 years from now to fix them. So we need to figure out how our parks are healthy now.

Senator GRAHAM. We are almost out of my time, but you have anticipated my last question, which was, if we continue the pattern of support of the parks that has been prevalent in the last 20 years for the next 20 years, what is your prophecy what our National Park System will look like in the year 2020?

Mr. KIERNAN. Right now, to use the analogy of our homes, we are not doing the daily maintenance of the National Park System as you and I maintain our homes, and we are going to have natural systems in collapse 10, 20 years from now in our national parks and we are going to have to pay a lot more, orders of magnitude more, 10 years from now, 20 years from now, if we do not take care of our parks now.

It is only wise to take care of the parks now so that we do not have to spend hundreds of times more 20, 30, 40 years from now.

Senator GRAHAM. Thank you, Mr. Chairman.

The CHAIRMAN [presiding]. Thank you very much, Senator Graham.

I might add that I am sympathetic to the concerns that you have as one of the Senators from Florida and I respect your knowledge and expertise on the Everglades, and I think it supports a contention that has been long a foundation for this committee to recognize the members' individual knowledge of their own States, and when it comes to issues within the States I think we should recognize that and I think it should reflect reciprocally, if I can coin a phrase.

I think in your case your bill provides $150 million annually, and that leads us to the difficulty of trying to determine just where the priorities are relative to our national parks, which is a tough thing to do, but nevertheless it is part of our obligation. So I wish you well on that.

Mr. Kiernan, you were going to respond to a purely local concern of mine. Go ahead.

Mr. KIERNAN. Your question being why we listed Denali as one of the ten most endangered parks?

The CHAIRMAN. Yes.

Mr. KIERNAN. For several reasons, Mr. Chairman.

The CHAIRMAN. Well, that is fair enough. I am interested in knowing those reasons.

Mr. KIERNAN. One is we are dearly, as we have shared in the past, concerned about a new road that has been proposed, a new north access road. One of the reasons Denali has such wonderful wildlife viewing is because the access into the park, the vehicle access, is restricted into that one corridor. By having that one corridor, we have an entire ecosystem that is easily able to encourage all of the wildlife populations to have a full and healthy life, so that when visitors come and see the park they are able to see the wildlife.

Each road that we add into the park further fragments it and we are going to end up with, for example, situations we have in Yosemite that we are now trying to undo, where we are trying to pull roads out and reduce traffic.

The CHAIRMAN. How many routes do you have into Yosemite, five?

Mr. KIERNAN. Off the top of my head I can think of three main roads coming into Yosemite. Right now we are spending obviously millions and millions of dollars trying to remove some of the roads and trying to reduce some of the car automobile traffic.

The CHAIRMAN. Are you aware this proposed road from the north does not hook up with the existing road?

Mr. KIERNAN. I have heard that that is one of the options.

The CHAIRMAN. That is the proposal, that they do not hook up. The difficulty you have is Denali is a 90-day park. The demand is from roughly Memorial Day to Labor Day. Have you been there?

Mr. KIERNAN. Have been there and have been on that access road, so have a good understanding of the experience, which is glorious.

The CHAIRMAN. And you know that you get up at 4:30 in the morning and you get to Wonder Lake and then you get back and you put a full day in. And if you look at what is going on outside the park on the highway, it looks like a strip mall, which is very unfortunate and I think it bears some responsibility from those agencies that advise the Park Service as to where their priorities are.

I assume you are aware that that is the number one tourist destination in our State, and people are very unhappy when they cannot be accommodated during that 90-day season because you cannot get on the bus, you cannot get a reservation. And the pressure is increasing more and more—so the idea of having some relief by an alternate route.

You are aware that park is six million acres, which is bigger than the State of Rhode Island?

Mr. KIERNAN. Absolutely.

The CHAIRMAN. And the proposed road would not go into the park wilderness or the old park.

Mr. KIERNAN. No.

The CHAIRMAN. So we think there is a responsibility of an organization such as yours to look at the obligation the Park Service

has to accommodate visitors. If you would look at Wrangell-St. Elias, are you aware there are two roads in that park?

Mr. KIERNAN. Yes, and have visited that park as well.

The CHAIRMAN. Have you been on the northern road?

Mr. KIERNAN. No, just down to McCarthy?

The CHAIRMAN. Well, McCarthy is the southern road. But you have the northern road from the interior side, the Fairbanks side, coming in, and those roads were mining roads. That is the reason they are there. We cannot understand the reluctance of the Park Service, where you have Wrangell-St. Elias with two roads, yet the number one tourist destination is Denali and you object to another road that would not connect with the existing road and simply provide a relief.

Mr. KIERNAN. But I think there are ways of providing additional access, which we do support, on the current road. By improving and expanding the bus system that goes into that road, we can accommodate more visitors. Since we were founded 80 years ago by the first director of the Park Service and others, we have strongly supported access to our national parks.

The CHAIRMAN. Yes, but the more access you put on that existing road the more you are going to degrade the wildlife experience because you are going to put more traffic on it, are you not?

Mr. KIERNAN. We believe it is better to have one road than two roads. You have a negative impact from roads. You might as well only have one road and use that road as efficiently as possible.

The CHAIRMAN. I do not think that bears any realistic reality. You put more traffic on the road and you are going to degrade your experience because the wildlife are going to shy away from the road if you put that much traffic on it.

Anyway, I do not think much of your recommendation because I think it is highlighted by a bias within your organization that is promulgated by a few people that have absolutely no reference as to what the responsibility of your organization is for positive recommendations when problems within our parks exist, and when you have a 90-day park with the magnitude and beauty of Denali you have an obligation to meet the public need. Neither your organization nor the Park Service are meeting that public need. That is something I know something about.

Mr. KIERNAN. If I may add positively, Senator——

The CHAIRMAN. I am the one that has to respond to the letters from the unhappy tourists that their one-time view and vision of Alaska is to come up and get into Denali and they cannot get there. If you have driven over that road, you know you are not going to improve that road much, and you cannot turn the tourists loose because they will fall off the road.

Mr. KIERNAN. If I may add positively, Mr. Chairman, Senator Graham's bill I believe would help with that problem outside of the park, as you mentioned, the rampant development right there on the road outside of the park. I think Senator Graham's funding would help that community figure out a better planning mechanism.

The CHAIRMAN. That is private property out there and the Park Service has just said, well, it looks terrible, it is too bad, but it is there. And if you do not provide some kind of assistance to the visi-

tors, why, that is just what you are going to have, and the Park Service just fails to meet what I think is a legitimate responsibility. That is the concerns about—that is not a money problem there. The Park Service, this is stuff that they will not allow to come in the park, and I am not suggesting they do. But it is a lack of long-term planning and it is a terrible mess, and I am just disappointed in your organization and the Park Service for simply ignoring it and hoping it will go away. It will not.

Any more questions?

Senator LANDRIEU. I have a few if you do not mind.

The CHAIRMAN. All right, if you would like to chair the balance of the hearing.

Senator LANDRIEU. I would be happy to. Senator Akaka I think had a few more questions.

The CHAIRMAN. Thank you.

Senator LANDRIEU [presiding]. I do not mind, Mr. Chairman. I can stay for a few more minutes.

Senator AKAKA. Madam Chairman, I have some remarks to make and maybe some questions if I have time.

Mr. Kiernan, I just want to tell you that I thank you for your concerns. You mentioned the invasive species problem we have at Haleakala National Park. This is an issue that I am very, very concerned about. Especially if the brown tree snake ever establishes itself in Hawaii, it is going to be disastrous, as you know.

I also wanted to assure you that I would like to work with you on this issue, particularly as it relates to the potential problem posed by the lengthening of the Kahalui Airport runway. We need to have strong inspection procedures in place at the airport if we wish to preserve the unique ecology of the park and our State. So I want to thank you for your concerns.

Mr. Waller, in Hawaii, as you know, because of our island ecology and geology we depend a lot on imported oil and gas as well for our energy. We also suffer the consequences of oil and gas drilling, not unlike some of the oil producing States. The most recent example is about a few weeks ago on the island of Kaui there was a spillage of about 16,000 gallons of diesel oil on the beaches there on Kaui on the reefs and it endangered our monk seals. That is something we are concerned about.

Hawaii also supports a visitor industry and of course we want to keep the place as nice as possible. Hawaii also because of that needs the kind of funds that is in S. 25 to continue the management and conserve the non-game and endangered wildlife.

So what I want to say to you is I thank you for your support to raise the minimum of the State share in title III and we want to thank you for that and we certainly support you on that.

I have a question to Mr. Shaffer. Our State economy relies heavily on our esthetics because of our tourism and abundance of wildlife that abound along our shores and in our tranquil forests. In your estimation, how can Pittman-Robertson be adapted to serve non-game interests and biodiversity goals that you have and we have?

Mr. SHAFFER. Well, Senator, I think that, as some of the other witnesses have said, Pittman-Robertson has been a great success for those species it has focused on, which is game species. It has

been a success because it has been a relatively predictable and steady source of revenue to the States to undertake active management for game species. So this is why we support title III, the wildlife title to the various OCS bills under consideration here, is to provide additional resources to State fish and game agencies to do comprehensive wildlife conservation.

We also know from our experience with the Endangered Species Act that the real challenge to most wildlife species, game and nongame, endangered alike, is the loss of habitat. That is why we feel so strongly that this additional funding should also come with the requirement that States go through a habitat planning process to identify those habitats that really need to be protected, to provide a home for all wildlife into the future.

Senator AKAKA. Are you implying that the focus of these State wildlife and habitat conservation plans should be on habitat acquisition?

Mr. SHAFFER. No, not at all. I think what we are suggesting is that there is probably enough data and information now from different scientific and management programs that have been done to support a comprehensive habitat planning process. That is to identify the areas that it will be important to conserve, without saying how they would be conserved.

We are happy to believe at Defenders that incentives for private landowners to do a better job of conserving habitat on private lands is an area of emphasis for the future. But we need to know which habitats are really important and what areas are really important to provide critical habitat no matter what approach is taken to it.

So on, this is not just for acquisition. This is for protection by whatever means society supports.

Senator AKAKA. Mr. Van Putten, I have been hearing concerns about some groups that S. 25 might undermine existing oil and gas moratoria and provide incentives for future oil and gas drilling. But if we restrict revenues to existing leases only would not the revenues slowly decrease over time, with the result being that funding decreases steadily each year?

Mr. VAN PUTTEN. Senator, as those resources are depleting the revenue will also decline. Our concern, and it is a concern that has been shared by many in leadership positions in drafting these bills, is really that the debate about whether or not there ought to be more offshore drilling will sink these bills, and if these bills are not incentive-neutral with respect to that very vigorous debate these bills will go down. I am absolutely convinced of that.

So our concern has been to try and navigate those waters and suggest positive changes that make them incentive-neutral.

Senator AKAKA. Well, in those suggestions on how to structure compensation fairly at the same time decoupling it from new production, do you have any further suggestions along that line?

Mr. VAN PUTTEN. Yes, we have two. The first is—and this goes to the issue of how is the money allocated—is do not allocate it based on proximity to production. That is one way to ensure that it is incentive-neutral.

Secondly, we have suggested that sort of a historical snapshot point of view, where Congress can come back at that point in time when in fact revenues may be declining and look at whether or not

the revenue base is adequate and make adjustments at that time. That will allow whatever additional drilling might or might not occur based on other debates in other venues to occur and then you can come back and look at it.

But what we want to avoid is this being the issue that sinks these bills, and it has the potential of doing that.

Senator AKAKA. Thank you very much.

Senator LANDRIEU. Thank you.

I have a few questions. I would like to remain until about 12:30 if that is okay with your time frame and then we will try to wrap up, and it may be earlier.

Mr. Van Putten, I want to comment on the question, the line of questioning. I know I think I have shared this with you, but I will share it again. We talk about offshore oil and gas revenues. This is a pie chart of how it is produced. You can see that in 1997 $4.8 billion was produced in offshore, outer continental shelf revenues. As you can see, the large red portion of this pie chart is the portion that is produced off of Louisiana's shore. We produce over 90 percent of the funding. We did so in 1997 and we have produced 90 percent of the funding since 1955, for a total of $120 billion that has been sent off of our shore to the Federal Government.

So you can understand why Louisiana and Texas and to a certain degree Alaska would be somewhat concerned. It is also a puzzlement to me that, since California has only contributed $150 million last year to our $3.2 billion, that we would find ourselves in some arguments. But these are the facts.

Now, we have taken out every incentive that was ever in this bill over the history of the last 50 years in an effort to address some of those concerns and simply left in a formula that would in some way acknowledge the tremendous contribution of some of the States that do not have moratoria and have not had and will not have, not in your lifetime or mine, to compensate for the tremendous impacts.

Since you are not supporting the current formula, what suggestions do you have? Or are you taking the position that we should produce this $3.2 billion and send it to everyone else but ourselves? So what would your comments be?

Mr. VAN PUTTEN. Senator, we acknowledge the impacts that the drilling has had on Louisiana. I think Director Caldwell certainly spoke to them much more competently than I could at a previous hearing. We also accept the proposition that if there is to be a coastal impact assistance as part of this legislation that that money ought to be used to ameliorate those impacts in those places that have suffered them the most.

So we accept that proposition. To take a historical view, as you have suggested, or to look at shoreline miles or other measures, population of the coastal States, as ways in which to allocate the money, those are suggestions we have made.

I would also be happy to submit to you a letter dated April 15 that we have provided to Congressmen Young, Dingell, John and Tauzin addressing similar issues on the House side.

Senator LANDRIEU. But you are aware that if we did it by population and coastline that the States that do not produce oil and gas—California, which has a large coastline and a large population,

and Florida—would get the most offshore oil and gas drilling, but yet they do not have offshore oil and gas drilling.

Now, that is an impossible argument for Senator Lott to discuss in Mississippi or Senator Breaux or Senator Landrieu to discuss in Louisiana or for Senator Gramm or Senator Hutchinson or for Governor Bush to discuss in Texas.

So I would suggest that we work very hard to come up with an alternate suggestion that grants these oil producing States within the bill that comes out, and I am very interested in what your organization would submit specifically, not just population and coastline but specifically, how we could retain at a minimum the amount of money that we have coming back to these States, which represents only 8 percent.

Now, you are aware that the interior States get 50 percent. You are aware that we are not asking for 50 percent, although we feel more justified because it is the Federal policies that are driving these oil and gas wells, not State tax law but Federal tax law, driving these oil and gas wells further and further offshore and deeper and deeper. So as a result, because we do not have the helicopter pads in Honduras or Guatemala, they have got to come from somewhere, and we have 40,000 miles of pipeline in our State.

I would suggest, because these bills are not going anywhere either unless our States are compensated in a just formula that minimizes the incentives, perhaps can eliminate them but minimizes them, but gives a fairness—and I would most certainly suggest to you that we could not continue to give $2, $3, and $4 billion a year and get less than $25 million back. Just that dog is not going to hunt.

So if we could come up with some additional language, that would be helpful.

Secondly, I want to point out—and Senator Graham was gracious to leave this with me. This is I think, Mark, what you submitted. It is a beautiful plan. It says "Closing the Gaps in Florida's Wildlife Habitat Conservation System." I have not read it, but it looks quite professional and terrific, and this is what the State of Florida has come up with. I am certain that many other States could do similar good work.

But some of you have suggested that we should do these plans and then submit it to the Federal Government for their complete and total approval before they are implemented. I would suggest if that language is in this bill—not that we do not want some Federal and appropriate oversight—that these plans would never be implemented, because getting a consensus in Florida, which I am assuming this is a consensus—I have not read if it is the governor, but it looks like a consensus of Florida environmental groups—is one thing. But then to get everyone else in America to agree that this is the best thing for Florida is sometimes difficult when groups can sue, put restraining orders on plans.

I just really do not want to tie us up in courts and lawsuits. Part of this legislation is to try to trust local elected officials and people who actually live in the areas to come up with the plans that work for them, and for us to get away from trying to dictate too much across country and regional lines.

I commend Florida for this plan. I hope that Governor Bush—and I am sure he has great intentions. I would hate for him to have to wait any longer to implement these plans. What I would like to do is send him some money to get about the business of doing that.

Mr. SHAFFER. Senator, if I could make a quick comment on that.

Senator LANDRIEU. Yes.

Mr. SHAFFER. I do not think we have been advocating that States have to do this before they get any money. So it is not a requirement for receiving funding. The way we think of it is that this is a tremendous opportunity to provide some funding to States and ask them to do this as one deliverable, if you will, under the program.

Senator LANDRIEU. I am for helping, and perhaps we should have some language for States. What I am not enthusiastic about is then having those States to turn around and ask the Department of the Interior to approve every chapter, verse, and title in this, because I am afraid if that happens we will never get anything done.

I think the national environmental organizations and wildlife organizations need to really understand what we are doing. We are trying to get money to get things going.

Let me just give you one tiny example. The ambassador—and this is a true story that happened this week. It is not exactly wildlife, but it is an example that the public can understand. We have a Joan of Arc statue in the city of New Orleans. It has been sitting on a very small plot of land since France was gracious enough to donate that to the city. It has been on an empty part of land and it is a Federal piece of property.

A casino was just built next to it, not on Federal land, but as you all know we have built a casino. So now the country of France is a little disturbed that this statue that they hold in such high regard is sitting next to the front door of this casino. I do not blame them. I would be, too.

So for 8 months—and this is a small statue on a small piece of land—we have been trying to get permission from the Department of the Interior to move this statue, just move the statue, just a few little plants around it and a statue, to a more appropriate and respectful place in the French Quarter. Now, everyone in the city is for it. There is no problem whatsoever, and I have to spend my time as a U.S. Senator asking and trying to get the Department of the Interior just to tell the ambassador of France and the mayor that it is okay to move this statue.

We just cannot operate a government that way. It just cannot happen. I mean, the thought of anybody spending any amount of time on this is just a waste of taxpayer money. Now, this is just a statue. This is not a park or a big area.

So we have got to, I think, when we are doing wildlife and conservation and parks get way back down to the local level and for accountability purposes give funding or resources at the Federal level to audit, to review. So if a local community or a State is found to be out of line and not meeting their environmental goals, their funding could be held up or there could be fines levied or some appropriate accountability, but on the back end, not necessarily the front end, or we will never get anything done.

I just want you all to think about that. I know that other people disagree, but I just really think that we should minimize regulations, maximize impact, maximize results, and not tie us all up on courts or in hearings at the Federal level, so that we can get some good things done for our country and for our governors and our mayors.

Mr. VAN PUTTEN. Senator, could I speak to the oversight issue as well just for a moment?

Senator LANDRIEU. Yes.

Mr. VAN PUTTEN. I agree with the concerns you have expressed. There is a successful model of oversight, which is the Pittman-Robertson model, which has I believe exactly the features that you have talked about. The concern here is just to assure that a similar level of Federal oversight is applied to this new funding source that would come through title III.

The only other point I wanted to make is if you wanted sort of outcome-oriented oversight you need to be clear up front what the outcomes are. We heard a lot of discussion around this table in this whole debate that the driving force for a lot of title III is the needs of these non-game wildlife. Yet there is no prioritization at the front end that that is the outcomes we are looking for.

So I think finding that credible, after the fact oversight is tied in with being clear up front what are the outcomes we desire. That is why we have consistently raised this concern about the lack of a prioritization for the use of these funds for those historically unfunded needs of non-game wildlife. I think that ties right into the kind of oversight that you are looking for. Then you do not get the micromanagement project by project. You have been clear up front to the States and local governments, this is prioritized for non-game wildlife and with appropriate oversight at appropriate junctures to see how you are doing your job. We are for it.

Senator LANDRIEU. I think that is a fair point.

Are there any other questions or comments? David, did you want to add anything?

Mr. WALLER. I fully agree with your comment on the planning process. We deal with the Federal Government and it can be bureaucratic and a lot of red tape and you can do a lot of wheel-spinning and not get much money or things done on the ground.

But under the Pittman-Robertson Act the Secretary has to approve our wildlife programs. That is already included in the Pittman-Robertson Act. We have to present a plan to the Secretary for his approval, and they do come and audit States to see if we are spending the money that we are supposed to be spending the money. So that is already in place. I do not see any need to re-invent the wheel.

Senator LANDRIEU. To redo it. And you are comfortable with that procedure?

Mr. WALLER. Very much so.

Senator LANDRIEU. You do not suggest any additional regulations, but you have been comfortable with that and it has been a good partnership?

Mr. WALLER. Well, it has worked for 60 years and it is the most successful wildlife conservation program known to mankind. So let us not try to fix it.

Senator LANDRIEU. If it is not broken do not fix it.

Mr. WALLER. That is right.

Senator LANDRIEU. Other comments before we close? Any final comments?

Mr. WALLER. What about raising from 7 to 10 percent? What are the odds on that?

Senator LANDRIEU. Well, that is a good way to end. We think that is a possibility. We will let you know.

Thank you all. Great, great meeting.

[Whereupon, at 12:26 p.m., the hearing was recessed, to be reconvened on May 11, 1999.]

BILLS AND ADMINISTRATIVE PROPOSAL TO INVEST OCS REVENUES IN CONSERVATION PROGRAMS

TUESDAY, MAY 11, 1999

U.S. SENATE,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC.

The committee met, pursuant to notice, at 9:34 a.m., in room SD–366, Dirksen Senate Office Building, Hon. Frank Murkowski, chairman, presiding.

OPENING STATEMENT OF HON. FRANK H. MURKOWSKI, U.S. SENATOR FROM ALASKA

The CHAIRMAN. Let me call the Committee on Energy and Natural Resources to order.

We have today a hearing on the outer continental shelf revenue sharing legislation, the administration's Lands Legacy Initiative, and the Council on Environmental Quality's relation with the Federal land management agencies. We have the Honorable George T. Frampton, the Acting Chairman of the Council on Environmental Quality, with us this morning. We will hear his testimony and that of the administration.

In the Clinton administration, there is an extraordinary responsibility given to the Chairman of the Council on Environmental Quality, the CEQ. This committee has learned firsthand that the Chairman of the CEQ has, in many respects, more power than the Secretary of the Interior and the Secretary of Agriculture in the matter of dictating the future of public lands. Now, there is a legitimate question of whether this was congressional intent but, nevertheless, it is the reality.

The purpose of today's hearing is to, one, testify on legislative proposals to spend revenues earned from oil and gas development on the outer continental shelf, and the Land Legacy is the first opportunity we have had to hear the administration's views.

One of the things to keep in mind in order for any of this legislation to have any foundation, it is appropriate that we have a healthy OCS program. We have seen from testimony at other hearings that many States are interested in the revenues from OCS. Some States do not want any OCS activity off their shores, but they would like to have dollars. Well, that is understandable.

We are also here to discuss relationships between the CEQ and Federal land management agencies, namely the Forest Service, the Bureau of Land Management, and the National Park Service. The

Lands Legacy Initiative under the Outer Continental Shelf revenue has shared proposals.

Now, there is $1 billion for fiscal year 2000 to fund a variety of programs and there are claims proposed for fully funding the Land and Water Conservation Fund. Many of the programs, however—and I would like to point this out for the benefit of the members—are not authorized by this committee for legitimate uses of the Land and Water Conservation Fund, and others are not even contained in the Department of the Interior appropriations bill. In our opinion, the proposal raids the Land and Water Conservation Fund to fund other Federal programs, and it gives Federal control of the State-side program as opposed to local control.

We disagree with the White House claims that changes to the Land and Water Conservation Act are simply minor tweaks, but in fact are fundamental changes to the terms of the act, subject to review by this committee.

Now, the role of the CEQ in Federal land management—and if you will bear with me, I think it deserves a little reference because this committee has a longstanding interest in NEPA and CEQ. NEPA originated in this committee. This was the Committee on Interior and Insular Affairs, which was the predecessor of the Energy Committee. The legislation was drafted by the former chairman of this committee, Senator Scoop Jackson. We lost jurisdiction, however, in 1978 during a Senate reorganization. NEPA and CEQ continue to have a disproportionate impact on the agencies within the committee's jurisdiction since significant time and money has been spent in efforts to prepare and defend the NEPA documents.

Between 1992 and 1997, the Forest Service filed more EIS's than any other Federal agency. The Forest Service and BLM annually compete to see who has the most EA's.

NEPA is a brief, simple statute to have environmental factors considered by Federal agencies, a goal that today seems both obvious and important. However, today we see the courts are called to interpret what NEPA means. Is that the legislative intent? Judicial rulings dictate NEPA compliance by agencies, expansion of simple goals that Scoop Jackson could probably never have envisioned. Environmental impact statements can take years. Many projects cannot survive such delays and cost, including associated legislation.

No assistance by Congress or the executive branch has been made to tighten the statute to make it work even better. As we look at just the oil industry with the announced mergers, Exxon, Mobil, BP, Amoco, Arco, perhaps Chevron and Texaco, we recognize the difficulty of proceeding for a small company through the EIS process.

Now, I have been given a couple of things here to try and give you an example of how times have changed. This is a slide rule, in case some of you have not seen it. In 1970, when NEPA was enacted, this was a tool used by resource managers. In 1978, when CEQ's NEPA regulations were promulgated, these were the tools that were used by the Federal land managers. These are the punch cards. Today these same people use laptops to do their job, dramatically changed in land management over the last 3 decades. Yet, NEPA has not changed. CEQ regulations have not changed.

The question is why. CEQ's role to help Federal agencies improve NEPA compliance—well, we are told that repeated problems with NEPA are caused by agency implementation, not by law, not CEQ regulations. Federal agencies must comply with increasing obligations imposed upon them by statute, regulations, and courts while Federal budgets and proposals are shrinking. The taxpayer picks up the difference.

It is time for both the executive branch and Congress to take this 30 years of experience and look for ways to try and do the job better. We are looking forward to hearing your suggestions for improving NEPA compliance.

In the Clinton administration, the primary focus on CEQ has been on making environmental land policy. Examples of designations of national monuments in Utah, Escalante, determination of timber sale levels in national forests. CEQ seems to spend more time on improving NEPA from the standpoint of land management.

I think it is appropriate for President Clinton to have an environmental policy advisor in the White House. Yet, the Senate is considering today confirming you to be Chairman of CEQ. Because much of CEQ's work, including NEPA, focuses on issues and agencies within this committee's jurisdiction, I very much appreciate you being with us to discuss these matters today. Nevertheless, there is a need to demonstrate to this committee that you are committed to helping decrease the time and the cost of NEPA compliance by the Federal land management agencies. Of course, we look forward to discussing this matter with you at this time.

There is one other conclusion that I want to draw relative to the material this morning. In the Clinton administration, CEQ has done little, if anything, to address the day in and day out problems within NEPA for Federal land managers. During the same period, CEQ has focused its attention on the operations of the Federal land management agencies within the jurisdiction, as I have said, of the committee, the Forest Service, the Bureau of Land Management, and the National Park Service.

This committee has learned firsthand that the authority to dictate the future of this country's public lands lies, as I indicated in my earlier remarks, not apparently with the Secretary of the Interior and the Secretary of Agriculture, but the Chairman of CEQ. To pretend otherwise ignores the power CEQ possesses to lord over Federal land managers.

Accordingly, if you, Mr. Frampton, are confirmed as Chairman of CEQ, today will be the first of what I anticipate will be a number of appearances before the Senate Committee on Energy and Natural Resources to discuss Federal land management issues.

Senator Bingaman.

[The prepared statement of Senator Murkowski follows:]

PREPARED STATEMENT OF HON. FRANK H. MURKOWSKI, U.S. SENATOR FROM ALASKA

Welcome. Today we will receive testimony from George T. Frampton—President Clinton's nominee to head the Council on Environmental Quality (CEQ). Mr. Frampton was Assistant Secretary for Fish, Wildlife and Parks at the Department of the Interior (DOI) from 1993 until 1997.

Today's hearing has two purposes. First, Mr. Frampton will be testifying on behalf of the Clinton Administration on a number of legislative proposals to spend revenues earned from oil and gas development on the Outer Continental Shelf or OCS: S. 25—the Conservation and Reinvestment Act introduced by Senator Landrieu and

me; S. 446—the Resources 2000 Act introduced by Senator Boxer; S. 532—the Public Land and Recreation Investment Act introduced by Senator Feinstein; S. 819—the National Park Preservation Act; along with the Administration's Lands Legacy Initiative. Second, Mr. Frampton's appearance will allow the members of this Committee to discuss the relationship between CEQ and the Federal land management agencies—the Forest Service, the Bureau of Land Management (BLM), and the National Park Service (NPS).

OCS REVENUE SHARING PROPOSALS/LANDS LEGACY

To date, the Energy and Natural Resources Committee has held one oversight hearing and three legislative hearings on S. 25, S. 446, S. 532, S. 819, and the Lands Legacy Initiative. We have heard from dozens of witnesses, though this morning will be our first opportunity to hear the Administration's position on the bills. The time the Committee has spent on this issue is indicative of its importance. I anticipate the Committee will continue to devote significant time so that it can report a bill to the Senate floor which reflects the disparate desires and needs of the members of this Committee.

While the Committee is working on this long-term funding proposal, President Clinton announced earlier this year the Lands Legacy Initiative which provides conservation funding for the Fiscal Year 2000, The Administration is claiming this proposal fully funds the Land and Water Conservation Fund (LWCF), which is authorized at $900 million for Federal land acquisition and the state-side matching grant program. However, many of the programs the President seeks to fund from the LWCF are not authorized uses of LWCF monies, such as the Forest Legacy program. Moreover, many of these programs are not even contained in the DOI appropriations bill, such as National Oceanic and Atmospheric Administration's (NOAA) marine sanctuary program. In large part, the proposal seeks to raid the LWCF to replace or supplement other Federal programs that should seek their own funding.

Within the Lands Legacy request, only $413 million for Federal land acquisition by DOI and the Forest Service is clearly authorized by the LWCF Act. This request is only marginally greater than historic funding levels for Federal land purchases. Last year, Congress appropriated $329 million for Federal land purchases.

Similarly, the Administration claims that the Lands Legacy Initiative provides $200 million for the state-side LWCF matching grant program. As I discussed with Secretary Babbitt in February, for six years this Administration has resisted bipartisan calls to fund the State-side portion of the LWCF to fund vitally needed state and local park and recreation programs. Despite the Administration's rhetoric that it funds these programs, this budget request does not provide such funding. Instead of supporting the Federal-state partnership established under the LWCF, the Administration seeks to subvert the process and bend the States to a Federal will.

First, the grants can only be used for land acquisition or open space preservation. The LWCF Act allows states and local communities to use LWCF grants for not only acquisition but also for the development of recreation facilities. As we heard at earlier hearings, State and local governments' primary need is not for additional land purchases but for recreation development. The President's proposal changes the state-side program from a "recreation" program to an "open space" program.

Second, instead of allocating the money to the States pursuant to law and allowing the States to decide how to expend the grants, the proposal would make States compete against one another for funding. That is, DOI would determine what land the States should purchase and only those States that accede to DOI's dictates will receive funding. This fundamentally undercuts the policy in the present LWCF formula and the Federalism embodied in the LWCF Act. The proposal also seeks $50 million for state open-space planning grants. It is unclear exactly what this program will do.

The White House has claimed that these changes to the LWCF Act are minor tweaks. I disagree. I believe the Administration's Lands Legacy Initiative makes fundamental changes to the terms of the LWCF Act. Changes which are subject to the purview of the authorizing Committee—this Committee.

President Clinton also has indicated that he intends to work with Congress to enact OCS revenue sharing legislation which would provide permanent funding, using OCS revenues, for a series of conservation programs. The Administration has promulgated a series of principles which it believes should be included in such legislation. I am eager to hear Mr. Frampton's description of these principles and how the Administration intends to address some of the difficult budget problems posed by these proposals.

CEQ/NEPA

The second purpose for Mr. Frampton's appearance before the Committee is to provide the members of this Committee with an opportunity to discuss the relationship between the CEQ and the Federal land management agencies—the Forest Service, the Bureau of Land Management (BLM), and the National Park Service (NPS). CEQ's involvement with the operations of these agencies originates from two sources: through fulfilling its responsibilities under the National Environmental Policy Act (NEPA) and as the President's principal advisor on environmental issues.

This Committee has a longstanding interest in the operation of NEPA and the role of the CEQ. NEPA came out of the Senate Committee on Interior and Insular Affairs Committee—predecessor of the Energy and Natural Resources Committee—and was drafted by Senator Scoop Jackson, Chairman of the Committee. The Energy and Natural Resources Committee lost jurisdiction over NEPA and CEQ in 1978 during a Senate reorganization. Yet, NEPA and CEQ have had a disproportionate impact on the agencies within the Committee's jurisdiction.

Between 1992 and 1997, the Forest Service filed more Environmental Impact Statements (EISs) than any other Federal agency. Significantly, the Forest Service and the Bureau of Land Management annually complete the most number of Environmental Assessments (EAs). In recognition of NEPA's impact on the land management agencies, CEQ started—but never completed—a NEPA reinvention project which focused on three activities occurring on Federal lands: oil and gas leasing, grazing, and timber management. All of these issues are within the jurisdiction of the Energy Committee.

Many of the members of this Committee hear repeatedly from public land users and representatives of Federal agencies about NEPA implementation problems, including the amount of time and money it takes to prepare and defend NEPA documents. The Forest Service, in particular, has incurred rapidly increasing unit costs associated with NEPA compliance responsibilities.

NEPA is a unique statute. It has been described as the nation's environmental charter and sets forth policies and goals that today we all would agree seem both obvious and important. However, unlike the myriad of later, complex environmental regulatory statutes, NEPA is surprisingly brief.

A single section embodies the procedural requirements of NEPA. Section 102 of the statute requires that all Federal agencies, when proposing actions that will significantly affect the environment, study and consider a project's likely environmental impacts and take actions to minimize those impacts. Unfortunately, Congress provided little direction, either in the statute or its sparse legislative history, of what this requirement means. In the absence of such guidance, the courts were called upon to interpret this language. And courts, and lawyers, as judges and attorneys often do, have turned the brief language of NEPA into an expansive common law which frustrates agency decision makers, the public and, importantly, taxpayers and creates an uncertainty the drafters of NEPA did not contemplate. Most importantly, Federal land managers as environmentally forward-thinking as former Forest Service Chief Jack Ward Thomas have testified to instances in which rising NEPA compliance costs are confounding, not enhancing, enlightened resource stewardship.

It was the courts who decided what Federal agency actions require compliance with NEPA and what level of compliance is mandated. It was the courts who dictated what impacts and alternatives an agency must consider in a NEPA document. It was the courts who told the agencies when and how they must solicit public comment on NEPA documents. It was these court decisions interpreting the scope of NEPA which formed the basis for the 1978 CEQ NEPA regulations. And, it continues to be, court decisions interpreting CEQ regulations with which Federal agencies must comply.

What NEPA means to agency decision makers cannot be found in the statute, nor in the regulations, but in the thousands of judicial rulings interpreting NEPA—often in conflicting, or at least unpredictable, ways. It is this intricate set of procedural NEPA requirements developed through nearly three decades of judicial rulings that dictate how Federal decision makers meet the mandates of NEPA.

Despite this, almost no Congressional or Administration effort has been made over the past three decades to confront this changing reality and to assist the Federal land managers, and other Federal agencies in complying with NEPA. NEPA has been amended once, and it was a minor amendment. What statute which impacts the actions of every Federal agency only has been amended once in 30 years? Whenever the possibility of improving or modernizing NEPA is mentioned, CEQ has been quick to respond that no changes to the statute are necessary.

Further, since November 1978 when CEQ first promulgated implementing regulations, those regulations have been amended once—two months later in January 1979. For over twenty years, CEQ has not changed its implementing regulations. As we all know, the world has changed significantly in twenty years, yet CEQ has felt no need to change its regulations despite these changes and the judicial rulings on the meaning of NEPA. While CEQ has periodically issued guidance memoranda to one or another agency that found itself in dire need of direction, these memoranda have seldom, if ever, been subject to public review or comment.

This inactivity—on all levels—causes me to question the role of CEQ and whether or not the Senate even needs to confirm Mr. Frampton as a CEQ chair. It is appropriate for President Clinton to have an environmental policy advisor of his choosing in the White House. However, there appears to be no need for that to be a Senate-confirmed position.

As evidenced by CEQ's actions, and inactions, over the past 6 years, CEQ's purpose is apparently not to make NEPA work better. Rather, CEQ's purpose is to make environmental policy for the White House. The Chair of CEQ has been actively involved in numerous activities over this time that have nothing to do with whether or not NEPA works—everything from the designation of the Grand Staircase-Escalante National Monument in Utah to the determination of timber sale levels in our national forests. During that same time, there has been no improvement in the operation of NEPA. Indeed, Congressional requests and suggestions for bipartisan approaches in this area have gone unanswered.

The members of this Committee have been told repeatedly by the Executive Branch, and Mr. Frampton may be no exception, that any problems with NEPA are caused by agency implementation of the statute and that administrative reforms taken by the agencies will remedy these problems. This explanation is, at least, only part of the solution. Administrative reforms can only go so far to address the issues associated with NEPA implementation by the Federal agencies. Administrative reforms can attempt to make the process work better, but they cannot fully address the procedural requirements and mandates imposed by the courts. Only Congress can do that. It may be time, after nearly 30 years, for Congress to look more closely at how the courts have interpreted the requirements of NEPA and for Congress to make a decision about whether or not those requirements are consistent with Congressional intent.

This responsibility is not just Congress' but also the Federal agencies. Every time a Federal agency representative comes before Congress and testifies that poor agency management is the source of complaints about the NEPA process, she avoids her responsibilities to the American people. Federal agencies are on the front line of NEPA compliance. Federal agencies know what administrative reforms can and cannot address. Federal agencies know what court orders do not make sense or can't be addressed by administrative changes. It is the budgets and personnel of Federal agencies who are being stretched to the limit as more and more judicial decisions dictate what NEPA requires. And, it is Federal agencies who have an obligation to come to Congress and seek assistance when legislative action is needed.

As we enter the twenty-first century, the country is a much different place than it was in 1970. Environmental protection is not a new idea or one, certainly, that we will neglect. We are committed to the public process of environmental protection. Federal agencies confront a much different reality than 30 years ago. Federal agencies must comply with increasing obligations imposed on them by statute, regulations, and the courts. At the same time, Federal budgets and personnel are shrinking. This new reality puts Federal agencies in an unenviable position—having to balance ever increasing demands with decreasing resources. Daily agency struggles with NEPA compliance evidence this new reality. It is time for both the Executive Branch and Congress to take this 30 years of experience and look for ways to do things better.

Yet, based on CEQ's previous inactivity, I fear that Congress may embark on this journey without the White House. In the Clinton Administration, CEQ has done little, if anything, to address the day-in and day-out problems NEPA poses for Federal land managers. During this same period, CEQ has focused its attention on the operations of the Federal land management agencies within the jurisdiction of this Committee—the Forest Service, the Bureau of Land Management and the National Park Service. This Committee has learned first-hand that the authority to dictate the future of this country's public lands lies not with the Secretary of the Interior and the Secretary of Agriculture but with the Chairman of CEQ. To pretend otherwise, ignores the power CEQ possesses to lord over Federal land managers. Accordingly, if Mr. Frampton is confirmed as Chairman of CEQ, today will be the first of what I anticipate to be numerous appearances before the Senate Committee on Energy and Natural Resources to discuss Federal land management issues.

STATEMENT OF HON. JEFF BINGAMAN, U.S. SENATOR FROM NEW MEXICO

Senator BINGAMAN. Thank you very much, Mr. Chairman. I want to just take 2 or 3 minutes to go through a few comments on this Lands Legacy Initiative, as well as the pending legislative proposals.

I thank George Frampton for being here today, welcome him to the committee.

With respect to the various bills that are pending here, including the one that Senator Landrieu and our chairman have introduced, and the others that are pending in the Senate, I think it is clear that each of them has strengths. I believe that it is essential that if we are going to seize this opportunity to pass something significant, which I think we have the opportunity to do, we are going to have to find ways to bridge the gaps between those bills.

I have tried to look at these bills in the context of the original purpose of the Land and Water Conservation Fund. The premise behind that legislation was that some of the revenues from OCS oil and gas production, which is a nonrenewable natural resource, should be used to protect other natural resources throughout the country. That concept I think was very farsighted, and as a general rule, I think the test needs to be that same one, that when we dedicate OCS revenues for a specific purpose, is the country getting an asset of lasting value in return for those revenues.

So, my own view is I do not believe it is appropriate for OCS receipts to be used without appropriation to fund operational and maintenance and routine expenses of our Federal or State agencies.

I think this view is consistent with what this committee's predecessor, the Interior Committee, did when it wrote the Land and Water Conservation Fund legislation. There is a statement in the committee report accompanying that legislation which makes it very clear that that is the thinking.

I believe the Land and Water Conservation Fund should be fully funded at its authorized level of $900 million a year. In addition, I do not believe that we should place new restrictions on Federal land acquisition projects, such as requiring that a majority of funds or a particular percentage of funds be spent east or west of a particular meridian or setting up a new legislative process for certain Federal acquisitions.

I know the coastal funding issue is of particular importance to Senator Landrieu, of course, and also the chairman. I agree that preservation of the coastlines is a national priority. It is certainly appropriate to direct permanent funding from OCS revenues to preserve and restore coastal and marine habitats.

I think it is very important, however, that we not compound a problem we all recognize exists. I do not think the legislation should fund activities that clearly would lead to further coastal degradation.

There are still some important issues that we need to resolve, even after all of these hearings, if we are trying to develop a bill we could report to the Senate, questions like the extent to which coastal States should share the Federal OCS oil and gas revenues and how to apportion revenues among the various States. Those are issues that I do not think have been adequately concluded.

Although much of the debate concerning the Land and Water Conservation Fund focuses on Federal land acquisition, there are some interesting proposals which promote conservation easements and other landowner incentives that do not require acquisition in fee simple. These programs would provide for increased habitat protection for threatened and endangered species and seek to minimize conflict between property owners and the Government. I think these are valid proposals we need to seriously consider.

To the extent that wildlife conservation programs provide funding for wildlife habitat protection, I think funding from OCS revenues is also appropriate.

I do not want to go into any detail on these issues right now. I do think, though, that the suggestion that the Historic Preservation Fund be considered is appropriate here. Like the Land and Water Conservation Fund, the Historic Preservation Fund is credited with OCS revenues each year. It seems appropriate to me that it should be treated like the Land and Water Conservation Fund and provided with dedicated funding.

So, I look forward to working with you, Senator Landrieu, along with the chairman and other members and see if we can come up with a bill that we can all support. I am sure the appropriators and the Budget Committee members will be expressing their views on this issue shortly. Obviously it impacts on their jurisdiction as well.

Again, thank you very much, George, for being here. We are glad to have you here.

Senator CRAIG [presiding]. Senator Bingaman, thank you very much.

Now let me turn to Senator Gorton.

Senator GORTON. I have no opening statement.

Senator CRAIG. Senator Landrieu, any opening comments?

STATEMENT OF HON. MARY L. LANDRIEU, U.S. SENATOR FROM LOUISIANA

Senator LANDRIEU. Yes, thank you. I have looked very forward to this hearing, and I thank you, George, for your interest and cooperation. I want to commend the administration for their good work in moving this idea forward about the importance of making investments in our environment, particularly in our parks and expansion of our Federal lands and the appropriate ways, and our State parks and our land and water conservation.

I just wanted to open with just a few brief comments and then I will reserve some of my other comments for the questioning period.

The Lands Legacy Initiative I think falls somewhat short in a few areas that I just wanted to mention to you as we open. It is a good idea. It can be improved a great deal. One of the ways it could be improved is by working with us to find a permanent funding source for many of the things that we want to do. Part of our goal, the chairman and many members of this committee and many members of the House and the Senate, is to find something that perhaps may not be off budget necessarily, but something that provides a permanent and steady stream of revenue so that our counties and our States and our local governments and our Governors can count on this money.

One of the things that I believe—and I think most of the members of this committee would also attest—is that the Federal Government should be a trustworthy and reliable partner and not a fair weather friend, particularly when you are doing these long-term plannings. That is a significant principle of what we are working towards.

So, I hope that Lands Legacy can come up with a more permanent source, and not a year-to-year opportunity.

Secondly, Lands Legacy falls short because it does not fully fund the Land and Water Conservation Fund, and that is one of our goals. Although S. 25 does not exactly meet that dollar amount now, I think it is the chairman's idea that that would be fully funded both on the Federal side and the State side, perhaps with some restrictions or modifications on the Federal side. But on the State side what Lands Legacy, George, does is take all the discretion away from your Governors and your local officials and puts it in the hands of a Federal agency.

And also under Lands Legacy you all restrict that to land acquisition only which has been said over and over and over on this committee by both sides that we need to do more than just buy land. We need to maintain it and have it be valuable. And those things are very important too.

Secondly, I do not have to mention this because we have talked so many times about it. I know you know that I feel the Lands Legacy falls woefully short in your aid and recognition of coastal States. I am sorry that Senator Bingaman left, because he has also worked very closely with us on this bill.

But I do want to point out for the record that last year New Mexico sent $341 million to the Federal Government, and they were able to keep $167 million in unrestricted funds for their State. These can be used for any purposes, not restricted in any way, or directed in any way by the Federal Government. Wyoming, Senator, sent $489 million to the Federal Government and was able to keep $237 million unrestricted in any way to be used by those States. Colorado, another interior State, sent $90 million and kept $43 million in the same ways. Louisiana, just on our small portion, was only able—and those represent 48 percent to 47 percent. We were only able to retain 10 percent of our money.

So, not only is it a discrepancy in the dollar amount, but also when the Senator points out that our money that we are asking for in our coastal States should be restricted, the interior States right now have no restriction. They get to keep 50 percent under no restriction. We are asking for anywhere from 8 to 10 percent with some reasonable restrictions, and still are finding opposition from the administration, which I find very hard to understand.

I also want to point out for the record, Mr. Chairman—and I know my time is running short, but I knew the committee would be interested that we just received an excellent resolution from the State of Texas, signed by Governor George Bush last night. It was passed we think unanimously by the State of Texas, outlining how important it is for the Federal Government to invest in our coastal communities, coastal tourism. Our ecosystems along all of our coastlines are in situations that need additional Federal investment and State investment. So, I am going to pass this on to you

all, but we were very happy to receive because we have received from Louisiana, pending in Mississippi, pending in Alabama, now from Texas, some of the Gulf coast States how important this initiative is.

Finally, Mr. Chairman, if I could say, because I hope George will address this in his testimony and for the committee members—and I have not been as perhaps efficient as I should be in outlining some of these things to you all. But the ecosystem in Louisiana contributes 30 percent by weight to the total commercial fish harvest in the United States in the lower 48. We drain 31 States and 3 Canadian provinces. We are responsible for 70 percent of the migratory waterfowl that use the Central and Mississippi flyways, 18 percent of U.S. oil production, 24 percent of U.S. gas production, and we rank first in tonnage in shipping. All of this is done through this very fragile ecosystem in south Louisiana, which is not just for our State but for the Nation.

We need some help. We need some attention. This is a wonderful opportunity to take some of these oil and gas revenues and instead of just taking it and spending it willy-nilly, invest it back in our States and communities where it counts and can make a difference for the next generation.

So, I look forward to working with you through this, but I wanted to point out some of those shortcomings of Lands Legacy to see if we can improve our efforts as we go along. Thank you.

The CHAIRMAN [presiding]. Thank you, Senator Landrieu.

Senator Craig.

STATEMENT OF HON. LARRY CRAIG, U.S. SENATOR FROM IDAHO

Senator CRAIG. Mr. Chairman, thank you very much.

George, welcome before the committee. In my brief remarks this morning, I am going to continue to reference NEPA implementation, as has the chairman, and I would appreciate your follow-up thoughts on it because I think it is tremendously important.

After an extended oversight process on November 15, 1995, Senator Craig Thomas and I sent a letter to Katie McGinty, then the Chair of the Council on Environmental Quality, recommending a cooperative effort between CEQ and the Forest Service to develop procedures to improve the Forest Service's compliance with NEPA. The letter was the result of and based upon testimony presented to oversight hearings by both of our subcommittees. It provided a very detailed, 13-page blueprint for a set of new NEPA regulations.

In response, all we have received since that time is a November 21, 1995 4-paragraph what I call bed bug letter—if you do not know what a bed bug letter is, it is kind of a standard form letter, get this guy off my back, send the letter out—from Ms. McGinty thanking us for our suggestions and indicating that she was excited about the opportunity to work with us. I can only imagine the kind of response we would have received if our letter had not excited her interests, but it obviously did.

As you know, George, Senator Thomas raised this issue with you, as it relates to our concern about it, before the Environment and Public Works Committee a few weeks ago. He also submitted questions for the hearing record. In your response, you observed that

the November 1995 letter to the Chair of the Council on Environmental Quality raises serious and important issues regarding the Forest Service's implementation of the National Environmental Policy Act. That is your quote.

You also noted that the numerous suggestions contained in the letter for embarking upon a comprehensive rulemaking included cogent observations and interesting substantive suggestions.

Finally, you volunteered that the process that Senator Thomas and I propose for the rulemaking has merit.

So, it would seem that we too have excited you.

Now, what is the excitement going to produce? Well, before we are all overwhelmed by the enthusiasm, however, I must strongly disagree with a portion of your response. We did not suggest then, that is, in 1995, and certainly do not believe now some 3 and a half years later that, as you note in your response, this effort should proceed only after the Forest Service revises its own planning regulations under the National Forest Management Act.

What we tried to convey in our November 1995 letter was the notion that these efforts should proceed simultaneously and that they should begin immediately. Of course, neither of these two suggestions have occurred.

Notwithstanding the lack of action, it is our strong belief that separating these tasks and placing the development of forest planning rules ahead of an effort to assure that forest plans and subsequent implementing activities can effectively comply with NEPA should be extremely counterproductive. Indeed, it is an illustration of confused thinking, remarkable even for the administration, in which the Under Secretary of Agriculture has appointed himself as the head land manager technician in order to revise the Forest Service's own plans.

Clearly, the two projects must move forward together so that an agency knows how to integrate the National Forest Management Act, the planning requirements, with NEPA's environmental documentation requirements in a cohesive fashion. At least that was the intent of the law, as the chairman suggested, when we passed it years ago, that this not be separate activities, that these work simultaneously to gain the best environmental results for the human activities on the land. They cannot be separated, nor can the Forest Service write meaningful National Forest Management Act regulations without the kind of effort that we described in our November 1995 letter which you appear to endorse.

Therefore, I hope that we can leave the hearing today with your commitment to work together to put NEPA, the compliance horse, and the National Forest Management Act, the planning process cart, if you will, in the proper order. They are now not in the proper order, and they serve as a phenomenonally obstructive tool to any kind of activity at all, environmentally sound or otherwise. That was not the intent of Congress years ago. I do not believe it is the intent of Congress today.

Thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Craig.

Senator Johnson.

And after Senator Johnson will be Senator Burns and Senator Smith.

STATEMENT OF HON. TIM JOHNSON, U.S. SENATOR FROM SOUTH DAKOTA

Senator JOHNSON. Well, thank you, Mr. Chairman. I will be very brief.

I am an enthusiastic supporter of fully funding the Land and Water Conservation Fund, and I appreciate the energy the administration has put behind their particular effort. I was disappointed, as a member of the Budget Committee, that while my amendment to provide for a reserve fund for funding was included in the Senate budget resolution, it was lost in the conference committee. That further complicates our effort to enact authorization of a final compromise version of conservation legislation.

Nonetheless, I think it is important that the discussion goes forward, and I appreciate the chairman holding this series of very important hearings.

I want to associate myself with the remarks of Senator Bingaman. I think that they were well taken. Obviously, the consequences of our final action here is going to have to be something that accommodates the needs of all 50 States. I think we all understand that.

I also appreciate Senator Bingaman's reference to the Historic Preservation Fund which I think is sometimes not highly recognized, but is an important program.

One of the concerns I have with the administration's Lands Legacy Initiative goes to a rather smallish matter in the larger scheme of things but, nonetheless, is a concern to me, and that is its lack of inclusion of a wildlife conservation component. I am interested in Mr. Frampton's views on that issue. I think one of the strengths of the Landrieu and Murkowski legislation—and again the end product is, no doubt, going to be a significant compromise that is going to have to blend all of these measures—but one of the provisions in Landrieu-Murkowski that I very much appreciate is the inclusion of a non-game wildlife initiative. It is often referred to as Teaming with Wildlife. I am convinced that funding for specific non-game conservation programs is going to have to be secured if we want to successfully work to keep species off the threatened and endangered species list while also meeting the skyrocketing demand for outdoor recreation and educational opportunities. I look forward to Mr. Frampton's views on this particular issue.

I again thank him for his attendance here and his leadership on conservation issues, and I look forward to trying to find our way toward what will have to be bipartisan and comprehensive approaches to fully funding or coming as close as we can to fully funding the Land and Water Conservation Fund.

I yield back.

Senator CRAIG [presiding]. Senator Johnson, thank you very much.

Now let me turn to Senator Burns.

STATEMENT OF HON. CONRAD BURNS, U.S. SENATOR FROM MONTANA

Senator BURNS. Thank you. I appreciate that.

Mr. Chairman, looking at a bigger picture—and I want to associate myself with your statement—when we pass a law like this,

what do you think will happen with a whole pocket full of money in 5 or 10 years? Will we look back on this and will we say that we've done a good thing?

The experience that we have had in Montana, especially with the CEQ, has left us wondering why we continue to hold any faith in the process whatsoever. I know that Mr. Frampton has looked forward to this day with a great deal of anticipation, knowing what would come and the statements that we would make from out West. It truly leaves us all in a little bit of a mystery why we even get involved or why the CEQ is even funded.

I got this great letter and I read your statement with great enthusiasm on what you think your role should be. I do not see your role being any different—or I actually see it as being redundant to other agencies that are fully funded and have probably a wider field of environmental issues. I asked Kathy McGinty one time, when she had 11 people in that office, to give me 11 reasons why we should fund it, and she could not come up with 11.

I just want to go back on something that Senator Landrieu said. Working together with a mutual understanding is laudable and honorable, but let me give you an idea on what has happened to the State of Montana, not under your watch, but I think it is a mind set of which you have to work.

The Crown Butte situation in Montana is most telling. A public process was in action, moving along quite well, until the CEQ jumped into the middle of the fight. They politicized some decisions and completely ignored the needs of the State of Montana. Rather than looking for balance, the CEQ took a position only shared by the most rabid of the so-called environmentalists. They destroyed private property rights and the economic potential of an area in one fell swoop and, in return, even under a negotiated settlement, have not made their word good to the State or the people of Montana or even to the environment of this country. They continually today try to back out of that situation.

What I am saying is the business I come from before I came to this town, you could not carry my checkbook. Your word is not very good. So, therefore, whenever you start creating funds that would grow the amount of acres owned by the Federal Government and the kind of neighbors that they have been to private landowners and to the States in which they own that land is not very good. So, why would we create more?

I continue to look at this legislation with a jaundiced eye. The reason for the existence of the CEQ has become quite clear throughout that whole process we went through up there. It merely was a reactionary device to stop the public process and offer the President and Vice President an environmental public relations department. Unfortunately, it has become a tool of an agenda that does not fit with the American dream.

I think that whatever your vision statement that was written in your statement to this group, this committee this morning, it is not worth much. And I think I can remember of times past, whenever you represented another organization, that the same thing happened. I think there was a Congressman from Oregon that took issue with that. He was probably one of your better friends. And

I will not forget those kind of situations. So, if you think I am being a little bit critical, maybe I am not being critical enough.

But that is what I feel like when we start moving in areas like this where we are given a tool to increase Federal ownership of lands, and with the track record of management as it is today, one has to give pause and wonder what we are doing with our money and is it being used in a correct way. I have never seen a compassionate agency, and personally I see no use at all for the CEQ and we are going to try to do something about that.

Thank you very much, Mr. Chairman.

[The prepared statement of Senator Burns follows:]

PREPARED STATEMENT OF HON. CONRAD BURNS, U.S. SENATOR FROM MONTANA

Thank you Mr. Chairman for the opportunity to address the committee this morning.

I have already mentioned my concerns with the various Land and Water Conservation Fund proposals in our previous committee hearings on April 20 and May 4 so I will take this time to express my concern over the actions of the Council on Environmental Quality and my belief that the council continually steps on the public process and the actions of our land management agencies.

The experience we in Montana have had with CEQ has often left us wondering why we continue to hold any faith in the public process. Various laws exist to ensure that the public is not only consulted, but also listened to, in the management decisions that affect our public lands. Unfortunately, the current administration has been all too willing to avoid the open public process that has been established and strong arm decisions through administrative action rather than by working with the public. I guess it is easier to make sure your actions are politically timely and press worthy if you just make them when you want rather than working with an informed public.

The abuse of these tactics are evidenced by the declaration of National Monument areas without legislative action or public awareness, the utter disregard of good science and due process in the Crown Butte Mine case, and the ongoing onslaught of mineral withdrawals, multiple use closures and agency actions that should be closely examined but are not. CEQ plays a vital role in all of these decisions, and its political agenda is consistently stopping it from becoming a true advocate for common sense and good environmental stewardship in the West.

Each of these points deserves a statement of its own, but I will only touch on a few and offer suggestions on some solutions to the problem. The declaration of Monuments without public involvement and congressional support should speak for itself, and hopefully the embarrassing facts that were exposed after the Utah action will prevent the administration from running rough-shod over the public once again.

The Crown Butte situation is also very telling. A public process was in action and moving along well when CEQ jumped in the middle of the fight, politicizing the decision and ignoring the needs of Montana. Rather than looking for a balance, CEQ took an position only shared by the most rabid of environmentalists. They destroyed private property rights and the economic potential of the area in one fell swoop. In return, the administration negotiated a settlement with Montana that it continues to try to back out of.

The reason for the existence of CEQ became quite clear throughout the process. It is not there for finding solutions or working through environmental problems. It is merely a reactionary device to stop the public process and offer the President and Vice President an environmental public relations department. Unfortunately, it has become a tool of the environmental agenda that looks more for political wins than solving real problems in a fair manner.

They attack industry for problems related to water quality, but refuse to look at the water quality problems associated the Forest Service's haphazard obliteration of roads and culvert removal that dump untold amounts of sediment into bull trout spawning streams. Again, rather than looking for an overall plan to address water quality they vilify industry and close their eyes to abuses caused by the Administration's actions. It isn't fair to the public or the environment.

CEQ was created to help oversee the environmental agenda of the administration. However, it is also charged with the following tasks. First, it is to "foster cooperation between the federal, state and local governments, the private sector and American citizens on matters of environmental concern." Clearly this is not taking place

as CEQ continues to move more and more towards being an environmental soapbox rather than an organization looking to bring Americans together to address environmental concerns.

Additionally, CEQ is charged with "approving agency NEPA procedures and issue guidance to address systemic problems." Again, with a drastic increase in the number of examples of the administration making blanket decisions on mining law, mineral withdrawals, monument designation, and other abuses of the structured public process, it is evident that CEQ is failing to uphold these principles.

I ask that acting director, George Frampton, provide to the Committee his plan to bring state, and local governments, land owners and industry together in proactive ways to address helping species before they are listed as threatened or endangered. I would also like him to provide us with a plan to address the problem of administrative action with no public check to ensure we still have balance in our environmental protection goals. I would also ask that we are provided with an explanation as to why CEQ hasn't raised any questions about the Forest Service's failure to comply with NEPA in many of their decisions to obliterate roads and remove culverts.

Until more answers to these questions are provided, I am not sure that we can allow Mr. Frampton to move from acting director to director.

I thank the Chairman for his patience and look forward to hearing from our witnesses.

The CHAIRMAN [presiding]. Thank you, Senator Burns.

Senator Smith, good morning.

STATEMENT OF HON. GORDON SMITH, U.S. SENATOR FROM OREGON

Senator SMITH. Thank you, Mr. Chairman.

Mr. Frampton, welcome. It is nice to have you here. I know this is not a confirmation hearing, and even if it were, I believe we should accord the administration lots of deference. But I do appreciate the chairman's calling this, I believe, for oversight.

I understand that the CEQ has a role to play, but it has been a very expansionist role. You have presided over the American Heritage Rivers Initiative and the designation of the Grand Staircase-Escalante National Monument in Utah.

I note in your testimony that you indicate that Federal agencies should make important decisions affecting the environment in a democratic way only after a thorough examination of the likely impacts of alternative courses of action. I would argue that the national monument designation in Utah was anything but democratic and certainly did not involve a thorough examination of alternatives.

I know there are many issues on the table still that affect the Pacific Northwest. I hear rumors that the Steens Mountains may be slated for similar designation as was done to Utah. I really hope that if that is the case, you will work with us in a way different than the elected officials of Utah felt that you worked with them.

I welcome you and look forward to your testimony. Thank you.

[The prepared statement of Senator Smith follows:]

PREPARED STATEMENT OF HON. GORDON SMITH, U.S. SENATOR FROM OREGON

Mr. Chairman, I appreciate your convening this hearing today, and for your leadership on efforts to examine the role of the Council on Environmental Quality (CEQ) in the decisionmaking and management processes of agencies under this Committee's jurisdiction.

The Council is part of the Executive Office of the President. As such, I think the Congress should be deferential to the President concerning his choice to head CEQ.

However, I think it is very appropriate to conduct oversight of CEQ's role, which has expanded dramatically under this Administration. CEQ ran the American Heritage Rivers Initiative, as well as the designation of the Grand Staircase-Escalante

National Monument in Utah. These designations circumvented the normal legislative and administrative processes, including compliance with federal environmental laws.

Mr. Frampton's testimony indicates that "federal agencies should make important decisions affecting the environment in a democratic way, only after a thorough examination of the likely impacts of alternative courses of action. I would argue that the National Monument designation in Utah was anything but democratic, and certainly didn't involve a thorough examination of alternatives. Ongoing indications that the Administration is preparing for such additional designations are of great concern to me.

Since I was elected to the Senate in 1996, I have watched as CEQ has gotten involved in a wide range of issues affecting the Pacific Northwest, from the selection of a new Administrator for the Bonneville Power Administration, to efforts to restore salmon runs. The Council has also been involved in Northwest forest management, which has been ineffective at best, as well as management of individual river segments in the region.

Again, Mr. Chairman, I appreciate your convening this hearing today. I look forward to hearing from Mr. Frampton, and I have several questions for the record for him.

The CHAIRMAN. Thank you.

Senator Thomas.

STATEMENT OF HON. CRAIG THOMAS, U.S. SENATOR FROM WYOMING

Senator THOMAS. Thank you very much.

Welcome, Mr. Frampton. I just came from the committee where we were considering your nomination. Unfortunately, there were not enough of us there to do it. So, we will do it at a later time.

This hearing, of course, is about the Outer Continental Shelf, about the Lands Legacy. I am concerned about the increased ownership of Federal land in the West. I also see some great merit in this bill in terms of having funding for many of the programs, parks both State-side and national and so on.

As you know, I am concerned that we need to move forward on making NEPA more effective and more efficient. You and I have talked about this.

So, Mr. Chairman, I will not take a lot of time and I appreciate the opportunity.

The CHAIRMAN. Thank you very much, Senator Thomas.

Senator Graham.

STATEMENT OF HON. BOB GRAHAM, U.S. SENATOR FROM FLORIDA

Senator GRAHAM. Thank you, Mr. Chairman.

I also wish to welcome Mr. Frampton here today. I know that he will make a very constructive contribution to our understanding of the variety of lands bills which are before us.

I think the impetus for these various lands bills comes from several sources. One is the fact that at the State and local level, it is clear that the people are very interested in this issue. There have been literally scores of proposals presented, most of which have been overwhelmingly adopted, an indication of public recognition of the appropriateness of investment in the protection of our future through the protection of lands.

My State of Florida, since the early 1970's, has had a very aggressive environmental land acquisition program, and it is one of

the most popular programs in the State. It just was reenacted by the legislature within the last few days for another decade.

Mr. Chairman, I have a statement that I would like to submit for the record, but I would particularly point out my interest in one of the bills that I introduced with Senator Reid and Senator Mack. The National Parks Preservation Act, which would focus $500 million of the outer continental shelf funding to our national park system, with particular emphasis on protecting impaired ecosystems, critical habitats, and maintaining other core resources of the national park system.

It has, as one of its particular objectives, putting the Federal Government in a position to meet its financial obligations for the restoration of the Everglades by providing $150 million a year for the next 15 years for that very important Federal commitment.

One of the aspects of this legislation is to place the Federal Government in a position in which it can work with State and local governments in efforts that are important to protect the qualities of the national parks. This seems to be consistent with a statement that was made on April 22 by Vice President Gore during Earth Day in which he called upon the States to develop plans to end manmade air pollution in national parks by the year 2064.

At this point there are no Federal funds which would be available to assist the States in carrying out what, for some, would be a significant new mandate. So, one of the areas that I am going to be interested in discussing is this and other areas in which Federal goals of protecting qualities of national parks will require a partnership and what would be the appropriate financial dimensions of that partnership.

Again, thank you, Mr. Frampton. I look forward to hearing your remarks.

[The prepared statement of Senator Graham follows:]

PREPARED STATEMENT OF HON. BOB GRAHAM, U.S. SENATOR FROM FLORIDA

Mr. Chairman, members of the Committee, thank you for holding this final hearing on the various OCS Revenue bills before this Committee.

I am pleased to have the Administration here today to give its perspective on each of the bills under consideration.

As you know, one of my priorities in this debate is the protection of our national parks.

The National Parks Preservation Act, S. 819, which I introduced with Senators Reid and Mack works toward this goal.

Our bill would annually utilize $500 million in Outer Continental Shelf revenue to safeguard threatened or impaired ecosystems, protect critical habitats, and maintain other core resources within the National Park System.

It would earmark $150 million/year for Everglades preservation.

I am proud that the National Parks and Conservation Association, National Wildlife Federation, National Audubon Society, Natural Resources Defense Council and other organizations have expressed support for our legislation.

The goals of this legislation are similar to the regional haze rule that Vice President Al Gore announced on Earth Day.

This rule requires states to develop 10-year plans to end man-made air pollution in national parks by 2064.

There were no federal funds proposed to assist states in these efforts.

I look forward to discussing with you, Mr. Frampton, the relationship that you see between the visibility goals set forth by Vice President Gore and the approach taken in the National Parks Preservation Act to providing support to protect core resources within our National Park System.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Graham.

Mr. Frampton, you had a flavor here of views. So, in the interest of full disclosure, we have said what we have to say and we are interested in hearing what you have to say. So, please proceed, and hopefully your statement will soothe some of the fears that the Western Senators have expressed here today. Please proceed.

STATEMENT OF GEORGE T. FRAMPTON, JR., ACTING CHAIRMAN, COUNCIL OF ENVIRONMENTAL QUALITY, EXECUTIVE OFFICE OF THE PRESIDENT

Mr. FRAMPTON. Well, we will see. Thank you, Mr. Chairman, members of the committee. I appreciate the opportunity to appear before you to discuss the President's Lands Legacy Initiative and the other legislation that is related, including S. 25. And also, I am prepared to pursue to the letter defining the scope of the hearing to respond to questions about CEQ and NEPA and its relationships with the resource agencies over which the committee has jurisdiction.

I have submitted a prepared statement. I will just, if I may, summarize that briefly. I want to respond to some of the issues that were raised but hopefully will have the opportunity to do that in questions rather than in my prepared statement.

Let me turn first to the Lands Legacy Initiative. Congress enacted the Land and Water Conservation Fund in 1964 with some very lofty goals. I think we can all agree that due to lack of funding, less than full funding, particularly on the State and local side, that LWCF has not entirely realized those goals.

The administration believes that the time has come to establish a permanent funding mechanism to ensure not only that the original vision of the LWCF is fulfilled, but also to adapt this vision to meet the conservation challenges of the 21st century.

I do not come here today to endorse or oppose any of the bills that are pending before the committee, but simply to say this. We have, I believe, an historic opportunity to create a permanent funding mechanism for conservation that will be a true legacy for the future. And the administration and I want very much to work with you and we will work with you long and hard to see whether we can find the common ground necessary to shape legislation and the funding to support that legislation and see if, in 1999, we can actually reach what I think will be a terrific milestone. Obviously, there are a lot of people who believe that the stars are aligned for the first time in a long time and it may be possible to do it this year. And we are going to work with you to do that. This is a very high priority, personal priority, of the President and therefore a very high priority for the administration, and we are here to sit down and roll up our sleeves and see if it can be done.

In that spirit, the administration has not put forward a bill. We have put forward a list of principles that we think should be the framework for any legislation, and the purpose of that is really to begin a dialogue.

I think it is important to observe that the administration's proposal for fiscal year 2000 should not be taken as an inflexible indication of where we think long-term funding, permanent funding should go. The administration put together a package for fiscal year 2000, a proposal for fiscal year 2000, that is fully paid for

within the constraints of a balanced budget. It is true that there are some authorized programs that have not in the past usually been funded from OCS receipts, but within the limitations available to us in a balanced budget, tried to put together a 1-year proposal that could go forward for fiscal year 2000 at about $1 billion to meet conservation needs with a package of tools that we thought were appropriate, including tools to get that money to State and local governments.

That does not mean that that is our inflexible proposal for where permanent funding should go. Obviously permanent funding is going to require authorizing legislation. And I think there is really a lot of common ground already between the various pieces of legislation that have been introduced and the administration's principles, and we really want to work with you on that.

Having said that, Mr. Chairman, I want to make sure that I do highlight a couple of concerns that we have with S. 25 and some of the other proposals that have been advanced that are important going into these discussions that I hope we will have.

First, I do not believe the administration can support legislation that unreasonably restricts the use of funds for Federal land acquisition, the Federal side of LWCF. We think that since 1964 the Federal acquisition part of this has worked well. The basic principle is that Federal nonrenewable resources are being taken out of the earth and some of the proceeds should go back to meet national needs on a priority basis. Congress has obviously had a big part in deciding on the Federal side where the money goes every year. There is a lot of congressional oversight and control. We think that has worked well.

Second, we have real problems with funding that would go in a totally block grant fashion without being able really to determine, as Senator Bingaman mentioned, whether the environmental values were being upheld or whether that money might actually do environmental harm. So, that is a concern that we have.

And third, I do not believe the administration ultimately can support legislation which provides incentives for additional offshore drilling.

So, as we go into this dialogue trying to find common ground and a sweet spot for legislation that can be successful, I think those are three concerns that I think it is important to highlight.

Now, let me just in closing say a word about CEQ's role and my view of it. CEQ was created by Congress in 1969 to do three things: to advise the President on the long-term direction of environmental policy; to coordinate the work of the Federal family—and some of you have heard me say now that is really an issue of coordinating not only Federal agencies, but the work that the Federal agencies do with State and local government, with stakeholders, with nonprofits—and third, to oversee the implementation of the National Environmental Policy Act.

So, CEQ is supposed to make sure that Federal agencies are working together, not at cross purposes, and to referee disputes. CEQ was intended as an institution that would be neutral, that would not have agency bias. And I do not mean that in a loaded way, but it would not favor one particular regulatory approach or

mission and so could help shape a broad-based approach to environmental policy.

But also CEQ was charged with a broader mandate: to make sure that economic and social imperatives were taken into account in the shaping of environmental policy; in other words, that it would be balanced.

A parallel vision embodied in NEPA is that Federal agencies should make important decisions affecting the environment in a democratic way only after a thorough examination of the likely impacts of alternative courses of action. So, the idea was that by putting good information before the public and government decision makers, you would have informed public input and you would get better decisions.

Both of these visions, the vision of coordination and balance and the vision of informed democratic decision making, remain cornerstones of the Nation's environmental policymaking, and these are principles to which I am committed in the future direction of CEQ.

As I told Senator Craig a couple weeks ago at an EPW hearing, I come to CEQ having worked for 4 years at an agency, at a Department, so I see the relationship between CEQ and the Departments with jurisdiction and responsibility for these management issues in a little bit different way perhaps than someone who has just come to CEQ from outside the Government. My idea of CEQ is of a coordinator, of a leader in the sense of an advisor to the President about the direction of policy, but a place that makes sure that policy is being implemented between and among the Federal agencies and in partnership with State and local governments. I do not see CEQ as a czar. I do not see the position of Chair as a czar. I do not see CEQ as a spear chucker. I see it as a place that makes Government policy work better, and it is that to which I am committed in this job.

Let me say finally, Mr. Chairman, something I also mentioned a couple weeks ago at the EPW hearing. I am just as aware as you are that most of the environmental progress that has been made in this country since 1969 has been made when there has been bipartisan support. Not all perhaps, but the vast amount of progress we made has come from measures that have bipartisan support. And that is a tradition that I am committed to.

We have before us this year, with respect to the full funding of LWCF and the Lands Legacy program and the legislation that you, Mr. Chairman, and Senator Landrieu and others have sponsored and other pieces of legislation, an opportunity here in a bipartisan tradition that does not come along very often to create a landmark new program for conservation. I think the sweet spot is there. I think the common ground is there to move this forward, and we would very much like and I personally want to work with the members of this committee and other Senators who have sponsored legislation to try to see if we cannot make this dream a reality.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Frampton follows:]

PREPARED STATEMENT OF GEORGE T. FRAMPTON, JR., ACTING CHAIRMAN, COUNCIL ON ENVIRONMENTAL QUALITY, EXECUTIVE OFFICE OF THE PRESIDENT

Mr. Chairman, Senator Bingaman, distinguished Members of the Committee:

I am pleased to have the opportunity to appear before you today to discuss the President's Lands Legacy Initiative and related legislation—including S. 25, S. 446, S. 532, S. 819—as well as the interaction of the Council on Environmental Quality with agencies under the Committee's jurisdiction—the Department of the Interior, the Department of Energy, and the U.S. Forest Service.

Let me turn first to the Lands Legacy Initiative. The overall goal of the President's proposal is to enable this and future generations to protect irreplaceable pieces of our Nation's natural endowment within easy reach of every American through the establishment of a permanent fund. Achieving this goal is one of the President's highest priorities, and the bills pending before this Committee strongly suggest that this aim enjoys broad bipartisan support in this Congress.

While it is not my purpose today to either support or oppose any of the bills pending before the Committee, I pledge the Administration's willingness to work diligently and in good faith with you, and with other Senators and Congressmen dedicated to these issues, so that together we may achieve this goal. Legislation for this purpose that can be widely supported and signed by the President would be a truly historic achievement on behalf of the citizens we work for—an achievement that I believe to be within our grasp.

I would like to begin our work together by outlining the President's Lands Legacy proposal.

Congress enacted the Land and Water Conservation Fund in 1964 "to assist in preserving, developing, and assuring accessibility to all citizens of the United States of present and future generations . . . outdoor recreation resources . . . by (1) providing funds for and authorizing federal assistance to the states in planning, acquisition and development of needed land and water areas and facilities, and (2) providing funds for the federal acquisition and development of certain lands and other areas." Historically, as you are well aware, our efforts too often have fallen short of these commendable goals.

We believe the time has come to establish a permanent funding mechanism to ensure that Congress' vision is fulfilled, and to adapt this vision to meet new conservation challenges. More specifically, we believe that while there must continue to be a strong federal role in the protection of our natural resources—particularly resources of national significance that can not be adequately safeguarded at the state or local level—there is growing need and demand for additional assistance to states, tribes, and communities struggling to preserve local green spaces that grow scarcer every day. These needs range from keeping the urban environment healthy to preserving suburban greenways to saving threatened farmland.

Accordingly, we propose creation of a permanent fund of at least $1 billion a year for the protection of open space and natural resources, with at least half of the funding dedicated to assisting state and local efforts.

We strongly believe that certain natural and historic sites are deserving of—and are most appropriately safeguarded by—federal protection. For instance, at the Administration's request, Congress last year appropriated funds for completion of the Appalachian Trail, the Nation's longest footpath, extending from Georgia to Maine. Our priorities for fiscal year 2000 include acquisitions within and around Mojave and Joshua Tree National Parks; forests in Big Sur and Northern Florida; protection of lands along the historic Lewis and Clark Trail and the Pacific Coast Trail; and acquisitions within Civil War battlefields, including Gettysburg and Antietam. It is imperative that we provide a secure foundation for continuing such efforts in the years ahead.

However, natural resource protection is not, and cannot be, the exclusive province of the federal government. Many conservation needs are most appropriately addressed at the state or local level, both because the resources can be managed without direct federal involvement, and because certain conservation priorities are best set by communities themselves. Each community faces unique conservation challenges, and no one solution can be dictated from Washington. Rather, the federal government can provide funds that can be leveraged by states and local governments, and an array of tools that communities can choose from to meet their particular needs. For instance, outright acquisition is not always the right approach; often, conservation easements, funds to restore existing urban parks, or easements or loans to keep working forests working can more efficiently meet a community's needs.

The President's Lands Legacy proposal provides increased funding for a full complement of programs to assist state, tribal, and local governments in meeting a range of conservation needs: matching grants for acquisition of land or easements; matching grants for open space planning; grants to preserve wildlife habitat and support collaborative efforts to protect endangered species; matching grants and technical assistance to enhance urban forests and restore parks in economically dis-

tressed urban communities; matching grants for conservation easements on forests and farmland; and grants for coastal environmental protection, conservation, and restoration.

There is a remarkable degree of common ground between the broad framework of the President's proposal, which I have just outlined, and the legislative proposals before this Committee. Many if not all of the goals I have articulated are addressed in that legislation. I am confident that we can work productively with the Congress to arrive at a formula that fulfills the vision of the President's Lands Legacy Initiative.

I must be clear, however, on certain issues where we have serious concerns. The Administration cannot support legislation that unreasonably restricts the use of funds for federal land acquisition; that does not provide sufficient guidance to ensure that funding is spent in a manner consistent with environmental values and without any risk of environmental harm; or that provides incentives for additional oil and gas drilling in federal offshore waters.

Attached to this testimony is a more detailed set of legislative principles that will guide the Administration as we work with you, as well as an interagency budget cross-cut of the funding requested in the President's 2000 budget to support the Lands Legacy Initiative.

I believe there may be some confusion over the interaction between the President's fiscal year 2000 budget and the Lands Legacy Initiative. We recognize that the pending legislation anticipates establishment of a permanent funding mechanism beginning in fiscal year 2000. That is a goal that we share, and we will work hard to accomplish it before September 30 of this year. However, in preparing the 2000 discretionary budget we needed to recognize the possibility that such legislation will not be completed in that time frame.

The President's budget submission ensures that funding for current and proposed programs for natural resources protection remains available beyond fiscal year 2000 within the context of a balanced discretionary budget, should permanent funding legislation be delayed. The Budget assumes appropriations funding these programs in fiscal year 2000, and that we will seek permanent funding beginning in fiscal year 2001. As you will see from the cross-cut, that budget would provide increased levels of funding over fiscal year 1999 appropriations in certain key areas.

It is, by its nature, reflective of the agencies' current statutory spending authority. It should not be viewed as an inflexible Administration position on the construction of a permanent funding mechanism, but rather as an outline of those purposes for which we believe funding ultimately should be available on a permanent side of the ledger. Should permanent funding be provided for programs now reflected in the discretionary budget, the proposed increases in funding would no longer would be required in the discretionary budget. Conversely, those programs that do not move to permanent funding would require continued funding at requested levels in the discretionary budget in order to ensure that their important purposes are carried out.

Let me conclude the discussion of Lands Legacy by repeating that the Administration is here to work long and hard with you to build on the considerable common ground we have, and to find a way to do what the public clearly wants us to do—leave a legacy of financial resources adequate to protect our Nation's natural treasures.

I'd like briefly to address the other issue raised by the Committee's invitation letter—CEQ's role with respect to agencies within the Committee's jurisdiction. CEQ was created by the Congress in 1969 to advise the President on the long-term direction of environmental policy, to coordinate the environmental work of the federal family, and to oversee implementation of the National Environmental Policy Act (NEPA).

CEQ is to make sure that federal agencies are working together, not at cross purposes, and to referee disputes between the agencies. Congress envisioned CEQ as a "neutral" arbiter free of "agency bias"—that is, commitment to a particular regulatory approach or agency mission. As such, CEQ can ensure that the broadest set of environmental goals is being advanced.

CEQ also is charged with an even broader mandate: to make sure that in the articulation and implementation of the Nation's environmental program, economic and social imperatives are fully taken into account. Sound environmental strategy that is based on good science, and is broad-based rather than parochial in scope—this, I believe, was the vision of Congress.

A parallel vision embodied in NEPA is that federal agencies should make important decisions affecting the environment in a democratic way, only after a thorough examination of the likely impacts of alternative courses of action. By putting sound

information before the public and government managers, informed public input to such decisions would be guaranteed.

Both of these visions—coordination and balance, and informed democratic decision making—remain cornerstones of the Nation's environmental policy making and of CEQ's work with the agencies, including those within the Committee's jurisdiction.

I would be pleased to answer any questions the Committee may have.

The CHAIRMAN. Thank you very much, Mr. Frampton. We appreciate that statement.

I would like to point out a couple things on some charts here that I think bear reference to the administration and certainly your area of responsibility.

[The charts follow:]

SUMMARY OF DOI BUDGET CHANGES LANDS LEGACY INITIATIVE

	FY 1999 enacted	FY 2000 proposed	Change
Land Acquisition:			
BLM	$14,600,000	$48,900,000	+$34,300,000
FWS	$48,024,000	$73,632,000	+$25,608,000
NPS	$147,925,000	$172,468,000	+$24,543,000
Total—DOI	$210,549,000	$295,000,000	+$84,451,000
USFS	$118,000,000	$118,000,000	0
Total—Federal Land Acquisition	$328,549,000	$413,000,000	+$84,451,000
Land Conservation Grants*	0	$150,000,000	+$150,000,000
Open Space Planning Grants*	0	$50,000,000	+$50,000,000
Total of Programs (arguably) authorized to derive $ from LWCF	$328,549,000	$613,000,000	$284,451,000
Other non-LWCF Programs:			
Cooperative Endangered Species Conservation Fund (DOI)	$14,000,000	$80,000,000	+$66,000,000
Urban Parks & Recreation (DOI)	0	$4,000,000	+$4,000,000
Forest Legacy (USDA)	$7,000,000	$50,000,000	+$43,000,000
Urban Community Forestry (USDA)	$31,000,000	$40,000,000	+$9,000,000
Farmland Protection (USDA)	0	$50,000,000	+$50,000,000
Smart Growth Partnership (USDA)	0	$10,000,000	+$10,000,000
National Marine Sanctuary (NOAA)	$14,000,000	$29,000,000	+$15,000,000
Coastal Zone Management (NOAA)	$58,000,000	$90,000,000	+$32,000,000
Estuarine Research (NOAA)	$4,000,000	$19,000,000	+$15,000,000
Misc. Coastal Habitat (NOAA)	$2,000,000	$45,000,000	+$43,000,000
Total of Programs Clearly NOT authorized to derive $ from LWCF	$130,000,000	$417,000,000	$287,000,000
Total—Lands Legacy	$458,549,000	$1,030,000,000	$571,451,000

*Competitive Grant Program to Replace LWCF State-Side Grants. It is debatable whether or not the LWCF Act authorizes the funding of either the Land Conservation Grants or Open Space Planning Grants.

FY 99 LANDS LEGACY INITIATIVE—S. 25, S. 446, S. 532

	FY 1999 enacted	Lands Legacy Initiative	S. 25 [1]	S. 446	S. 532
LWCF-Federal Land	$329,000,000	$413,000,000	$318,000,000	$450,000,000	$450,000,000
LWCF-State-Side Grants	$1,000,000	$200,000,000	$318,000,000	$450,000,000	$360,000,000
UPARR	0	$4,000,000	$70,000,000	$100,000,000	$90,000,000
Historic Preservation	$72,000,000	[2] $81,000,000	0	$150,000,000	0
Federal Lands Restoration	0	0	0	$250,000,000	0
Endangered & Threatened Species	$14,000,000	$80,000,000	0	$100,000,000	0
Coastal/Marine Resources	$78,000,000	$183,000,000	$1,189,620,000	$300,000,000	0
Fish & Wildlife Conservation	0	0	$309,000,000	$350,000,000	0
Farm, Forest & Open Space Conservation	$38,000,000	$150,000,000	0	$150,000,000	0
Total	$532,000,000	$1,111,000,000	$2,204,620,000	$2,300,000,000	$900,000,000

[1] Figures are based on FY98 OCS revenues of $4.406 billion. FY99 OCS revenues are estimated to be $3.121 billion.
[2] Not included in the Lands Legacy Initiative.

The CHAIRMAN. The first one is a chart that shows the Summary of the Department of the Interior Budget Changes, Lands Legacy Initiative. For the benefit of my colleagues here, I would refer to the area which is in the middle of the chart. And I would ask that you go point it out, please. The unauthorized—and when I say unauthorized, there has been no authorization by this committee—proposals that are in your budget. They start with the other non-Land and Water Conservation Fund programs, and would you point out each one? The urban parks and recreation are unauthorized. The forest legacy is unauthorized. The urban community forestry is unauthorized. The farmland protection is unauthorized. The Smart Growth Partnership is unauthorized. The National Marine Sanctuary, the coastal zone management, the estuarine research, and the miscellaneous coastal habitats. These total to, I think, $287 million or thereabouts.

My point is we are having requests from the administration that is in their budget for items that are not authorized for this committee. Now, we are either going to let it happen or we are going to express our jurisdiction and do something about it. Now, I am not speaking of the merits of these, but these are simply in your budget, taken for granted, and you are relying on the appropriators to take care of this.

Now, the second chart that I want you to put up, if you would, shows just where the administration has been and this is the authorizations and appropriations of the Land and Water Conservation Fund. Would you put that chart up please? It is a blue one.

The purpose of showing you this chart, Mr. Frampton, is to show where the administration has been on the Land and Water Conservation Fund. If you look at that chart, you can see you have been depending on appropriations. That is the red line. Your requests for funding State-side appropriations have not been there. There has not been any funding since about 1982. Now, Senator Landrieu and myself and others who support S. 25 are trying to do something about that because these are the areas that are impacted, the people that are impacted, and your administration and your agencies have not seen fit to really push this area that has been so beneficial. So, I would call your attention to this inconsistency.

As long as I am chairman, I am not going to simply stand by and see your budget, a significant portion of your budget, bypass this committee of authorization and just presume that you are going to get the appropriations. Otherwise, we might as well not be here because if you are going to have the appropriations do it, we are just something you might as well bypass. So, anyway, I want to put you on notice that we are going to have something to say about the legitimacy of these items that are included in your budget.

Moving right along on a couple of other points, you indicated that you had three specific concerns that the administration would not support. It was no restrictions on Federal land acquisition. That is a pretty broad statement. Do you not think there are people in the communities that are concerned who ought to have something to say about the Federal land acquisition? And when you say blanket, no restrictions, that is a pretty broad statement. I think that there ought to be local participation, State participation of some balance,

if you will, in the process because you and I both know that occasionally Government gets a little too extreme.

Then I think the third one is no incentive for additional offshore oil and gas development. I do not know that we have got any incentives in this. It is certainly not our intention to do so. You should keep in mind, though, that if you do not have a successful program, you are not going to have any funding. I do not know if there is an attraction for States. Senator Graham has made it quite clear the State of Florida does not want any OCS activity. I support that. That is their decision. But to suggest that we somehow are putting incentives in here.

My question to you is, do you think the justification for the antiquities authority is applicable and should remain, or do you think its time has passed and we should do away with it? I am referring specifically to the realization that the administration prides itself in a public process, involving the public and so forth. We have public hearings. We have the input of the States and so forth.

The most recent experience with the administration on the antiquities was in Utah, Escalante, where the administration chose to arbitrarily, without any notification of the Utah delegation, make a determination for a significant withdrawal that made some significant exposures to the school funding in Utah. They did not even make the announcement in Utah. They went to Arizona and made the announcement.

Is there justification for the antiquities in today's governmental public process? Because, as you know, there is a bill in—Senator Craig and a number of others—to do away with it simply because it seems to be inconsistent with what the administration fosters as a public process.

Mr. Frampton.

Mr. FRAMPTON. Well, let me answer your last question first, if I could, Senator, and go back to the first two.

I do think there is a continued role for the Antiquities Act authority. It has granted an unusual, almost unique provision, exercise of presidential power. But it has been used by every President I believe, except one, in the 20th century, over 100 times, and I think very successfully on balance. Many of our most well-loved national parks were first protected under the Antiquities Act as national monuments, and some that were parks became larger parks through the Antiquities Act. So, I think there is a continued role for the Antiquities Act.

I do not want to get into a dispute about the Grand Staircase, but I will say in defense of the administration on that, that while the way it was done was very controversial in some parts of the country, particularly in Utah and other parts of the West, I do think it is fair to say that some members of Congress even who really were opposed to the way it was done said and have said that they think that, on the merits, the underlying land management decision was a good one.

Second, certainly it has proven to be a tremendous win for the school children of Utah because the President made a commitment to trade those lands out within that area, and that never would have happened without the monument designation. The school trust fund in Utah would have never received benefit anywhere

near the next few decades from that land, and it has, in fact, received a lot of valuable properties and $50 million.

And third, Congress in the end did I believe ratify the monument by legislating, enacting the authority for the land exchange, the funding, and actually made some small adjustments in the boundary.

So, I am perfectly aware of how controversial that has been in some places, but I do think there is a continued role for the Antiquities Act.

Now, going back to the first two questions that you asked and the charts that you have put up, let me make it clear that we all understand that it is going to take authorizing legislation to create a permanent funding stream, and we want to work with you to do that. There is no intention on the administration to somehow bypass the authorizing committee. We all know this is what it is going to take.

But in recognition of the fact that it might not be possible to do that by September or October of 1999, the administration also proposed for the first year about a $1.1 billion package of measures, the majority of which does go to State and local government—it is not Federal land acquisition—in the appropriations process.

Now, most of the programs that you have listed on the chart, Mr. Chairman, as unauthorized I believe, in fact, all of those programs, with the exception of one, are specifically authorized by Congress. Traditionally OCS revenues have not been used to fund the programs, but the underlying programs——

The CHAIRMAN. Not under the Land and Water Conservation Act. None of them are authorized.

Mr. FRAMPTON. Not for the use of OCS revenues, but they are programs that are funded every year from general revenues.

What we tried to do was choose the package of tools, including tools to get money to State and local government, that we thought would be most useful.

It is true, as your second chart shows, that the State side of the Land and Water Conservation Fund is really atrophied since the early 1980's. When I was at the Interior Department, we worked hard for a couple of years to put together mayors and governors and stakeholder groups to see what we could do to revive it and to see whether we could generate interest in the State-side LWCF. Frankly, it did not really go anywhere because there did not seem to be the congressional interest to spend significant amounts of money on that side. So, part of what we are all trying to do here is to bring back the original idea of the LWCF, that the State and local side is just as important.

Finally, your third question, the issue of some of the elements of concerns about S. 25. My testimony was not that the administration would oppose all restrictions on Federal land acquisition, but rather, unreasonable restrictions. I think an example is trying to limit the funding to one part of the country seems to us to be a little bit arbitrary. Since the 1960's, this has worked pretty well with a fund of money which is available for national priorities, but the Congress ends up choosing which of those it wants to use and can tailor this every year. So, we think that that is a system that has worked well.

On the issue of incentives, I am pleased to hear, Mr. Chairman, that it is not your intent to have any incentive built into this program for new oil and gas drilling, and I think that is an issue that we can certainly—to the extent that there is an issue—and maybe there is not, but that is something we can certainly come together on very quickly.

The CHAIRMAN. Thank you. My time is up I think.

It is apparent to me that the administration's invoking of the Antiquities Act was an executive land grab that bypassed a public process that the administration proudly puts out as part of its agenda. And I think that is a glowing inconsistency. That is just my point of view.

I would remind you of the equity interest relative to the areas that are impacted by OCS and the fact that they should have some significant contribution as a consequence of that activity and the fact that they are impacted.

Senator Landrieu.

Senator LANDRIEU. Thank you.

George, if you could clarify for us something that I think would be very helpful. Because we are both, I think this committee and the administration, looking at OCS revenues as the source for funding these grand and great and very needed environmental efforts, it is not the only possible source. We could try to do it out of the general fund. There are other sources of revenues that are available. But we have seemed to sort of come to the table in the same way. We think using taxes generated by a nonrenewable resource to save other renewable resources or to sustain or to improve is a good way to spend the taxpayer money, and I think that is how we come at this.

So, given that is our fundamental source of funding for this billion plus that we are trying to do, please clarify for us what the administration's position is about domestic onshore and offshore oil and gas drilling as clearly as you can, just for the record.

Mr. FRAMPTON. Well, as clearly as I can state it or formulate it, I think the administration basically wants this vehicle to be completely neutral with respect to any incentives that might encourage, over and above existing incentives or disincentives, any new oil drilling.

Senator LANDRIEU. And I agree with that, and that is the way we have tried to draft this bill, to be neutral.

But go one step further with me so that we can understand how we have to put this together. What is the administration's current position on domestic drilling? If you could help clarify. They are opposed to drilling in moratoria areas clearly, but what is their view in the Gulf Coast area?

Mr. FRAMPTON. Well, I am not sure, Senator, what you are asking me. Sort of for an overall philosophy of oil and gas drilling? I mean, I think the administration has encouraged drilling in areas that are already leased and where drilling activity has been incurred. So, there is an emphasis on areas that are already subject to drilling, finding new reserves there, finding secondary and tertiary ways to extract oil and gas.

Senator LANDRIEU. And, of course, to do it in a more environmentally sensitive way, using all the new technologies. So, the ad-

ministration is clearly supporting ongoing efforts in the Gulf of Mexico, Louisiana, Texas, and Mississippi, I would say. There are some questions about sections in Alabama; moratoria in Florida which we honor; California, moratoria.

You know that in this bill we are not attempting in any way to change that, but it is important to note for the record that the administration is supporting ongoing drilling activities on shore. You have that policy for interior Colorado, Wyoming.

Mr. FRAMPTON. That is correct, Senator.

Senator LANDRIEU. We are not advocating stopping drilling in those areas that we are already drilling.

Mr. FRAMPTON. We are simply trying to make sure—our position is that this funding vehicle, which is to try to finally embody the original promise of LWCF, take proceeds from a depleting national resource and reinvest it into resource protection and conservation, meeting national needs, that the vehicle we find to do that at whatever dollar level and whatever tools we use, particularly to get money to the State and local governments, should be neutral with respect to future oil drilling.

Senator LANDRIEU. Well, then we do not disagree. I would like to say then, based on that testimony, that there is no—well, at least from this Senator—there may be others on the committee, but there is no disagreement. And I think the chairman has also stated some intentions of making this neutral.

So, I asked for a study done last year from MMS to answer this question specifically because there seems to still be from the administration some decisions that there are some incentives in this bill. So, I asked them to just take California, to look at the leases currently in California, take the formula in S. 25 and apply it as currently written with no amendments, what extra money would be generated from California, thinking that perhaps somebody read this as an incentive.

I want to share with you the results of this study which I have that says that under S. 25 current formula, which is coastline distribution population and proximity to production wells, current and future, California, according to the MMS study, would receive all of $1.3 million if every current nonproducing lease went on line. $1.3 million additional. They received last year $40 million based on the formula they currently have, which is actually more than Louisiana received, which is quite amazing, since we contributed $3 billion. They got more money than we did. But I would suggest, George, that $1.3 million for California is no incentive.

The same thing would happen if we did it for leases off of Florida's coast. I do not think there are any operating leases, but if you put them all in production.

Now, if there is a way that we can come up with a formula that is not just population and coastline, we put proximity to wells so that we could try to get some monies back to the States that are producing the lion's share, which I do not think anyone would disagree with our attempt. So, the proximity was put in there to give a fair allocation back to the States, not to encourage drilling.

And I hope that the administration would review this study and would understand that under the current formula, there virtually is no incentive for additional drilling. We need to be fair to the

States, though, that are producing this funding in terms of their coastal impact.

Secondly—and I want to save my time, but another point. All we are asking for is equity in the distribution between coastal States and interior States. Now, the administration could not possibly think it is fair for interior States to keep 50 percent of their revenues and for coastal States to keep nothing. What do you think the administration will say? Could you say something to the people in Louisiana and Texas about this glowing inequity? And Mississippi and Alaska. What would you say on behalf of the President and Vice President about the percentage that we should try to retain for our States, given the 50 percent that the interior States receive?

Mr. FRAMPTON. Well, Senator, we started this discussion several weeks ago, and I fully expected you to get out your chart showing how much comes from OCS in Louisiana.

In our Lands Legacy proposal for fiscal year 2000, we recognize that the coastal States have particular needs. We tried to start out by allocating I think it is almost 20 percent of the administration's proposal to coastal States before you have a national program. And I think that we all recognize that the coastal States are going to have a special part here and that that is appropriate.

I think exactly how much and how we do that is something that rather than sort of draw any line in the sand now, I think obviously needs to be part of the discussions as we go forward. But I think the administration recognizes that and also recognizes that to the extent—I think it was perhaps Senator Craig mentioned that this appears to be the Federal Government trying to hold onto the State and local side. That is not the intent of the administration either, to run this through programs where the Federal hand still clasps all that money tightly.

Senator LANDRIEU. But, George, do you understand——

Mr. FRAMPTON. We understand that the coastal States have special needs and that they are going to get an allocation which they are going to determine how to use.

Senator LANDRIEU. That is helpful. And, Mr. Chairman, I am going to finish in a minute. That is helpful for the administration to acknowledge that coastal States need some additional help with all of these things.

But do you see the grave inequity of taking the $3 billion that Louisiana basically produces almost on its own and spreading it to all the States, even those that do not produce, and giving us $35 million, which is what you are offering us? It is less than 1 percent. It is such a minuscule amount. I hate to say it, but if it is my decision, I would just as soon not take it because it is so unjust and such an insignificant amount of money compared to what our State is contributing that it would really be not worth taking, George. So, please send that message back to the administration.

We just need to come up with a fair formula to distribute the money to the coastal States under proper and appropriate restrictions.

And thank you so much.

The CHAIRMAN. Thank you very much, Senator Landrieu. I assume you agree that your proposal is fair.

Senator LANDRIEU. Well, no. I think my proposal is fairer and can be improved, other than just taking this measly little $35 million——

The CHAIRMAN. I happen to agree with you.

Senator LANDRIEU [continuing]. Since we are contributing $3.5 billion to the total effort here.

The CHAIRMAN. Thank you.

Senator Craig.

Senator CRAIG. That was a fascinating dialogue. Senator, remember I have a seaport in Idaho.

Senator LANDRIEU. I know.

[Laughter.]

Senator CRAIG. All right. Very important that this committee remember that.

Senator LANDRIEU. We are helping. We are looking for one.

The CHAIRMAN. We will never forget.

Senator CRAIG. Thank you, Mr. Chairman.

George, let me say I do appreciate the quick response that you provided Senator Thomas on the question about the 1995 letter, and I want to pursue that a bit more with you because while the response was quick and your response was that the application of NEPA to Forest Service decision making should come only after revision of the NFMA forest planning regulations are completed, that tells me that you studied the issue, you understand the issue, and I appreciate that. I just do not appreciate the answer. I think it is the wrong answer.

So, let me proceed with some questions that I think will enlighten me, and it should enlighten the Department of Agriculture and the Forest Service as to what role your group might deal with. I assume that you gave some reflection to the Department of Agriculture's desire to move forward with these regulations as quickly as possible. Indeed, the Committee of Scientists that advised the Secretary in the development of the forthcoming regulations issued a very instructive and I thought thoughtful 193-page report. Have you read that report?

Mr. FRAMPTON. I have skimmed the draft I guess as it went to publication, to printing of the Committee of Scientists report. I have not read the whole report, but I have read through it.

Senator CRAIG. Well, I think it is important that we have a Secretary who initiates and brings together a group of highly qualified people to review the problems of the Forest Service and they make a report. I am glad that you have at least skimmed it.

But one of the hallmarks of this report is a recommendation for the adoption of a collaborative planning approach which, according to the Committee of Scientists, reflects the knowledge gained through experience during the past 20 years. In other words, let us not keep reinventing the wheel. Now, we have been under NEPA and we have been under the National Forest Management Act for 20-plus years. We ought to use it better than we are.

The committee spent a few pages describing what they called the opportunity of NEPA. In fact, the discussion is more accurately a reflection of the problems that the current NEPA procedures propose to the desired collaborative planning approach. Are you familiar with at least these three pages?

Mr. FRAMPTON. I read them, yes, Senator.

Senator CRAIG. With respect to their recommendations, the committee concluded that there are several aspects of the current law and regulations that are significant barriers to an effective NEPA process. Are you familiar with those problems?

Mr. FRAMPTON. I am not sure what those three are, but I remember reading the provisions.

Senator CRAIG. Well, the section on NEPA concludes by saying that NEPA provides a real opportunity for working toward greater harmonization amongst agencies' planning and decision process. At the same time, its emphasis on one-time decisions is inconsistent with an adaptive management approach. And tragically enough, that has been the great history of NEPA: one-time, rifle-shot decisions instead of trying to create the harmony that we created you to produce, i.e., the conflict I believe.

I think the problem may require that a new process for disclosure and review emerge either through changes in administrative rule or changes in law through the legislative process. Can you agree with that conclusion?

Mr. FRAMPTON. Well, I would like an opportunity to comment on it. I am not sure I agree totally with the conclusion as——

Senator CRAIG. Prepared comment or comment now?

Mr. FRAMPTON. I am prepared to comment now.

Senator CRAIG. Okay, please.

Mr. FRAMPTON. Senator, I saw for the first time the letter that you and Senator Thomas wrote to Katie McGinty in 1995 last week when Senator Thomas submitted it as part of a written question to me following the EPW hearing. It included a very, very sort of detailed program for proposed changes in NEPA compliance by the Forest Service. I certainly read the letter as a proposal that this be undertaken when the Forest Service had completed its new planning regs.

But what happened then in 1996, which none of us expected, was that they completely went back to the drawing board to recycle their attempt to change the planning regs, and the Secretary sent this issue to—formed a committee of scientists.

Now, 3 years later, they are about to, soon I hope, come out with a proposed new draft of planning regs which will significantly overhaul the planning process, something that I think we all believe is probably necessary because the experience with the NFMA planning process, as we went into the second round of forest plans, has been very mixed.

This administration has, I think, worked very hard to deal with the problems of NFMA planning and hopefully trying to learn from that.

But I think that the NEPA issues that have been wrapped up in this are issues that are as much issues that are raised by the requirements of NFMA and the planning process more than they are raised by NEPA.

So, I think there are some very constructive suggestions in your letter. I think it is clear that when the new planning regs are adopted or we understand what the new planning process is going to be—and we really cannot reshape NEPA on the planning process until we know what the planning process is going to look like. And

whether that is after the draft regulations are published or down the road, I do see a real need to restructure the way NEPA has done. Part of the change in the planning process is designed to do that.

But when you say, for example, that CEQ causes one-shot decision making or NEPA causes it, NEPA does not do that, it is the National Forest Management Act planning process that does that. NEPA comes afterwards, is shaped by what the decision making process is in the planning.

So, it is clear to me that the whole issue of NEPA's applicability to planning has got to be reshaped, but first we have to see what the overhauled planning process is going to look like.

Senator CRAIG. Well, Mr. Chairman, I will conclude. The light is on.

George, it is important to understand that I am not saying it is a one-shot decision making process, the Committee of Scientists said that, scientists appointed by your administration to review the process. So, what I am suggesting here is that the Committee of Scientists process that you and I are familiar with did hold back the planning process until they reviewed. They have reviewed. They have submitted their 193-page report. It appears that from that report, the Forest Service is on a fast track for bringing about new regulations.

What I would hope we could do, so that we do not stall it off anymore, so that we see harmonization on the ground, is that you do not wait until after the fact and take another couple of years to examine the process. That kind of delay will destroy the forested lands of this country where we are dependent upon those relationships. That is what I am trying to suggest here. Let us not look at the way it was done. Let us look at the 20 years of history and the recommendation of some scientists and get involved now.

I would suggest to you that if we are on fast track at the Forest Service, that I would hope you would rethink the idea of integrating the NEPA process with the regulation process so that we harmonize in sync and when the product finally gets to the ground, it is a functioning, operational product, not something that goes on hold for another 2 or 3 years while we fumble around with it. I think that is what I am trying to get through this line of questioning.

Now, thank goodness, it is not my bias that is reflective of those thoughts. It is a Committee of Scientists who did strive for some degree of independence. I have been reasonably——

The CHAIRMAN. I wonder if you could wind up.

Senator CRAIG [continuing]. Objective and critical of their report. But they did produce some excellent work.

Thank you very much, George. That is the intent. And I am going to stay with you on this. I hope you will revisit it. If you do not, you simply extend it well beyond what it ought to be.

The CHAIRMAN. Thank you, Senator Craig.

Senator Burns.

Senator BURNS. I just got one short, little statement. Senator Landrieu, redistribution of wealth is hell, is it not?

Senator LANDRIEU. It is. We have been trying in Louisiana for about 75 years. It is not working, but we have just got to keep trying.

Senator BURNS. Mr. Frampton, most of my questions along this line are pretty much pertaining to our State. Could I have your permission? Maybe I could submit those questions? And maybe we could sit down if I come down to your office or you can come down to mine, and let us discuss this because I do not know whether it can be worked out or not. I would like to get it worked out.

Mr. FRAMPTON. I would be delighted to meet with you, Senator.

Senator BURNS. There is no use spilling over into this issue because I think we have some philosophical differences on this issue. But we have other fish to fry, and that is the way I would like to approach it, with your permission.

Mr. FRAMPTON. I would be happy to do that. Thank you, Senator.

Senator BURNS. And that is all that I have, and I thank you for that. We ought to get that done right away because we are running up against some very important time lines. Thank you.

The CHAIRMAN. If you are able to prevail, then it will not be necessary that you come back to the committee. Is that right? But you will come back if you cannot prevail—is that right—in persuading Mr. Frampton?

Senator BURNS. It all depends. I do not want to relinquish my toehold here.

The CHAIRMAN. I did not figure you did.

Senator Thomas.

Senator THOMAS. What do you mean by unreasonable restrictions to the use of funds for Federal land acquisition?

Mr. FRAMPTON. Well, I think that is something that we need to engage in discussion about with the various sponsors of the bill, but certainly trying to set up artificial barriers to one part of the country or another is something that we do not think is necessary, we do not think is needed or reasonable.

Senator THOMAS. Do you not think land acquisition might be handled in a little different way in Wyoming or Nevada than it is in New Hampshire?

Mr. FRAMPTON. Well, handled in what respect, Senator?

Senator THOMAS. In that we already have 50 percent Federal ownership. You have 87 percent Federal ownership. I guess specifically I am saying what would be your objection to the proposition that said in States with over 25 percent Federal ownership, there had to be some release if you were going to acquire more.

Mr. FRAMPTON. Well, Senator, let me respond to that in two ways.

First, we have had a program that has worked pretty well since 1964 to target priority needs, and that program has had local involvement in the sense that since Congress really designates the acquisitions, if there is no desire or a negative view about a particular acquisition project in a particular State, then that State's congressional delegation has a great deal to say about that.

Second, I think the issue that you raise about the percentage of land that is in Federal ownership in a given State—I think it is important to emphasize that LWCF acquisitions, with a tiny, tiny handful of exceptions, do not increase the Federal footprint in a

State. It is true that if you buy X acres, the total acreage of Federal ownership is increased, but LWCF monies go to make purchases largely of inholdings of areas within existing conservation areas that have been authorized by Congress. So, it is really an attempt to try to improve the management of an existing area by acquiring inholdings that could be inconsistent with that unit. It is not a program that expands the footprint of Federal ownership in any State.

Senator THOMAS. Of course it does. If you take it out of private ownership, it expands the footprint.

What is wrong if you were going to take a parcel inside Jackson Teton Park and trade off a certain amount of BLM land somewhere else?

Mr. FRAMPTON. Well, by footprint I mean——

Senator THOMAS. I know what you mean.

Mr. FRAMPTON [continuing]. The circumference or the authorized areas.

Senator THOMAS. What is wrong with that idea?

Mr. FRAMPTON. What is wrong with the idea of——

Senator THOMAS. The idea of if you are going to acquire an inholding in Teton Park that is worth $100,000, dispose of $100,000 worth of BLM property.

Mr. FRAMPTON. Well, I think that is an issue that has come up over and over over the last few decades, and the question, when we looked at that at Interior, is whether you can really make that work in terms of areas that there is a desire to surplus from the Federal land ownership. If you are surplusing land from BLM, that is within the law, but Congress has, after all, authorized the conservation units where most of the LWCF money goes. So, if it were a matter of de-accessing land from a park or a wildlife refuge, that would be changing the original congressional authorization.

Senator THOMAS. You are not responding to my general concept. You are saying no apparently.

Mr. FRAMPTON. We would want to look at some kind of a de-accessing proposal. We would be willing to take a look at it, but I do not think the way you—as a State-by-State total requirement, I doubt the administration would support that.

Senator THOMAS. I doubt it too probably since acquisition seems to be the major thing.

What do you consider to be a democratic decision making? You mentioned it twice. You would like to see democratic decision making. What does that mean?

Mr. FRAMPTON. Well, I think the goal of NEPA in some part is to make sure that there is public access, that people get a chance to look at information, to participate, to comment, to go to public hearings so that you have the widest possible involvement of the public, impacted people, before Federal decision makers get to the point, if it is a Federal decision, that that decision gets made.

Senator THOMAS. Do you think having local agencies as cooperating agencies helps to make it democratic?

Mr. FRAMPTON. In many cases I think it does. I believe we circulated Friday or Monday the draft of the policy that I have put together to try to encourage agencies to be more forthcoming.

Senator THOMAS. We have not since—what—the 1960's had a regulation on that, have we?

Mr. FRAMPTON. It is not mandatory, Senator. It tracks the statute in that sense, but it is a policy that is designed to take another step in encouraging——

Senator THOMAS. Yours is a clarification, not a regulation.

Mr. FRAMPTON. It is not a regulation. It is the kind of NEPA guidance that CEQ has historically done.

Senator THOMAS. Do you think the Environmental Quality Council has a responsibility to put out regulations with respect to NEPA?

Mr. FRAMPTON. Well, I think CEQ had the original responsibility to draft regulations under the statute and has responsibility to review and update those regulations when needed.

Senator THOMAS. When were they last updated?

Mr. FRAMPTON. Well, I do not know that the regulations have been amended or redrafted since the 1970's.

Senator THOMAS. They have not. You are exactly right. Do you think there is any reason to suspect that maybe after 30 years, that there ought to be some revision?

Mr. FRAMPTON. Well, there may be, Senator, but I have not seen in the 6 months that I have been Acting Chair any current or recent proposals for a significant overhaul of NEPA regulations at CEQ, that is, the general regulations that govern NEPA as it is applicable to all agencies.

Now, the real issues here on the applicability of NEPA go to agency implementation. In the dialogue that I just had with Senator Craig, I said I think it is quite clear that a significant reexamination of how the U.S. Forest Service does NEPA in connection with its new planning rules is going to be required. We all know that there have been problems in the interrelationship between the Forest Service planning process and NEPA, and that is something that is going to be required. That is different than the generic rules under the statute.

Senator THOMAS. You do not think BLM needs any help either, for instance, on issuing grazing permits?

Mr. FRAMPTON. Well, Senator, that is a question that you asked me at the hearing 2 weeks ago, and I promised to respond to you on the legal issue. We are working on a letter, hope to get to you by the end of this week, on the issue of the EA's.

Senator THOMAS. And I told you this before, George, but I am going to tell you again. I just am almost mystified that you come into an agency where there has been a great deal of debate and discussion. We had 2 years oversight here on it, some of which we have shared with you. And you just sort of say, well, I think everything is okay, and you do not seem to take on the responsibility, which I see very clearly, of CEQ to be able to coordinate among the agencies what the regulations ought to be for the implementation of NEPA. Now, you do not even need to respond. I just want you to know how frustrating that is, for someone new to come into an agency and really decline to say whether or not they have any interest in making any changes as if everything has been perfect.

So, thank you very much.

The CHAIRMAN. Thank you very much, Senator Graham.

Senator GRAHAM. Thank you very much, Mr. Chairman. I have got a line of questioning which primarily relates to the needs of the national park system.

I notice that in the Lands Legacy proposal there is a total annual funding of $1,111,000,000, of which for the National Park System the allocation is $172 million. Is that accurate?

Mr. FRAMPTON. When you say the National Park System, you are talking about the park portion of the proposals for the Federal acquisition side.

Senator GRAHAM. Yes.

Mr. FRAMPTON. Yes, I do not have the number in front of me broken down by agency, but I assume that is correct.

Senator GRAHAM. I wonder what was the set of policies that led to the relative allocation of the Lands Legacy as among its constituent parts, and specifically what were the factors that led to the $172 million for the National Park System?

Mr. FRAMPTON. Well traditionally, Senator, what happens is that the land management agencies, the Park Service, Fish and Wildlife Service, BLM, and the U.S. Forest Service, maintain priority lists of acquisitions and maintain them and update them constantly. In each year when the Federal budget gets made up, each agency submits to its Department its requests for the highest priority projects. Obviously, there is some consideration given to the urgent needs of the next year, and there is some consideration given to what the Department thinks will find support in the Congress. And those requests get amalgamated by the Department heads in their individual Department budgets, USDA and Department of the Interior, and go forward. There is usually a secretarial review, and occasionally there will be a national priority that the President or the Vice President wants to tinker with that list, but that is very unusual. Basically they are made up by the Secretaries of Agriculture and Interior within the context of departmental and administration priorities that have been generated by the agencies themselves. So, it is a pretty bottom-up, professionally based assessment by each agency of what it needs across the board.

Senator GRAHAM. Although it is hard to tell from the rather abbreviated description of the programs, it would seem that some of the programs under Lands Legacy include activities beyond land acquisition, such as the program for Smart Growth Partnership, historic preservation grants, et cetera. Is that correct, that it is a mixture of land acquisition and other resource protection activities?

Mr. FRAMPTON. That is correct, Senator. We tried to think about—I mean, as a number of members of the committee said today, what are the best set of tools that we could use to help State and local governments not only protect open space and quality of life, but also do growth planning and think about smart growth and needs that are going to have to be funded from other sources and integrate that with funds that would be available from these programs. So, that is why there are planning grants in the programs, and obviously the Coastal Zone Management Act provides a variety of funding for activities other than land acquisition as well, restoration.

Senator GRAHAM. Going to the example that I cited in my opening statement, that the directive to the States for them to come up

with plans to control haze over national parks and the question of whether the Federal Government should be part of the financing partnership to achieve that goal, was there consideration in the Lands Legacy program of broadening the activities of the national park to include, in addition to land acquisition, those activities that would assist the States in a partnership in suppressing those degrading activities?

Mr. FRAMPTON. Not directly, Senator. There is obviously a connection, the so-called regional haze rules that you are referring to that have been finalized in the last few weeks. Key off of protecting air quality over parks and wilderness areas, the regional haze regs require basically each State to figure out how to clean up the air over those areas, improve the visibility over parks and wilderness areas, and develop a State plan. There is no direct funding that I am aware of to fund the regional haze plans themselves in the current Federal budget.

There are other programs, for example, the Clean Air Partnership Fund that we proposed in this year's budget. It is a new proposal that would help there, but no direct funding for the State plans to deal with regional haze over parks.

Senator GRAHAM. To be specific, one of my principal concerns is the Everglades. We are anticipating in the next 60 days receiving a major report from the Corps of Engineers based on a re-study that was directed by Congress in the 1996 Water Resources Development Act. Preliminary reports indicate that that study is probably going to call on the Federal Government to make a contribution over the next 20 to 25 years of some $3.5 billion to $4 billion toward the implementation of that plan. Some of that is going to involve land acquisition. Much of it will be other activities, and many of those activities will be external to but critical to the protection of the Everglades National Park resource.

What are the administration's thoughts about how we are going to finance the Federal share of that Everglades restoration plan?

Mr. FRAMPTON. Well, as you and I have discussed, Senator, the administration has been very, very committed to Everglades funding in the past, but it has always been on a year-to-year or 2-year basis discretionary funding. I think the administration is going to remain committed to that, seeking that kind of funding. But obviously finding it over a long period of time is not going to be easy.

So, we are eager to work with you and others to see whether there are ways to make sure that the planning and implementation of that project can be done, that there is some kind of assured source of funding, which we do not now have.

Senator GRAHAM. Mr. Chairman, I see my time is up. If I could just conclude with this concern.

The Everglades restoration project is not going to be like clipping your fingernails. I have analogized it before this committee and elsewhere as being open heart surgery. Once you start the process of fundamentally changing what has developed over almost a century in the Everglades, with the objective of having a heart that will pump better, purer, more natural water into the Everglades system, specifically in to Everglades National Park, you cannot stop in the middle of the operation. Therefore, I feel that it is important that both sides, the State side and the Federal side, have

a financing source that is as assured, as politics in Washington and Tallahassee will allow, to carry out this operation. So, I look forward to working with you to try to arrive at that and would urge your consideration of the legislation that Senator Mack, Reid, and I have introduced that would have that as one of its principal objectives.

Mr. FRAMPTON. Thank you.

The CHAIRMAN. Thank you, Senator Graham.

A few questions from the far north relative to a chart over on your right. You see Alaska is in green. That means 65 percent or more is Federal land. Those are Federal withdrawals which were done under ANILCA. ANILCA stated, "Future legislation designing new conservation system units, new national conservation areas, or new national recreation areas has been obviated." What does the word "obviated" mean in the sense of the legislative intent in that terminology?

Mr. FRAMPTON. I think I would want to look at the legislative history, but obviated usually means made unnecessary.

The CHAIRMAN. In other words, enough is enough would be my interpretation from the standpoint of what it means. Obviated means we have got enough Federal withdrawals. And I do not expect you to agree with that, but on the other hand, if you disagree, I would appreciate you so stating because it is a word. It is legislative intent. Any comment?

Mr. FRAMPTON. I am not sure what you are asking me, Senator.

The CHAIRMAN. Well, do you believe that ANILCA represented a fair balance, or do we need more withdrawals and throw out the legislative intent or what the interpretation of the word "obviated" means?

Mr. FRAMPTON. Well, by more withdrawals, you mean larger percentage of land in Federal ownership?

The CHAIRMAN. Yes.

Mr. FRAMPTON. Well, in general, I would——

The CHAIRMAN. That's what it means in my book.

Mr. FRAMPTON. In general, I would say no. However——

The CHAIRMAN. Well, I will settle for that. Let us go on to the next question.

[Laughter.]

The CHAIRMAN. With regard to Denali National Park, there was a Park Service closing of 2 million acres in Denali from snow machine use. It is my understanding it was based on the possibility of increased snow machine use might create a political threat—excuse me—a potential threat to wildlife. I will leave the politics out of it. But did you have any role in that? Do you have any knowledge of that?

Mr. FRAMPTON. None. No role in that, Senator.

The CHAIRMAN. Okay.

Mr. FRAMPTON. I have become aware of it.

The CHAIRMAN. You were not a player in that particular process.

Mr. FRAMPTON. I think the Department, the Park Service undertook to do the—is it a 1-year closure in the fall sometime or start the process at least.

The CHAIRMAN. Well, okay. The answer was you did not have anything to do with it.

Switching over to the State of Washington, the Interior Solicitor issued a legal opinion regarding mining claims contrary to 125 years of Department of the Interior practice, a Crown Jewel in Washington State. There are two companies involved. I am told it cost them $135 million. The companies followed every requirement of the law and spent over $80 million in completing the permit process, and then the decision to overturn a 125-year precedent was initiated. Did you have any involvement in that?

Mr. FRAMPTON. No, I did not. I learned about it this past week.

The CHAIRMAN. A couple of other questions relative to some issues in Alaska. We have looked at the revised record of decision for the TLMP which was issued last month by Mr. Lyons. At the Appropriations Committee in April, oversight hearing on the Forest Service fiscal year 2000 budget request, Senator Craig had an occasion to ask Mr. Lyons a question about this. He asked whether it was true that there was no participation in his decision from the Council on Environmental Quality or other White House offices, and Mr. Lyons responded that that was correct, there was not any. That is, there was no involvement from CEQ. Is that correct? Do you agree with that?

Mr. FRAMPTON. That is correct, Senator. I responded to a number of questions 5 or 6 weeks ago, as I am sure you know, from Congressman Young at a House Resources Committee in which he quizzed me about whether I had had any involvement in the TLMP decision and I said I had had no involvement in the decision, indeed, had stayed away from it altogether because I viewed it as a quasi-administrative appeal process, and that I knew it was coming in the last few weeks, but I had no role in the decision making process.

The CHAIRMAN. Well then, when Mr. Lyons kind of justified his action to issue a revised record of decision, which is what we have got now, by virtue of his assessment that he was simply working within the issues that were raised in the original environmental impact statement and the public had the opportunity then to comment on these within the alternatives that were present in the EIS, I guess he was making the decision about the adequacy of his approach to comply with NEPA without the benefit of your input or advice.

Mr. FRAMPTON. Well, I realize the question of NEPA compliance has become an issue in some minds after the fact, but it was not an issue that CEQ was asked to render any decision about before the final appeal was resolved, as far as I know. This was an issue that I know now is an issue, but they are following their procedures and I think they feel that those procedures are valid and defensible.

The CHAIRMAN. Yes, but he made the decision without your advice.

Mr. FRAMPTON. Without my advice, yes, Senator.

The CHAIRMAN. The Forest Service planning regulations require that when a forest plan is amended, the same process be used as was used to approve the original forest plan in the first place. On page 1 of the 1999 record of decision, Mr. Lyons acknowledged that he was modifying the 1997 record of decision. The normal NEPA process was used to approve the 1997 record of decision. However,

neither the NEPA process nor the forest planning process was used in the 1999 record of decision.

Had you been asked, would you have approved that, or do you know?

Mr. FRAMPTON. I do not know enough about the process to answer that hypothetically, Senator.

The CHAIRMAN. In every decision of the forest plan appeal that I have reviewed, the decision resulted in either affirming a plan or remanding it to the deciding officer for changes. Further, in every instance which I am familiar with where these changes were major, they were construed to require a significant amendment or revision. And this, in turn, triggered both the NEPA public participation and NEPA's environmental analysis requirement.

Senator Craig at that time asked Mr. Lyons whether he was trying to tell us that the changes that he made were insufficient, that they did not involve a revision or a significant plan amendment that required additional NEPA analysis. He responded: "What I am telling you, Senator, is that we worked within the scope of the record that already existed and evaluated it in making the decision that we did yesterday."

Here again, were you ever involved in providing advice to help reach that decision?

Mr. FRAMPTON. I was not involved in giving advice on that issue, Senator. But I know that the decision to try to make the final decision at the secretarial level was a decision in part driven by the calls by the delegation and by many others for some finality in this process, that what was really needed was some finality in this process. So, I know that that was a consideration, and I, after the fact, know that the Forest Service feels confident that what it did is perfectly consistent with its NFMA and NEPA obligations.

The CHAIRMAN. I understand that. We talk about finality and that is what we had hoped for in the TLMP. I think it took 10 years to do, $13 million expended. It came down and—I do not know—a year and a half later they dumped it before they even put it into effect and came up with a new record of decision. So, obviously we are a little gun shy on finality, as you can readily understand, because we were led to believe by many Chiefs of the Forest Service that this TLMP was going to be so final it would withstand any court and so forth. But anyway, that is history.

Finally, my last question is how can the requirements of the Forest Service planning regulations be met if the decision is not remanded to be implemented by the original planning team that did the original forest plan?

Mr. FRAMPTON. Are you talking about the Tongass, not generically?

The CHAIRMAN. Right.

Mr. FRAMPTON. Well, I think that, as far as I know, the people who needed to work on the final decision worked on it. That is all I can tell you, Senator. If there had been a remand, we would have probably been in a situation where we would have had several more years of continued uncertainty and several more million dollars spent to rework the changes.

The CHAIRMAN. Well, I do not necessarily agree with that.

If you spent 10 years and $13 million and concluded and defended it—but anyway, you did not. What caused that to happen and those changes I can only guess, and you may or may not confirm. But we will have that maybe in a private conversation.

Finally, in justifying his decision, Under Secretary Lyons told Senator Craig at the Appropriations Committee hearing that it was "time to make a decision and move on with the debate which will now be addressed in the form of the district court." Now, I understand the Clinton administration intends to vigorously contest the standing of the groups that have brought suit to court. But I cannot help but believe that Mr. Lyons was a little off or misleading us when he said that the administration wanted to move the process to court, while at the same time it was planning to contest the standing of the groups that were in court. That seems to me to be a grave inconsistency.

Do you have any comment?

Mr. FRAMPTON. Well, I was not there. I do not know what he meant, but I would say this to you, that the goal of the Forest Service and the administration is to try to move this program forward on the forest. He may have misspoken in saying that he wanted—or it was misunderstood that we wanted to move the debate to court. If people are going to sue, we will defend the plan and we will defend it vigorously. We think it is a good plan, balanced plan.

But the point is that if the debate is in the court, at least you can move forward with a degree of certainty on the forest, which is what the people who depend on the forest want and need.

The CHAIRMAN. Well, ordinarily I would agree with you, but it seemed to me that we had a plan. It was the first TLMP. It was complete, it was thorough, and it was abandoned by the administration for another plan without any public process. The first one had 10 years of public process, $13 million. The next one was bingo. It is kind of like invoking the antiquities. They just did it. I recognize that you cannot really comment in detail or defend it because it was not done directly under your stewardship. Is that correct?

Mr. FRAMPTON. That is correct.

The CHAIRMAN. And, you know, the amazing thing, we cannot find anybody in the administration who admits to doing it or bearing the responsibility. The Secretary of Agriculture says—but anyway, I have taken enough time.

I want to thank you for being here. I am sure Senator Landrieu has more questions because she is going to take over the chairmanship of the balance of the hearing. But I would encourage you, as you look at your legacy relative to the administration's position on Lands Legacy Initiative, to understand that there is a certain sensitivity on the committee that suggests that the people that are impacted and the communities that need recreation and playgrounds and various other things must play a more significant role in the self-determination, as opposed to the structure of your bill which implies that Washington knows best what is good. And you have opposed the block grant concept and so forth. We think these are the basic principles of involvement, the basic principles of pride, the matching grant under the Land and Water Conservation Fund.

They all encompass, if you will, an involvement as opposed to just a dictate from Washington saying this is going to happen or that is going to happen.

So, I want to put the administration on notice that we are going to stand pretty firm on whatever comes out of this and the OCS revenue, that the people involved in the communities are going to play a major role in the determination of just how their portion of funds from OCS revenue are expended.

Mr. FRAMPTON. Senator, if I could say, I think we share that philosophy. The major change from the administration's proposal from the last decade or so has been to try to get very substantially increased resources into the hands of State and local governments and without a heavy Federal hand. Now, exactly how we do that in a way that has a minimum of Federal control, but ensures that the funds are going to be used for environmentally sound purposes and there is going to be some basic, reasonable degree of accountability, I think those are details. But I think the philosophy of trying to put very substantially increased resources into the hands of State and local government for conservation purposes is something that the administration shares with you and Senator Landrieu and all the other people who have introduced bills.

Senator LANDRIEU [presiding]. Let me just say in closing and the chairman may have to slip out. I just have really a few very brief final remarks actually, because I think we have made some progress this morning, and I hope that we have been able to clarify some things.

But, George, for those that are here, S. 25 is the only bill dealing with the subject that has bipartisan support in a significant way. There are 15 Senators that have signed on. We just picked up Senator Frist this morning. Seven Democrats and eight Republicans. It is the only bill that enjoys significant bipartisan support in either house, because this represents the Senate. But there is a comparable legislation in the House that has Republican and Democratic support.

The reason it does is because the principles embodied in the bill are good principles. And I want to review them with you since you have a list of the principles that you gave to us.

Some of the principles that our group feels strongly about are these.

One, that no bill is going to pass unless the contributing States, the States that contribute to offshore oil and gas revenue, are fairly and justly compensated.

No. 2, that the land and water, both Federal and State-side, are fully funded with appropriate restrictions, and we can debate what those are. But given that this picture is not all one color, neither will this bill be one size fits all. We will recognize the differences between States that already have 60, 70, 80 percent of their land owned by the Federal Government and those States that only have 1, 2, 3, 4, or 5 percent. We have a strong principle about that, that one size is not going to fit all, that there are serious concerns from Western States, particularly Nevada that is already owned 90 percent by the Federal Government, in terms of what their needs are.

Thirdly, there will be a wildlife and conservation portion of this bill. There is just a huge crying need in this country for a new Fed-

eral initiative for wildlife, non-game, to preserve our species and to make sure that endangered species can stay off of the list to save us all a lot of money, agony, and time by preserving those wildlife parks.

There will be full funding for urban parks in this initiative as it goes forward, and hopefully some full funding for historic preservation.

The other principle, as the chairman pointed out, is that States are going to continue to maintain their authority and discretion under land and water. And that is not going to be usurped by the Federal Government with appropriate accountabilities in place, but States and local communities will have jurisdiction over how their land and water State-side monies are spent.

So, those are some of the principles that are going to govern the way this bill moves through the process. If we could meet the administration halfway, then we are going to have a bill, and if we cannot, we will not. But I hope that the principles that are governing ours are received with the same spirit as we are trying to receive your principles. But those are some of the ones that are just bottom line to the 15 of us that have worked on this bill for a year and a half. And we hope to pick up additional support and Governors that are signing on all over this country and mayors and county officials as we go. So, please take that back.

I would just say in closing that in 1803 we purchased the Louisiana Purchase which is obviously more than just Louisiana that I represent, but it represents maybe almost two-thirds of the entire Nation.

Mr. FRAMPTON. A pretty good investment too, was it not?

Senator LANDRIEU. A pretty good bargain.

But I would venture to say that over the 200 years we have not learned the lesson about reinvesting the great wealth that has been taken from this territory. We have taken and taken and taken, and we have not reinvested back. And if we do not learn how to do it in the next few years, then I do not know what is going to happen to our wildlife, our migratory birds, our marshes, our wetlands, our fisheries. It is just a critical message. Sometimes America learns slowly, but I hope we can learn before the 200th anniversary of this Louisiana Purchase.

Thank you so much. Any final comments that you might have?

Mr. FRAMPTON. Thank you, Senator. Let us get to work.

Senator LANDRIEU. Thank you very much. Good hearing.

Meeting adjourned.

[Whereupon, at 11:40 a.m., the hearing was adjourned.]

APPENDIXES

APPENDIX I

Responses to Additional Questions

EXECUTIVE OFFICE OF THE PRESIDENT,
COUNCIL ON ENVIRONMENTAL QUALITY,
Washington, DC, August 2, 1999.

Hon. FRANK H. MURKOWSKI,
Chairman, Senate Committee on Energy and Natural Resources, Dirksen Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for the opportunity to appear before the Committee on May 11th. Given the press of business before the Senate, I appreciate your courtesy and attention as well as that of the other Members of the Committee.

Enclosed you will find the answers I have prepared for the record in response to questions raised by Members of the Committee. I have attempted to answer each question—even those within the purview of other agencies. I hope you will find the information helpful. If you have any questions or require clarification, I will be happy to respond further.

Again, thank you.

Sincerely,

GEORGE T. FRAMPTON, JR.
Acting Chairman.

[Attachment.]

RESPONSES TO QUESTIONS FROM SENATOR BURNS

Question 1. I ask that acting director, George Frampton, provide to the Committee his plan to bring state, and local governments, land owners and industry together in proactive ways to address helping species before they are listed as threatened or endangered.

Answer. During my tenure at the Department of the Interior, I worked with state and local governments and the U.S. Fish and Wildlife Service to develop and promote the concept of Candidate Conservation Agreements. These are voluntary agreements developed between the U.S. Fish and Wildlife Service or the National Marine Fisheries Service and non-federal parties designed to help conserve candidate species and the ecosystems upon which they are dependent before listing becomes necessary. In cooperation with the appropriate State fish and wildlife agency, the USFWS assists willing property owners in development agreements to remove the threats to candidate species and species that may become candidates in the near future. In return, the Services provide the property owner with assurances, included in the Agreement, that if any covered species are listed and the property owner has complied with the terms of the Agreement, the Services will not assert additional restrictions or require additional actions beyond those the property owner already voluntarily committed to in the Agreement. Many provisions of the President's Lands Legacy Initiative, as well as portions of S. 25, are designed precisely to partner with private landowners, states and local governments to identify and protect threatened species in order to avoid a listing under the Endangered Species Act. For example, the Administration's Cooperative Endangered Species Fund request will help implement voluntary and flexible tools to help states and local communities protect species, avoid ESA listing and promote compatible economic growth.

Another mechanism for providing certainty and security for landowners and businesses while helping wildlife that was developed during my time at Interior is the

"Safe Harbor Agreement". Through this vehicle, landowners can make improvements to their property that benefit wildlife without being penalized if those improvements attract listed species to their property. Thus, landowners that were previously afraid to make improvements for fear of no longer being able to use their property without restrictions can go ahead and take steps that benefit wildlife without being penalized.

If confirmed, I will continue to work with the local stakeholders and the U.S. Fish and Wildlife Service and the National Marine Fisheries Service to support these kinds of efforts.

Question 2. I would also like him to provide us with a plan to address the problem of administrative action with no public check to ensure we still have balance in our environmental protection goals.

As outlined in my testimony, I am committed to finding the proper balance in environmental protection.

Congress has mandated a balance in agencies' actions regarding environmental protection through the policies set forth in NEPA. In Section 101 of NEPA, Congress made it clear that the purpose of NEPA was not an environmental protection statute per se, but rather the pursuit of policies that would "create and maintain conditions under which man and nature can exist in productive harmony, and fulfill the social, economic and other requirements of present and future generations of Americans." That is why agencies are required to consider social and economic effects of their actions, along with environmental impacts, when implementing the procedural provisions of NEPA under the CEQ regulations. One exception to this approach is that the environmental regulatory actions undertaken by the Environmental Protection Agency under the pollution control statutes and pesticide laws are generally exempt from compliance with NEPA, either through statutory exception or judicial decision. However, at the beginning of this administration, EPA Administrator Browner adopted a policy of voluntary compliance with NEPA.

Question 3. I would also ask that we are provided with an explanation as to why CEQ hasn't raised any questions about the Forest Service's failure to comply with NEPA in many of their decisions to obliterate roads and remove culverts.

Answer. The Forest Service's current NEPA procedures, approved by CEQ in 1992, include a number of actions that are generally categorically excluded from NEPA review. "Categorical exclusions" are classes of actions that have been determined by the agency to not individually or cumulatively have a significant effect on the human environment, although in extraordinary situations, the agency must still prepare an environmental assessment or environmental impact statement. The Forest Service's categorical exclusions include, "Repair and maintenance of roads, trails and landline boundaries" and "Orders issues pursuant to 36 CFR part 261—Prohibitions to provide short-term resource protection or to protect public health and safety."

However, road closures that do not fall within those categories are most frequently the subject of environmental assessments and, if the level of effects warrants it, environmental impact statements. The Forest Service actually provides more opportunities for public involvement in environmental assessments than many other agencies, typically conducting scoping for thirty days for an environmental assessment. Prior to a decision covered by an environmental assessment, there is a thirty day comment period for the public to comment on the proposed action. Of course, if an EIS is prepared, there is a longer public comment period—usually between forty-five to ninety days. In several instances, the NEPA process for road closures has resulted in the Forest Service deciding not to close a road or take out a culvert.

RESPONSES TO QUESTIONS FROM SENATOR GRAHAM

Question 1. Can you review the details of the regional haze rule that was announced by Vice President Gore on April 22, 1999?

Please see the attached fact sheets and maps of the "Class I" national parks and wilderness areas that are covered by the rule.*

Question 2. What do you envision will be the primary mechanism by which states will execute plans to reduce regional haze at Class I areas?

Answer. The rule requires that states work with the public to develop haze-reduction plans, but provides flexibility to find the most cost-effective ways to reduce the pollution and achieve the goals. The rule encourages states to work together to find regional approaches to reducing this pollution. Haze-causing pollutants are emitted by a number of activities, including electric power generation, various industrial and

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*The fact sheets and maps have been retained in committee files.

manufacturing processes, truck and auto emissions, and burning related to forestry and agriculture. It will be up to the states to determine the most cost-effective mechanisms for reducing this pollution.

Question 3. Given the criticality of visibility in Class I areas, do you see any federal role in assisting states to implement these plans?

Answer. National rules limiting acid rain, air toxics, fine particles and NO_X, as well as proposed rules for reductions in auto emissions and cleaner fuels all should assist the states in achieving the necessary pollution reductions to achieve the regional haze rule's goals. In addition, the President's FY 2000 budget proposal includes a request for $200 million for a "clean air fund." This fund will provide financial assistance to states and others for innovative projects that achieve reductions in multiple air pollutants. Projects that address pollutants causing regional haze would clearly be eligible for this financing. EPA's ability to implement this program is, of course, dependent on their receiving the requested appropriations.

Question 4. Does the Administration currently have any mechanism for identifying which National Parks have threatened ecosystems or core resources and developing a plan of action to reduce these threats?

Answer. Yes, the National Park Service has an administrative mechanism for identifying threats to resources and ecosystems in units of the National Park System and for developing plans of action to reduce those threats. The NPS Inventory and Monitoring Guideline (NPS-75) provides general guidance for monitoring the status of park natural resources. The park Natural and Cultural Resources Management Plans provide a mechanism for parks to identify threats to specific park resources and to designate specific management actions parks can take to reduce those threats. The park resource management plans and newly created Park Management Information System together have identified many more monitoring and management actions needed for resolving threats than there are funds available to support those actions.

Question 5. Currently the National Park Preservation Act makes funds available for expenditure in units of the National Park System that have (quote), ". . . ecosystems, critical habitat, cultural resources, or other core park resources that are threatened or impaired." Do you believe this definition is clear? If not, what changes would you recommend?

Answer. The language is clear in its present form. However, to give more guidance in what is meant by "core park resources," the list of specified resources could be broadened beyond "ecosystems, critical habitat [and] cultural resources" to include other important park attributes such as land formations, scenic views, soundscapes, air quality, and water resources. Even with an expanded list, however, the term "other core park resources" should remain to capture resources that may not fall into one of the designated categories.

Question 6. Throughout our hearings on the OCS Revenues bills, the link between state, local, and national parks has been identified as a critical means of providing recreational opportunities for Americans in state and local parks and reducing the need for recreational opportunities in national parks. Can you comment on the Administration's perspective on the adequacy of existing programs for each of these tiers of parks—national, state, and local—to meet their needs?

Answer. The Administration's Lands Legacy proposal recognizes the importance of increased and stable permanent funding for national, state and local parks. Clearly each type of park is important, and each is currently underfunded.

RESPONSES TO QUESTIONS FROM SENATOR CRAIG

Question 1. Mr. Frampton would you agree that two of the most important contributions that NEPA has made to environmental decision-making are to (1) require better information and the consideration of alternatives in decision-making; and (2) provide the public with an opportunity to participate in agency decision-making?

Answer. I agree.

Question 2. Mr. Frampton, I want to read you an excerpt of a commentary on NEPA that appeared in Science Magazine. This reviewer suggests that "NEPA rests on the assumption that there is virtue in simply amassing and circulating scientific data. Not only do few decisionmakers have the time and the skill to digest large amounts of technical information, but also NEPA reflects a misunderstanding of the nature of scientific truth and the utility of scientific evidence. The goal of environmental analysis is to gain information about the environmental consequences of proposed actions and their alternatives. Ideally, the information should be precise enough to enable us to make informed trade-offs. Unfortunately, the information does not always exist, nor is the NEPA process conductive to generating it.

If the information generated were simply insufficient to meet NEPA's goals little harm would result. However, NEPA has distorted the direction of scientific injury by putting tremendous amounts of money and efforts into applied rather than pure research. Worse, NEPA favors a quick justification of previously defined positions. The role of ecologists in public affairs seems sure. But the "science' in impact statements is not disciplined and not cumulative. Proper scientific inquiry must proceed gradually under the full scrutiny of a skeptical and disciplined profession. It cannot be rushed or obliged to take position on current issues if it is to be credible and valid. It seems reasonable to suggest that one of the long term effects of NEPA will be the distortions it has caused in the science it relies on.

I would like your reaction to those observations, particularly in light of the current discussion in the courts and elsewhere over the use of "junk science" in decision-making.

Answer. First, before addressing the particular topics you have suggested, let me observe that while I was pleased to review the 1978 article by Ms. Fairfax that was published in "Science", I believe that in general, the views expressed in it represent a minority view of NEPA. I would also note that it was written prior to the issuance of the regulations currently governing implementation of the NEPA process. I make these comments not to suggest that the NEPA process is a perfect one, nor to suggest that none of Ms. Fairfax's concerns have legitimacy, but rather to put my answers in some context.

In regards to the science issues raised in the article, first, I take issue with Ms. Fairfax's assertion that NEPA "rests on the assumption that there is virtue in simply amassing and circulating scientific data". The legislative history of NEPA clearly shows that the sponsors of the bill and important witnesses from the scientific arena believed that NEPA called for—and the U.S. government needed—more than merely "pure" science and more than simply throwing tons of data at decision-makers. Indeed, Senator Henry Jackson stated in the debates leading up to NEPA's passage that, "Environmental studies in the universities are as yet largely focused on separate phases of man-environment relationships. This, in itself, is not undesirable; it is in fact necessary to obtain the degree of specialization and intensive study that many environmental problems require. The inadequacy lies in the lack of means to bring together existing specialized knowledge that would be relevant to the establishment of sound policies for the environment. . . . There is a need for synthesis as well as for analysis in the study of man-in-the environment. . . . The need for more knowledge has been established beyond doubt. But of equal and perhaps greater importance at this time is the establishment of a system to insure that existing knowledge and new findings will be organized *in a manner suitable for review and decision as matters of public policy.*" (emphasis added) 91 Cong. Rec. S290B I (October 8, 1969) (stint. of Sen. Jackson).

Leland Haworth, Director of the National Science Foundation (NSF) at the time Congress was considering passage of NEPA, also distinguished the more "pure" environmental research activities conducted by NSF with the type of scientific information that should be made "to provide all levels of government with the best scientific and technological base from which to make difficult decisions regarding the best use of our environment. In his testimony regarding NEPA, he stated that the types of environmental assessment activities contemplated by S. 1075 "cover a broad range of ecological research and activities to which more attention should be directed." S. Rep No. 91-296, at 42 (July 9, 1969).

Second, the NEPA process does *not* contemplate nor require an agency to artificially suggest that a complete or even adequate scientific basis exists for environmental impact assessment work to proceed. Indeed, such a requirement would inevitably result in a distortion of science in an attempt to meet artificial time constraints, and at times, the limits of human beings' current understanding of the universe. In fact, the issue of how to deal with the gaps and limits of our knowledge about the world around us has long been addressed by both CEQ and the courts. Shortly after publication of Ms. Fairfax's article, CEQ published, as part of the overall set of NEPA regulations, a particular regulation on "Incomplete or unavailable information." 40 C.F.R. § 1502.22 (1978). That regulation required an agency to, among other things, prepare a "worse case analysis" in the face of incomplete or available information. While a well-intentioned effort to address inadequate information, the "worse case analysis" regulation proved to be a difficult concept to implement in a manner that provided useful information to the public and to decision-makers. Thus, CEQ embarked on a multi-year exercise, including an advance notice of proposed rulemaking, public meetings, discussions with scientists and risk assessment experts, that culminated in a substantial revision to the regulation.

The new regulation, promulgated in 1986, eliminated the requirement to analyze a "worse case" in the face of missing information, and it also deleted the require-

ment for agencies to weigh the need for the action against the risk of severity of possible adverse impacts were the action to proceed in the face of prior to completion of the NEPA process. Instead, the regulation as amended first requires a federal agency to obtain missing information relevant to reasonably foreseeable significant adverse impacts *if* the overall costs of doing so are not exorbitant. If the information cannot be obtained because of costs (including staff resources, time, and direct costs) or because the means to obtain it are simply not known, then the agency must acknowledge in the EIS that there is incomplete or unavailable information and explain its relevance to evaluating reasonably foreseeable significant adverse impacts on the human environment. It must also summarize what is known about the issue in question, and provide whatever evaluation can be offered based upon theoretical approaches or research methods generally accepted in the scientific community. The regulation specifically requires that such an analysis be grounded in the "rule of reason". See 51 *Fed. Register* 15625, April 25, 1986.

I understand that some might view even this approach to requiring analysis in the face of scientific uncertainty as forcing science to proceed faster than it proceed in the more "pure" academic environment. Yet decisions on proposed actions must be and are made every day in the absence of perfect knowledge. Economic projections are seldom perfect, but decisionmakers both in and out of government nonetheless use whatever information and predictions are available. All NEPA asks is that if a decision-maker believes he or she has enough information about the merits of a proposal to proceed, he or she also make a reasonable attempt to analyze the consequences of that decision. See also, *Scientists' Institute for Public Information, Inc.* v. *Atomic Energy Commission,* 481 F.2d 1079 (D.C. 1973) (in discussing NEPA's requirement to analyze a demonstration breeder reactor program, the Court noted that, "The agency need not foresee the unforeseeable, but by the same token, neither can it avoid drafting an impact statement simply because describing the environmental effects of alternatives to particular agency action involves some degree of forecasting. *Id.* At 1092).

Finally, you raise the issue of the use of "junk science" in decision-making, particularly in light of the current discussion in the courts. We too share a concern over agency and court decisions that are based on incomplete or poor quality scientific data. As you know, CEQ's NEPA regulations state that agencies shall insure the professional integrity, including the scientific integrity, of analyses and discussion in EISs, identifying methodologies used and explictedly identifying sources relied upon for conclusions in the document. 40 C.F.R. § 1502.24.

One interesting line of cases in regards to assessing scientific evidence in a courtroom is the line of cases derived from the Supreme Court's 1993 decision in *Daubert* v. *Merrell Dow Pharmaceuticals,* 113 S.Ct. 2786 (1993). The decision discussed three factors a court should use in reviewing the admissibility of scientific evidence: whether the theory or technique at issue can be tested to see if it can be falsified; whether the theory or technique has been subject to peer review and publication (relevant though not dispositive), and whether the theory or technique has received general acceptance or at lest more than minimal support. Courts have differed over whether the *Daubert* standards apply to cases involving decisionmaking by federal agencies under the Administrative Procedures Act, (compare *Sierra Club* v. *Marita,* 46 F.3d 606 (1995) and *Stewart* v. *Potts,* 996 F. Supp. 668 with *Hells Canyon Preservation Council* v. *Jacoby,* 9 F. Supp. 2d 1216 (1998); see also, King, Patricia, "Applying *Daubert* to the 'Hard Look' Requirement of NEPA: Scientific Evidence before the Forest Service in *Sierra Club* v. *Marita*", 2 Wisc. L.R. 147, 162, for a discussion of the decision's reasoning to NEPA litigation). Further exploration along these lines could prove useful in thinking through how we use science in the context of government decisionmaking.

Question 3. Let me share another observation in the same commentary, and ask your response to this. This reviewer notes that the "public involvement that NEPA has induced is so formal, so predictable, and so proposal-oriented that it seems to have stifled meaningful dialogue between citizens and agencies. The most disturbing aspect of public involvement under NEPA is that although it has been extensive, it appears to constitute a deterioration of the public participation concept as it was developing prior to 1969. Citizen participation in impact-statement preparation is characterized by three things (i) public involvement is arduous and repetitive. It requires citizens to analyze, review, comment, and participate on several separate occasions: typically, at the alternatives formulation, planning, draft, and final stages. The dialogue becomes repetitive and only the very committed remain interested. (ii) The dullness of the dialogue is exacerbated by the focus on alternatives. The presence of alternatives colors the substance of the discussion. Almost inevitably the dialogue results in a misleading pseudo plebiscite, a count of the number of advocates of each alternative, rather than a discussion of goals. (iii) people expend consider-

able effort discussing a document, the inclusions, the exclusions, and appropriateness of its emphasis rather than alternative futures and programs. By tying citizen participation to a process of reviewing and filing documents, NEPA has sterilized and stultified the dialogue between agencies and the public that was beginning to develop in the late 1960s.

How to do you respond to this commentary?

Answer. I hope that you do not expect me to argue that public involvement is never dull, arduous or time consuming. Of course it is; I also believe that public involvement is critically important.

CEQ gets few complaints about too many opportunities for public involvement. We do receive thoughtful comments about why public involvement in a particular situation has not been very satisfactory, or how it could be improved. We also hear examples of situations in which members of the public express the view that the NEPA process has energized and empowered them.

The best way to handle public participation for a particular situation is always challenging. One important question is timing: what is the optimum time for the public to become involved in an agency's thinking about an issue? Involvement too early can lead to boredom, and lack of focus and wasted time and resources; involvement too late inevitably invites cynicism and delay. When we hear from members of the public that the NEPA process has made a difference in their ability to access and influence agency decision-making, it is almost uniformly due to public involvement that either began reasonably early in the process and in a manner that convinced the public of an agency's genuine interest at a reasonably early stage in the process, or began as a restart to a process found unsatisfactory by one or more participants with those characteristics.

Involvement does need to be focused in a way that uses peoples' time and expertise most efficiently. Too often, intangible skills related to communicating with individuals or groups depend on people's individual skills have not have been supplemented with training in this field. To this end, I am hopeful that the new U.S. Institute for Environmental Conflict Resolution may be of assistance to agencies in improving their ability to maximize the benefits of public participation.

Finally, I and many others share Ms. Fairfax's concern about the tendency to focus on document production rather than analysis and better decision-making. While the CEQ regulations were written in large part to address many of these concerns, I am well aware that paper proliferation continues to be a problem. There are numerous reasons for this, and no simple solution. As all of our English high school teachers taught us. it takes more time to write something short than simply throwing everything into a document. Nonetheless, before we denigrate NEPA documentation too much, I have to add that as a decision-maker at the Department of the Interior, I often found that the NEPA document was the one place I could turn to in order to review all of the relevant information about a proposal. That said, we need to get smarter about using developing technology to reduce duplicative and costly document preparation.

Question 4. Much of your answer seems to suggest that the criticisms offered by this commentator involves issues (1) that are very complex; but (2) for which solutions can be, and are being developed, if only we will be patient. As someone who is awaiting confirmation, asking us to be patient is probably good strategy; inasmuch as you hope that we would confirm you to provide you the opportunity to address these kinds of concerns. However, this commentary was from the February 1978 issue of "Science" magazine. I will provide you with a copy. I believe the notion that you are going to be aggressively engaged in fixing these problems is a little hard to swallow, particularly in light of the Administration's lack of interest to date. So, let me read you the conclusion of this article and then tell me—as the person who would like to be responsible for implementing NEPA now 21 years after this criticism was levied—how you will defend the status quo. This commentator concludes by saying that:

> supporters of NEPA heralded it as major legislation which reformed administrative decision-making by requiring consideration of alternatives and environmental variables and by involving the public and courts in decision-making. However, NEPA did not cause any of these reforms and to the extent that the reforms themselves are productive, NEPA actually detracted from their development. The tragedy of NEPA is that it turned energy, attention, and effort away from a redefinition of agency authorities and spent it on Proliferating paper. It truncated discussion of environmental protection in terms of authorizing statutes which define the existence and mission of executive agencies, and it directed attention to the preparation and filing of reports.

Please respond by defending the existence of CEQ and NEPA for the next millennium in the most eloquent terms you can. You will, in essence, be making the case for why, at this point in history, it is any more relevant for Congress to confirm a new CEQ Chair, as it would be for us to confirm . . . say, a new director of the General Land Office.

Answer. First, I would note that Ms. Fairfax's assessment of NEPA's contribution to citizen access to agencies and courts regarding agency decision-making was immediately disputed by political scientists and attorneys (see letters from Paul Culhane, Department of Political Science, University of Houston, and Richard Liroff, Environmental Law Institute, along with Ms. Fairfax's reply, in "Science", Vol. 202, pp. 1034-1039) and remains, I suggest, a minority view.

Second, Ms. Fairfax seems to juxtapose the act of developing customized environmental standards in each agency's authorizing language with what she views as NEPA's lack of effect on agencies' underlying authority. In fact, such a juxtaposition is neither accurate nor necessary. NEPA specifically states that, "The policies and goals set forth in this Act are supplementary to those set forth in existing authorizations of Federal agencies." 42 U.S.C. § 4335. Furthermore, Congress has included specific environmental criteria in authorizing statutes since NEPA's passage (see, for example, Conservation Programs on Government Lands, commonly known as the Sikes Act, 16 U.S.C. § 670a et seq.).

Ms. Fairfax's view regarding the value of NEPA is, in fact, a minority view in much of the world. Not only have a number of our states and some cities and tribes adopted environmental impact assessment, but at last count, over 86 countries around the world had adopted some form of environmental impact assessment in law or regulation. In fact, when it comes to the environment, along with the concept of national parks, NEPA appears to be one of America's most popular exports. I believe that it is so because at its heart, the NEPA process is based on a simple, common sense idea: that before a decision is made, it is prudent to consider the consequences. And—additionally—that one is more likely to fully understand the consequences of a decision if informed by the thoughts and reactions of people who will be affected by it. I believe these propositions will stand the test of time throughout the next millennium. Will we develop better methods of analysis to more effectively predict impacts? I hope so. Will we improve our methods for involving people outside of the federal government in federal decision-making? I trust we will. I am working now to increase the involvement of state, local and tribal governments in the NEPA process and I believe such a step would ultimately do much to improve both the process and decision-making. Will we produce better, shorter, more readable documents? Perhaps. Will the agencies have perfected the NEPA process by the end of this century? No. By the end of the next century? Probably not. By the end of the next millennium, I suspect the human race will still be challenged by phenomena that we do not fully understand, and hampered by our own human foibles. But the process of learning how to ask the important questions and improving our ability to provide sound analysis is worthy of significant effort now and in the future. And improving communication among diverse individuals and groups of people is not just a nice-sounding goal: it's a must if society is going to survive in a free and healthy world.

NEW YORK STATE,
OFFICE OF PARKS, RECREATION AND HISTORIC PRESERVATION,
Albany, NY, June 14, 1999.

Hon. FRANK MURKOWSKI,
U.S. Senate, Washington, DC.

DEAR CHAIRMAN MURKOWSKI: Thank you for the opportunity to testify before the Senate Committee on Energy and Natural Resources and your request for follow-up information as requested by Senator Bob Graham of Florida. It is my pleasure to provide the Committee with additional comments.

INTER-GOVERNMENTAL APPROACH

My testimony included comments relating to the importance that the Historic Preservation Fund be supported through whatever measure was successfully moved in the Senate that permanently directed OCS revenues to various purposes. As presently written, the National Historic Preservation Act establishes the state as partners, with the State Historic Preservation Officer to act as an agent of the federal government. The partnership is for the purpose of enforcement of the act, and for providing matching grants to municipalities and not-for-profits for historic preservation projects.

In addition, the Act also provides for designating and aiding with Competitive grants "Certified Local Governments" for the purpose of fostering effective municipal landmark preservation programs under local ordinance. The NY Office of Parks, Recreation and Historic Preservation has viewed this partnership as a positive relationship between the Federal, the state and local units of governments.

LACK OF ACQUISITION OPPORTUNITIES IN URBAN AREAS

In my written testimony I state that restricting stateside LWCF to land acquisition would greatly reduce the benefit to urban communities, and I recommend that capital expenditures be authorized for both UPARR and LWCF. The New York Statewide Comprehensive Outdoor Recreation Plan (SCORP) identifies that major urban areas comprise 48% of the state's population within 1% of the state's total land area. These areas contain only 11.4% of the total number of recreation sites. The total acreage of recreation sites within the central city areas is less than 3% of the state's total acreage. The percentage of facilities offering an activity is quite low compared to the 48% of population living in central city areas. Therefore, the urban communities have the greatest demand and needs for recreation facilities and open space, with the least opportunities for additional open space.

REHABILITATION AND MAINTENANCE

In a survey of park professionals and community planners, rehabilitation and maintenance was an issue frequently mentioned as becoming a crisis in many areas. Much of the existing park infrastructure was developed over half a century ago and is now either nearing or past the end of its expected useful life span. Is rehabilitation and development of recreation facilities critical in our urban areas? The answer is yes. Is there a critical need to protect open space areas in urban areas? Again, the answer is yes. Funding must be available for both to address the concerns of our urban communities.

UPARR & STATEWIDE LWCF COORDINATION

In concept, UPARR could be considered to be a dedicated funding supplement within the broader LWCF program. UPARR is directed to urban areas and can include indoor facilities that are not eligible under LWCF. LWCF covers the entire state including the urban communities. The SCORP's policies, needs assessment and program initiatives provide the overall basis for the LWCF selection process. It further encourages and recognizes local planning efforts. The SCORP could be an umbrella for both programs and provide the linkage between them. The goals are the same-improving recreation opportunities. The public is primarily concerned with the end product. Therefore, the SCORP (or similar document) could provide the overall guidance and promote local plans that would provide a coordinated mechanism at the community level.

I trust that this is responsive to the Senator's request. If additional information is required, please do not hesitate to contact me.

Most sincerely,

BERNADETTE CASTRO,
Commissioner,
State Historic Preservation Officer.

Brooklyn, NY, June 3, 1999.

Hon. FRANK H. MURKOWSKI,
U.S. Senate, Chairman, Committee on Energy and Natural Resources, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter of May 3, 1999 conveying questions from Senator Graham. I have endeavored to answer his questions below.

As currently drafted S. 25 requires that two thirds of the federal land acquisition funds in the LWCF be spent east of the 100th meridian. In my opinion, this provision incorporates unnecessary restrictions in the proposed bill. Future administrations should have the flexibility to spend the LWCF where it will make the most sense and do the most good. Assuming that a version of the LWCF bill is passed, future Congresses will continue to have oversight of the spending through the appropriations committee. In conjunction with the then current administration, they will have considerable input into where the funds are spent. Furthermore, to the best of my knowledge, during the thirty odd years that the LWCF has been in existence, very little money (if any) has been spent in any state for federal land acquisitions unless the state wanted such an acquisition to take place. While this provision

was probably inserted to appeal to constituencies in those western states that feel the Federal Government already owns too much land, its inclusion does not in reality address those issues, and may interfere with the operation of the new LWCF. On a personal note, easterners are all too glad at this juncture to gain as much of this funding as possible, nonetheless, I think that environmental pressures in the future may prompt western states to want more of their fair share of these funds.

For similar reasons, I find the provision requiring Congressional authorization for federal acquisitions larger than $5 million unduly restrictive and redundant. Congress will have the right to review future federal acquisitions. I believe that one of the purposes of the new LWCF bill is to provide funds on a predictable basis in order to allow future administrations and Congresses to plan and respond in a timely way to critical needs. A good illustration of this arose when the Federal Government decided to purchase important elk and grizzly habitat north of Yellowstone National Park in the early 80s. At the time, the Forbes family decided to sell its ranch in Montana. The Forbes family was willing to sell to the Government, but the Government was unable to act soon enough and the land was sold to the Church Universal and Triumphant. This could have had a serious consequences for the elk herd in Yellowstone; fortunately, however, the Church ultimately sold some of the land to the Government, albeit at a much higher price.

The National Park System, the state park system, and National Refuge System, all can play an important role in providing migratory corridors to permit animal dispersal, genetic variety, and healthy populations. While even small local parks can play a role for migrating songbirds and pollinators, they are less useful in providing habitat for the larger mammals. In fact, recent studies have found that the larger areas are also critical in stabilizing songbird populations, as many songbirds faced increased predation and other hazards in the less densely forested fringe areas. One of the great features of the LWCF is that it permits the federal and state governments to purchase land needed to complement or even complete important ecosystems. As I stated in my written testimony, the health of natural ecosystems is of critical importance to our air, water, agriculture, and human and livestock health. Again Yellowstone is a good illustration. Yellowstone is unsurpassed for scenery; however, as an ecosystem it is impoverished. Because of its elevation most of the elk herd must move north to lower elevations to winter. The forest is principally lodge pole pine without much diversity. The private land and government holdings outside the Park are an integral part of Yellowstone. It is not important who owns the land; it is important that the lands are managed and preserved in a way that allows the greater Yellowstone ecosystem to function properly.

Sincerely yours,

THEODORE ROOSEVELT IV.

NATIONAL WILDLIFE FEDERATION,
Vienna, VA, June 1, 1999.

Chairman FRANK MURKOWSKI,
Energy and Natural Resources Committee, U.S. Senate, Washington, DC.

DEAR CHAIRMAN MURKOWSKI: I deeply appreciated the opportunity to testify before the Senate Energy and Natural Resources Committee regarding S. 25, the Conservation and Reinvestment Act of 1999 and S. 446, Protect America's Resource 2000. Attached is my response to the questions posed by the Committee. Please let me know if I can provide any additional information to you or other Committee members.

Sincerely,

MARK VAN PUTTEN,
President and CEO.

RESPONSES TO QUESTIONS FROM SENATOR GRAHAM

Question 1. Please explain your views on the role of private landowners in the conservation of our nation's endangered and threatened species, and how the money provided in Title VIII of S. 446 would impact this role.

Answer. Many endangered and threatened species depend heavily upon habitat found on private lands. Unfortunately, the Endangered Species Act (ESA) has had only limited success in protecting species on these lands. Private landowners who could play a key role in the protection and recovery of threatened and endangered species have often ignored or even tried to evade the restrictions of the ESA. New mechanisms for engaging private landowners in species recovery efforts are desperately needed to help the Act fulfill its goals of recovering species.

Resources 2000, S. 446, would provide a dedicated source of funding ($100 million annually) to create an incentive program for private landowners who contribute to the recovery of endangered and threatened species (as well as the habitat upon which they depend). The U.S. Fish and Wildlife Service and National Marine Fisheries Service (the two agencies responsible for implementing the Endangered Species Act) would use the funds to provide grants to landowners who enter into "recovery agreements" that contribute to the recovery of the species in ways that go beyond the existing obligations under the law. The recovery agreements would have to have clear goals and a periodic review process to evaluate whether the goals were being met. Priority would be given to small landowners and farmers.

Increased outreach to landowners is desperately needed to ensure the continued survival of many endangered species that are found primarily on private lands. These proposed "recovery agreements" would provide beneficial incentives to encourage landowners, who might otherwise be uninterested, to contribute to the recovery of species.

Question 2. Would you please explain to this committee in greater detail the benefits of state-based wildlife and habitat conservation plans?

Answer. Developing statewide conservation plans will help state agencies to obtain information on the distribution and abundance of species of fish and wildlife, including rare and declining species, identify the threats they face, and outline the conservation and management strategies necessary to protect them. By making use of the best available scientific information and addressing areas where there are information gaps, a state conservation plan will establish the framework for proactive, efficient, and effective conservation of fish and wildlife species. This type of planning will ensure that the substantial amount of new funding coming in to these state programs will be directed to the areas of most pressing conservation needs.

We recognize the potential dangers of placing burdensome planning requirements on the states and inadvertently wasting funds that could have been better spent on actual conservation activities. We also recognize, however, that lack of planning could result in the funds being spent on uncoordinated, unrelated individual projects that do not maximize the benefits to wildlife. To balance these two concerns, we recommend that the legislation include general guidelines about what should be in a plan without being too prescriptive and it should leave room for each state to adapt the planning process to suit its individual needs. Furthermore, states that already have adequate comprehensive plans should not be required to do further planning.

It is important that states not be prevented from receiving funds for critical wildlife and habitat conservation needs while they are in the process of developing a conservation plan. Instead, the statewide plan should be one of the initial products created with these funds. In addition, federal agencies should coordinate and provide technical assistance to states where appropriate. Finally, the planning and implementation process should incorporate the federal oversight and accountability measures that have been so historically effective in Pittman-Robertson.

Outlined below are some of the features that should be addressed in state planning processes:

- A broad-based assessment, by the relevant agencies, of the state's animal and plant species. This should be done at a more general level in order to create an overview of the status of plants and animals in the state, with more detailed analyses done for select species (e.g. indicator species, endangered species, keystone species, etc.).
- Identification of essential habitat necessary to protect key species and ensure adequate representation of all native ecosystem types, and identification of key threats to species and essential habitat.
- Prioritization of management, research, and land acquisition needs.
- A monitoring and assessment program that provides feedback to state wildlife managers for use in adapting their management plans as new information becomes available.
- A meaningful public participation program that not only seeks out public input, but also identifies opportunities for increasing the public's awareness, interest, and participation in state wildlife protection efforts.

Question 3. You appear to be saying that if the states and the nation as a whole are serious about maintaining our wildlife heritage, then we must focus our efforts on conserving habitat. Are you implying then that the focus of these wildlife and habitat conservation plans should be on habitat acquisition?

Answer. The National Wildlife Federation recognizes that any effort to protect our wildlife heritage must involve efforts to conserve and restore the habitat upon which they depend. As a result, state wildlife and habitat conservation plans should certainly include consideration and evaluation of habitat in the state. While habitat acquisition will be vital in helping to protect wildlife, it is one of many tools necessary

to achieve protection and restoration of our wildlife heritage. Habitat acquisition should be a component of these state plans, but may not necessarily be the primary focus. Instead, each state should evaluate during the state-wide planning process its priority conservation needs. In some cases, the greatest need will be habitat acquisition. In others, wildlife research, monitoring, or management activities (e.g. removal of invasive species to protect native species; captive breeding programs; reintroduction of species, etc.) will be the most pressing areas of need. The planning process should guide each state's decisions about where and when to spend the funds they receive as a result of conservation funding legislation.

NATIONAL ASSOCIATION OF COUNTIES,
Washington, DC, May 28, 1999.

Hon. FRANK H. MURKOWSKI,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR SENATOR MURKOWSKI: I sincerely appreciate the opportunity to respond to the questions posed by Senator Graham. These questions were raised in connection with my testimony on behalf of the National Association of Counties before the Committee on Energy and Natural Resources Committee.

Senator Graham asks about the primary benefit of a strong state and local parks and recreation system to local communities. I believe these parks will provide passive and active recreation in our urban communities. They will help keep kids off the streets and increase the value of neighborhoods. Additionally, the proposal will help relieve growth pressures on urban parks in urban areas with significant growth targets and designated increased densities under mandated growth management plans.

These park systems can also benefit our national park system. To some degree, state and local parks that offer many recreational as well as passive, near wilderness experiences, can reduce pressures on the fragile and limited national park system. More importantly, the accessibility of many park and recreational opportunities at the local level can help imbue our youth with an appreciation of the fragility of parks, their flora and fauna, and thus ultimately reduce damage and overuse in our national parks.

Senator Graham also asks about the appropriate role of the federal government in funding and decision-making as it pertains to state and local parks. In addition to assistance in funding of state and local plans, I believe the federal government can make a difference by facilitating these plans for parks and open space and by providing technical assistance and guidance.

The federal government should not be involved in the parks decision-making process at the state or local level. Funding could be based on criteria and standards, but once those have been met, the federal role should be limited to technical assistance at the request of the state and local governments.

The potential problem with a "large federal involvement in funding" of state and local parks is that the federal government has a track record of trying to control how the money is spent rather than relying on the capacity of the state and local governments to manage these resources. If the state or local jurisdiction has met the requirements for the funding, the federal government's role should be limited.

Finally, Senator Graham asks for comments concerning other areas where the three-tiered approach of federal, state and local support could be applied through this legislation. At this juncture, NACo believes this initiative needs to be somewhat limited to the three titles contained in S. 25. If congress chose to include a substantially broader range of programs, it would dilute the financial resources for UPARR, the state-side LWCF and the Graham-Reid National Park Preservation Act. This is not to say there are not programs and proposals that are appropriate for possible inclusion, such as the urban forestry program.

If other federal programs are to be included, they should be funded from the revenue currently dedicated in S. 25 to the federal-sided LWCF, and not come from the basic funding for state-side LWCF or from UPARR. There is already a substantial federal commitment to our National Parks.

The Chairman of the House Interior Subcommittee on Appropriations has repeatedly stated that the maintenance and protection of these resources are the highest priority of his subcommittee. There are other programs that are in dire need of funding, such as the Payments in Lieu of Taxes program—a program that has been woefully underfunded since its reauthorization in 1994. We recommend that Congress consider full funding of PILT which helps decrease the pressure on local prop-

erty taxes to fund the many services counties provide in support of the presence of federal parks and public lands in those counties.

Thank you for considering these additional comments and for making them a part of the record that will help to shape the passage of this important legislation.

Sincerely,

JANE HAGUE,
1st Vice President.

NATIONAL CONFERENCE OF STATE HISTORIC PRESERVATION OFFICERS,
Washington, DC, May 12, 1999.

Hon. FRANK MURKOWSKI,
Chairman, U.S. Senate Committee on Energy and Natural Resources, Washington, DC.

Re: Sen. Graham's questions on S. 25, et. al.

DEAR CHAIRMAN MURKOWSKI: In response to your letter of May 3, 1999, I have responded to the questions raised by Senator Graham related to S. 25 the Conservation and Reinvestment Act of 1999; S. 446, the Resources 2000 Act; S. 532, the Public Land and Recreation Investment Act; and the Administration's Lands Legacy Initiative.

Please note that my response begins with an answer to the fourth question. Responses to the other questions begin on page two.

Should you need any other information, please let me know.

Sincerely,

JUDITH BITTNER,
President.

RESPONSES TO QUESTIONS FROM SENATOR GRAHAM

QUESTION ADDRESSING THE HISTORIC PRESERVATION FUND

Question 4. Can the three-tiered approach of national commitment to parks (UPARR, LWCF state-side, Graham-Reid National Parks Preservation Act) be applied to other subject areas addressed by legislation at the hearing using existing federal programs?

Answer. In raising this question, Senator Graham used historic preservation as an example and thereby answered his own question with a resounding, "yes." The national approach to historic preservation, which dates from the passage in 1966 of the National Historic Preservation Act, is to set the federal and State governments as a team working for the preservation of the entirety of the nation's heritage. In 1980, Congress gave local governments the option to join the team. The National Historic Preservation Act (16 USC 470) thus fully supports the three-tiered approach referenced in the question.

What is missing, however, is the fuel to run the existing system. The funding mechanism exists in the Historic Preservation Fund (created in 1976 as an amendment to the National Historic Preservation Act) but most of dollars deposited annually in the fund rest in some Treasury accounting system. S. 446, the America's Resources 2000 Act, puts those dollars to work preserving the Nation's heritage by the creation of a permanent annual appropriation. That concept in Title III of Senator Boxer's bill needs to be incorporated in the conservation bill adopted by the Congress.

However, it is important to recognize that the primary purpose behind the creation of the Historic Preservation Fund was to provide funding for the State and local government partners to carry out their responsibilities under the National Historic Preservation Act. This is in contrast to the Land and Water Conservation Fund, which has included the concept of State and federal shares from the beginning. If additional monies are needed for historic preservation activities on the federal estate, they should come from agency budgets, or other funding mechanisms, such as Senator Graham's proposal in S. 819 for a new OCS-funded account. The federal and non-federal partners should not be set up in competition with one another.

RESPONSES TO OTHER QUESTIONS

Question 1. What is the primary benefit of a strong State and local parks and recreation system to local communities?

Answer. As a former director of a State Park system, I know that a strong State and local parks and recreation system is essential to provide the recreation and out-

door experiences individuals want and need. Close-to-home recreation opportunities are essential. Local parks are easiest for people to reach and most actively used. The close proximity of most State Park units to the highway system means people can easily use their state parks, whether it is for fishing on the weekend, camping on a summer vacation, hiking after working, or snowmobiling on a winter afternoon. National parks, particularly the "crown jewels" in the west, are in remote locations which require often lengthy automobile trips and advance planning to visit. Local and state parks, by in large, are closer to more people and easier to use on a regular basis.

The benefits of local parks and a local recreation system were aptly demonstrated at the hearing by Mr. Davis of the Denver Broncos. Recreation programs offer important activities for the youth of America to train bodies and discipline minds. Places for physical activity, usually state and local parks, are essential places for physical activity for Americans of all ages.

Question 2. What is the benefit of state and local parks to the national park system?

Answer. The parks of the nation, whether owned by the federal, state or local government, work together to provide recreation, wildlife habitat and the preservation of cultural resources. The question of ownership is not material to the overall objective of conservation and recreation. Each level of government contributes; the participation of each level is essential to the whole.

To the extent local and state parks (and the national forests and other public lands) emphasize recreational opportunities, the pressure for active use is minimized on national parks set aside for natural conservation of landscape and wildlife.

Question 3. What is the appropriate role of the federal government in funding and decisionmaking as it pertains to state and local parks?

Answer. The federal government has a role in state and local parks. Federal tax revenues come from individuals and are intended to benefit the common good. Some have incorrectly maintained that federal revenues should be expended solely on the federal estate. This parks and land management argument maintains that the private sector should pay its taxes to the federal government which will spend the income only on federal lands. Clearly, some investment in the federal estate is appropriate, but so is federal investment in State and local parks.

Further, the funding for parks and conservation comes from outside the realm of the Internal Revenue Service and annual federal income tax payments. The Land and Water Conservation Fund and the Historic Preservation Fund draw dollars from off shore oil leases following the principle that the depletion of one non-renewable resource should be invested in the enhancement of other non-renewable resources: historic preservation and parks and recreation. When the oil reserves are gone, the nation will have something to show in parks and recreation and historic preservation. Those off shore oil deposits are resources of the whole nation, not just the federal government. The revenues received in exchange for the depletion of those resources should benefit the whole nation.

The second part of the question asks, if the federal government, which is after all the entirety of the American people, funds state and local activity, should federal employees dictate how the money is spent? Yes and no. Federal employees do have a fiduciary responsibility to make sure grants are spent for their intended purposes with appropriate financial management controls in place. Federal employees, however, do not have the knowledge and experience to make appropriate decisions at the State and local level. The tendency in the Administration's Lands Legacy Initiative, in contrast to the reinventing government philosophy of several years ago, is for federal employees to dictate to States and localities. This "federal government knows best" is outdated and wrong.

DEFENDERS OF WILDLIFE,
Washington, DC, May 11, 1999.

Hon. FRANK H. MURKOWSKI,
Chairman, Committee on Energy and Natural Resources, Washington, DC.

DEAR CHAIRMAN MURKOWSKI: Thank you for the opportunity to testify before the Senate Energy and Natural Resources Committee last week on S. 25, S. 446, S. 532, S. 819, and the Administration's Lands Legacy Initiative. I would also like to thank you for the opportunity to respond in writing to three additional questions from Senator Graham. I will address each question in turn.

Question 1. Please explain your views on the role of private landowners in the conservation of our nation's endangered and threatened species, and how the money provided in Title VIII of S. 446 would impact this role?

Answer. The voluntary participation of private landowners is absolutely essential to the conservation of our nation's endangered and threatened species. It has been estimated that nearly half of all federally-listed species occur exclusively on non-federal lands, and that over sixty percent of their populations are on non-federal lands. The numbers clearly speak for themselves—we simply cannot expect to recover the majority of our endangered and threatened species unless we adequately conserve them on private lands. Defenders believes that the most effective way to accomplish this goal is through incentive-based conservation strategies. Given adequate financial incentive and information, we believe that most private landowners will undertake voluntary efforts to promote the conservation of endangered and threatened species.

The problem has been an almost complete lack of funding for such incentive-based conservation efforts under the Endangered Species Act. The money provided in Title VIII of S. 446 would for the first time provide a substantial and dedicated stream of revenue for the U.S. Fish and Wildlife and National Marine Fisheries Services for the exclusive purpose of working with private landowners on voluntary, incentive-based strategies to promote the recovery of listed species.

Question 2. Would you please explain to this committee in greater detail the benefits of state-based wildlife and habitat conservation plans?

Answer. Wildlife and habitat conservation plans are needed to enable each state to strategically target and prioritize these new federal funds in a manner that will most efficiently and effectively conserve wild species and their habitats. These plans can also serve as blueprints for other governmental and private entities to prioritize and target their conservation efforts. To accomplish these goals, state-based wildlife and habitat conservation plans must incorporate the following elements:

1. They are broad-based, both biologically and institutionally. They cover all animal and plant species, but they can do so through a coarse filter (community-based)/ fine filter (rare, threatened, or endangered species occurrences) approach. They are also done in coordination with other relevant state and federal land and resource management agencies.

2. They identify the key habitat areas that must be maintained in current land-uses to provide adequate habitat for all natural community types (coarse filter) and all focal species (e.g., threatened, endangered, or otherwise of management concern, whether game or nongame—the fine filter).

3. They identify the key threats to focal species and essential habitats, and identify and prioritize management options and research needs for addressing those threats.

4. They use the best available data and information, such as Gap Analysis and Natural Heritage databases and, if necessary, identify additional survey needs where data gaps exist.

5. They establish a practical and informative program of monitoring and assessment of essential habitat and focal species status that can assist the agency in taking an adaptive management approach to conservation. Such programs should be geared to evolving the state's habitat conservation system plan on a periodic basis to address changing conditions.

6. They provide for meaningful public participation in the plan's development, revision, and implementation.

Question 3. You appear to be saying that if the states and the nation as a whole are serious about maintaining our wildlife heritage, then we must focus our efforts on conserving habitat. Are you implying then that the focus of these state wildlife and habitat conservation plans should be on habitat acquisition?

Answer. Absolutely not. While we should not preclude state acquisition as a conservation tool, we expect that most of the essential habitat areas identified in a state's plan will be conserved by means other than acquisition. For example, it might involve working with a private landowner to control an invasive species, or to actively manage land in a manner that replicates a natural disturbance regime that is essential to the survival of native wild species. In other cases, the focus of a state's efforts might be on utilizing incentive based conservation strategies to maintain existing low intensity land uses that are compatible with the habitat conservation needs of wild species.

Thank you again for the opportunity to provide testimony to this committee on the above-referenced pieces of legislation. Please let us know if we can provide you with any additional information.

Sincerely,

MARK L. SHAFFER.
Vice President, Programs.

RESPONSES OF TOM KIERNAN, PRESIDENT, NATIONAL PARKS AND CONSERVATION ASSOCIATION

Question 1. Can you describe the nature of the threats posed to those parks on your list impacted by external activities?

Answer. Because national parks are not isolated from the world around them, much of what threatens park resources originates outside their boundaries. The list of impacts originating outside the parks is extensive: air pollution at Great Smoky Mountains; water pollution in the Everglades; the introduction of exotic species to Hawaii's national parks; incompatible airport development near Mojave; loss of biodiversity in Yellowstone; noise pollution damaging Biscayne National Park; light pollution at Grand Canyon; and many others. Of course, these types of threats do not come only from outside the parks. Noise pollution, for example, also is created by activities inside parks, including the Park Service's own operations.

Question 2. In your view, what would some potential solutions to those threats be?

Answer. S. 819 offers the potential for the NPS to dedicate significant financial resources toward alleviating problems, or potential problems, that originate outside national parks. For example, enabling NPS to purchase easements on parcels linking parks to other public land holdings could help maintain biodiversity in national parks. Once protected, these areas could serve as wildlife migration corridors, allowing animals that had been extirpated to recolonize the parks.

Light pollution from nearby communities that affects a park could be by alleviated through a cooperative effort between NPS and the community to purchase more efficient lighting systems.

The introduction of exotic species inside parks could be slowed if NPS had the resources to help other jurisdictions control the spread of these pests before they reached the park.

Damaging or incompatible development near parks could mitigated by making NPS funds available for planning and design work. Many small communities near national parks do not have urban-planners or other specialists on their staffs.

Question 3. In your opinion, does the existing structure of S. 819 provide the necessary tools to address those threats?

Answer. Yes, the bill gives substantial leeway to the National Park Service in determining how to use funds provided under S. 819. We believe this flexibility is essential because each park will face different types of problems. However, it also will be important for the Committee to exercise oversight of any regulations that NPS adopts to implement S. 819. In addition, we suggest the following minor changes to the "Identified Threats" section of the bill: (A) "shall be used only to address identified threats and impairments described in paragraph (1), including but not limited to use for land acquisition, easements, construction, grants . . ." NPCA believes it is important to make it clear that the uses listed in this section are not the only acceptable tools. We also believe that the purchase of conservation easements is such a potentially valuable tool that it merits special mention.

Question 4. Can you give me some examples of parks that would benefit from the funding stream provided by S. 819 to solve both internal and external problems?

Answer. Chaco Culture National Historic Park in New Mexico—The steady pressure of more visitors wanting easier access to the ruins has increased pressure to pave 15-20 miles of roads leading into the park. Leaving these roads unpaved helps to maintain a unique introduction to the park. S. 819 funds could be used to develop a shuttle transportation system that would both accommodate visitors and protect the park.

Denali National Park in Alaska—Like many parks, Denali has numerous private inholdings and mining claims that are vulnerable to commercial development. One proposed lodge would require road construction across nine miles of park streambeds and wetlands. S. 819 funds could be used to purchase some of these high priority inholdings.

The parks of south Florida—Everglades, Big Cypress Preserve and Biscayne. Water pollution, diversion, and loss of habitat for birds, plants and animals have left Big Cypress National Preserve and Biscayne and Everglades National Parks, a shadow of what they used to be. Additional funds are needed to restore these areas and to ensure that water entering the parks is clean.

Gettysburg National Military Park, Pennsylvania—Fast growing towns and suburban areas, many of which have little or no urban planning expertise available to them, surround this park. Funds to help ensure that development in the surrounding areas is sensitive to the park's needs would be immensely helpful.

Grand Canyon National Park, Arizona—S. 819 funds could go toward establishing transportation links with nearby gateway communities to reduce congestion within

the park. Outside threats to the park also come in the form of air pollution from the Mojave Generating Station in Nevada and from unregulated groundwater pumping to the south of the park. S. 819 funds could help alleviate both of these problems.

Great Smoky Mountains National Park, Tennessee and North Carolina—Air pollution from old coal-fired generating plants located well beyond the park is a severe problem in the Smokies. S. 819 funds could be used as incentives to encourage these plants to purchase the equipment needed to switch to a less polluting fuel, such as natural gas.

Haleakala National Park, Hawaii—Haleakala protects more endangered species than any other national park. Biological invaders—plants, animals or diseases that are not native to the area—can have catastrophic results. Already, the Argentine ant, feral pigs and goats, and avian malaria, all brought to Maui from outside, disrupt the balance of life within the park. A proposed airport expansion on Maui would increase the risk of more alien species being introduced to the island as "hitchhikers" on long range aircraft. S. 819 funds could reduce this danger by ensuring that any airport expansion be accompanied by state of the art inspection, quarantine, and control mechanisms that will identify and eradicate alien species before they can escape into the environment.

Mojave National Preserve, California—This once remote desert is besieged by encroaching development from all sides. There's a subdivision planned for the northern boundary with a golf course and an RV park, and shopping mall just outside the northern end of the park, and a nearby Army base that wants to expand its tank training range by nearly 200,000 acres. Additionally, there are plans to expand a mine that has already caused a major toxic and radioactive water discharge into the park. As with so many other parks, the Park Service needs to be able to offer surrounding jurisdictions alternatives to some of these highly detrimental projects by stimulating economic development opportunities that are compatible with park resource protection goals. Funds from S. 819 could make that possible.

Voyageurs National Park, Minnesota—Motorized use groups are trying to increase snowmobile and jet ski activity in the park by persuading local communities that their economies will benefit. In reality, however, these types of activities degrade park resources, turn away visitors and ultimately hurt local economies. S. 819 funds could be used to commission economic studies to demonstrate the value of keeping parkland free from extreme motorized recreation.

Yellowstone National Park, Wyoming and Montana—Yellowstone is burdened with a crumbling sewage system that dumped thousands of gallons of sewage and wastewater last year into Yellowstone Lake and near Old Faithful. The National Park Service has identified at least 30 places with a high risk of sewage contamination of lakes, streams and groundwater. Fixing these problems will require an estimated $30 million, money that could come from S. 819 funds.

Question 5. Currently, S. 819 gives the Secretary of the Interior the authority to determine which parks and park units are eligible for funding under this legislation. Do you have any recommendations on means to make this process efficient and effective?

Answer. Once again, we believe it is important for the National Park Service to have a great deal of flexibility in the distribution of these funds. At the same time, we think it would be useful to establish a competitive grant process through which non-federal and non-governmental entities could apply to the Park Service for access to a portion of these funds. Many groups are concerned with national park protection and it should not be left solely up to the National Park Service to initiate the cooperative ventures that could utilize S. 819 funds.

Additionally, we recommend that a reporting requirement be included to track how NPS is spending this money and what results have been achieved. A bi-annual report to the House and Senate Resources Committees would be sufficient.

Question 6. Currently, the National Park Preservation Act makes funds available for expenditure in units of the National Park System that have ". . . ecosystems, critical habitat, cultural resources, or other core park resources that are threatened or impaired." Do you believe that definition is clear? If not, what changes would you recommend?

Answer. Yes, the definition is clear. It is especially important to retain the language concerning "other core park resources" in order to include resources, such as natural sounds, that would not fall within the other categories. In addition, we fully support the bill's prohibition on spending S. 819 funds for regular operational needs or maintenance, which are then addressed through the regular appropriations process. Finally, the National Park Service may need additional authority to spend funds in some of the ways envisioned by S. 819. NPCA recommends that the Energy Committee request an opinion from the NPS solicitor on this question.

Question 7. In our discussions on April 27 regarding the Urban Parks and Recreation Recovery Program, we discussed briefly the role of state and local parks in helping to preserve and protect our national parks. Can you describe your view of the relationships between these two types of park systems?

Answer. I believe that we should strive to create a national system of parks that ties together federal, state and local parks to achieve a range of national social goals. At one level, the National Park System protects nationally significant resources and interprets them in a way that makes them meaningful to all Americans. This is why national park managers must be prepared to curtail activities, such as certain types of recreation, if they threaten park resources or conflict with the quality of other visitors' experience at a particular park. To some degree, our existing informal national system of parks already recognizes that activities which are inappropriate for national parks may be acceptable in state or local parks where the level of protection provided to resources is lower.

Similarly, state and local parks can serve needs that national parks can not and should not. For example, many local jurisdictions are creating "specialized" parks, whether they are skateboarding parks, off-leash dog exercise areas or pedestrian-only riverwalks. Local jurisdictions also are creating significant new natural parks that can multiple uses. For example, Seattle has proposed a 90,500-acre ecological preserve in the nearby Cedar River watershed. The proposal is part of a 50-year, $88 million habitat conservation plan that would allow the city to continue drawing water from the watershed while protecting endangered species. In short, state and local parks can respond to significant social needs and make our entire nation a better place to live without requiring federal resources or federal involvement.

We all have a stake in creating a true national system of parks. It is important to stress, however, that because national parks serve a national constituency, they should not be unduly influenced by local interests. It is not uncommon for nearby neighbors of a national park to think of it as "their" park. This is desirable to the degree that it results in greater citizen concern for the condition of the park. It is problematic, however, if it leads to demands for unacceptable commercial development or activities that damage the park. Management decisions that affect national parks must be made with the national interest in mind.

Question 8. In your opinion, why or why not is the earmark for Everglades National Park justifiable from a park preservation perspective and how will the work conducted at Everglades National Park relate to restoration projects at other national parks?

Answer. The bill's earmark of $150 million annually for 15 years for the Everglades is reasonable and justified. Everglades has been rightfully called our most endangered national park. It is the only major park at which the entire ecosystem is on or over the brink of collapse. Moreover, the problems that are destroying Everglades National Park are directly attributable to intentional human activity. As a nation, we purposely destroyed vast portions of the Everglades ecosystem. If we have the political willpower, we can repair much of the damage, but it will not be an inexpensive effort. It makes sense for S. 819 to provide funds from the depletion of one national, non-renewable resource to save another irreplaceable national resource—the parks of South Florida.

Many national parks are ecologically impaired to some degree. Parks suffer from the absence of key species, or alternatively the presence of non-native plants or animals. Other parks suffer from distorted water delivery patters that have affected the biological makeup of the park. In other parks, it would be desirable to return to a historical landscape associated with the event or events that the park commemorates. Throughout the Park System, the lessons learned at Everglades will be applicable and useful. By fixing the Everglades we can learn how to heal other damaged areas.

APPENDIX II

Additional Material Submitted for the Record

[Note: Due to the enormous amount of materials received, only a representative sample of statements follow. Additional documents and statements have been retained in committee files.]

APPALACHIAN MOUNTAIN CLUB,
Boston, MA, June 17, 1999.

Hon. FRANK MURKOWSKI,
Chairman, Energy and Natural Resources Committee, U.S. Senate, Washington, DC.

DEAR SENATOR MURKOWSKI: On behalf of the 83,000 members of the Appalachian Mountain Club (AMC), America's oldest conservation and recreation organization and a major leader in land protection issues in the Northeast, I would like to thank you for the opportunity to express our views on the Conservation and Reinvestment Act (S. 25). With your help, we can make sure that our nation enters the new millennium with the tools we need to protect America's land and community heritage.

S. 25 makes a major commitment to open space funding. By introducing this bill, you and Senator Landrieu have made a valuable contribution to the national movement regarding the protection of our valuable natural areas and creation of recreational opportunities for all Americans. We applaud both of you as well as the members of the Energy and Natural Resources Committee for your leadership and look forward to working together to pass historic legislation that fully and permanently funds LWCF this year.

Please include the attached testimony* in the record of the Senate Energy and Natural Resources Committee hearings concerning S. 25 and other proposals to restore the promise of the Land and Water Conservation Fund. In particular, I would like to draw your attention to the need for "flexible funding" for state and local lands of regional or national significance.

There is a critical component of a renewed LWCF that is essential to regions of the country with important lands of compelling public interest but without access to adequate Federal or State LWCF funding. As currently configured, LWCF provides land acquisition funding for federal land units, such as National Forests, National Parks or Wildlife Refuges, and direct grants to states on a 50/50 matching basis for acquisition and development of state and local parkland. Both are highly successful programs serving critical needs, and both deserve full and permanent funding. LWCF currently does not provide funding for larger state or, local projects of regional and national significance that exceed the capacity of traditionally administered state-side grants. In addition, states with few federal land units or with low populations do not have access to significant federal funding.

To provide this critical funding to states, we urge you to ensure that the final package voted on by Congress includes a provision that would make additive funding available for important projects that exceed the capacity of the population-based, state-side formula or that are outside of federal land units. Without a source of flexible federal funds, states and local communities alone will be unable to protect some of America's most important natural areas, including those found in: the Northern Forest of Maine, New Hampshire, Vermont, and New York; the Central Appalachian Highlands; the Southern Appalachian Forests; the Great Lakes; the Mississippi Delta; the Northern Rockies and other regions. As you know, many states and communities are looking for ways to protect important natural, cultural, and recreational areas without creating or expanding federal units. Supporting alternatives to new federal ownership promotes local control and partnerships that respect local values and priorities. Protecting national interest lands without new federal owner-

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*The testimony has been retained in committee files.

ship is also cost-effective since state, local, and private partners typically take on the responsibilities of long term management. Flexible federal funding is not a new idea. In fact, Congress recently provided flexible LWCF funding for Sterling Forest on the border of New York and New Jersey. The money went to help the Palisades Interstate Park Commission, a local, multi-state authority, purchase and ultimately manage nearly 16,000 acres of important watershed and recreation lands. Sterling Forest represents a model partnership between local communities, multiple states, the federal government and private conservation groups. In the 21st Century, we expect to see more projects like Sterling Forest, and we ought to have flexible LWCF funding available to support effective partnerships for conservation. We propose that a new "flexible funding" provision be added to S. 25 with the following characteristics:

1. The provision should provide approximately $150-200 million annually in addition to the $900 million allocated to traditional Federal and State LWCF programs.
2. Grants should be awarded to states independent of the population based formula. Grants awarded to states in this process should be in addition to LWCF funds provided annually through the traditional state-side formula.
3. These grants should have a 75% federal/25% state matching requirement for full fee acquisition and a greater state match for lesser degrees of protection such as conservation easements.
4. Grants should be awarded on a competitive basis for lands determined to be of clear regional or national significance based on their ecological, recreational, or cultural value. Lands with regional values and landscape scale conservation potential would be considered of highest priority.
5. States should determine which state or local agency or non-governmental organization receives the grant.
6. As with the traditional Federal LWCF program, Congress and the Administration would work together to nominate projects and award "flexible funding" grants.

We have an extraordinary opportunity not only to fully and permanently fund the Land and Water Conservation Fund, but also to upgrade it with the tools of contemporary conservation. With that in mind, we strongly urge you to incorporate a "flexible funding" provision into S. 25.

If you have any questions about this idea or any others included in our testimony, please feel free to contact me at (617) 523-0636. Thank you once again for your leadership.

Sincerely,

ANDREW J. FALENDER,
Executive Director.

Woodland, CA, May 18, 1999.

Hon. FRANK MURKOWSKI,
Chairman, Senate Committee on Energy and Natural Resources, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to you today to ask that my comments herein be submitted into the hearing record for S. 25, the Conservation and Reinvestment Act of 1999 (CARA).

As your committee deliberates over S. 25 and other OCS revenue sharing bills, I ask you to raise the funding level for state fish and wildlife conservation in Title III from 7 percent to 10 percent of federal OCS revenue, which is currently the Title III funding level in the House companion bill, H.R. 701. I especially encourage you to increase the funding that would go toward conserving nongame species.

This additional money would make a significant difference in states' efforts to prevent species from becoming endangered and to provide important conservation education and wildlife-associated recreation opportunities.

Thank you again for your favorable consideration of this vital conservation funding.

Sincerely,

JOHN D. KEMPER.

JOHN POIMIROO & COMPANY,
A COMMUNICATIONS CONSULTANCY,
El Dorado Hills, CA, May 17, 1999.

Hon. FRANK MURKOWSKI,
Chairman, Senate Committee on Energy and Natural Resources, Washington, DC.

Dear Mr. Chairman: I am writing to ask that my comments herein be submitted into the hearing record for S. 25, the Conservation and Reinvestment Act of 1999 (CARA).

I appreciate your leadership in introducing S. 25, and ushering this important conservation legislation through your committee. The funding provided to states through CARA would go a long way toward conserving and restoring many species of wildlife, particularly non-game species.

As your committee deliberates over S. 25 and other OCS revenue sharing bills, I ask you to raise the funding level for state fish and wildlife conservation in Title III from 7 percent to 10 percent of federal OCS revenue, which is currently the Title III funding level in the House companion bill, H.R. 701.

This additional $100 million would make a significant difference in state efforts to prevent species from becoming endangered and to provide important conservation education and wildlife-associated recreation opportunities. The needs of state fish and wildlife diversity programs are estimated to exceed $1 billion annually. Even half that amount would make a significant impact on the ground for wildlife.

Thank you again for your favorable consideration of this vital conservation funding.

Sincerely yours,

JOHN POIMIROO.

THE NATURE CONSERVANCY,
INTERNATIONAL HEADQUARTERS,
Arlington, VA, May 17, 1999.

Hon. FRANK MURKOWSKI,
Chairman, Committee on Energy and Natural Resources, Washington, DC.

DEAR CHAIRMAN MURKOWSKI: During the Committee's April 27 hearing on S. 25 and related legislation, Senator Landrieu requested several witnesses, including Elliot Marks, Vice-President of The Nature Conservancy, Northwest and Hawaii Division, to submit specific examples of successful public-private partnerships of land conservation. The question arose during a discussion of easement programs, such as those included in Senator Boxer's S. 446.

The Nature Conservancy and its partners have a long history of successfully using non-regulatory incentive programs including matching requirements, to conserve biodiversity on privately owned lands. For this reason, we believe the Committee would benefit from a set of examples from across the country. We have requested our state chapters to assist in compiling this data and we anticipate submitting this document to the Committee in early June.

In order to provide a more immediate response to Senator Landrieu's response, we have identified two outstanding examples of such private incentives for conservation in the public interest:

1. Land and Water Conservation Fund Easements: Blackfoot River, Montana

The Blackfoot River runs for 132 miles in Western Montana through a diverse landscape that features rolling prairie grassland with interspersed pothole wetlands. It is also a working landscape, dominated by cattle ranches that have helped to sustain the quality prairie and wetland and are the backbone of the local human community. This area is now threatened by fragmentation from residential and second home subdivision and development.

The U.S. Fish and Wildlife Service began purchasing conservation easements along the Blackfoot in FY97, and has now protected 5,220 acres at a cost of $1.9 million through the Land and Water Conservation Fund. The easements have allowed the land to remain in private ownership while continuing historic uses of agriculture and ranching. Private landowners continue to pay property taxes so local counties do not lose valuable tax revenues. Demand from landowners to sell easements under this program is remarkably high—over $5 million in need has been documented and could be spent immediately, if appropriated by Congress.

2. Forest Legacy Program: Cow Mountain Pond, Vermont

The Forest Legacy Program of the U.S. Forest Service provides matching funds, through state forestry programs, to private entities for the purchase of conservation

easements on working timberland threatened with conversion to non-forest use. A 1,600-acre tract in Granby, Vermont has the distinction of being the first Forest Legacy project in the country, accomplished in 1993, with the help of the town of Granby and The Nature Conservancy. The citizens of the town wished to ensure that access to a local treasure, Cow Mountain Pond, was maintained for hunting, fishing, and other recreational activities. After being asked to get involved by the town, the Conservancy purchased the 1,600 acres from Champion International and sold a conservation easement to the U.S. Forest Service under Forest Legacy to prevent any future development. The town then used a grant from the Vermont Housing and Conservation Board, as well as town funds, to buy the property back from The Nature Conservancy. The town of Granby now owns the Champion property (including its timber rights), plus 26.5 acres around Cow Mountain Pond and will manage it as a town forest. Trails and camping facilities have been developed, and the town has initiated timber harvesting on parts of the property, in accordance with the conservation easement.

As Mr. Marks stated in his testimony, The Nature Conservancy is committed to working with the Committee as it shapes successful legislation. If you or your staff have any questions concerning these matters, please do not hesitate to communicate with me.

Sincerely,

THOMAS J. CASSIDY, JR.,
Senior Policy Advisor/Interior.

COUNTY OF RIVERSIDE,
BOARD OF SUPERVISORS,
Riverside, CA, May 17, 1999.

Hon. FRANK MURKOWSKI,
Chairman, Senate Energy and Natural Resources Committee, Washington, DC.

DEAR MR. CHAIRMAN: I am contacting you on behalf of the County of Riverside to urge you to include in legislation related to the distribution of Outer Continental Shelf receipts provisions to increase funding for the Payment in Lieu of Taxes (PILT) program.

The Energy and Natural Resources Committee is considering several bills related to distribution of the receipts from Outer Continental Shelf natural gas and oil leases, including Senator Landrieu's S. 25, Senator Feinstein's S. 532 and Senator Boxer's S. 446. Similar legislation is also under consideration by the House of Representatives, including Resources Committee Chairman Young's H.R. 701. Section 103(a)(2) of H.R. 701 provides that the interest earned on that bill's proposed Outer Continental Shelf Impact Assistance Fund would go directly to support the PILT program.

The relative value of PILT payments has decreased sharply since the program's inception in 1976. As the Committee takes action on S. 25, S. 446 and S. 532, please include Provisions to increase federal funding for PILT like those that are included in H.R. 701.

Sincerely,

THOMAS P. WALTERS,
Washington Representative.

DUCKS UNLIMITED, INC.,
Washington, DC, May 15, 1999.

Hon. FRANK MURKOWSKI,
Chairman, Senate Committee on Energy and Natural Resources, Washington, DC.

Hon. MARY L. LANDRIEU,
U.S. Senate, Washington, DC.

DEAR SENATORS: I would like to thank Chairman Murkowski and Senator Landrieu for their leadership on behalf of S. 25, the Conservation and Reinvestment Act of 1999. This is a landmark piece of legislation that will benefit wildlife habitat conservation, and as Group Manager of Ducks Unlimited's Conservation Programs, I would like to provide some comments on behalf of this piece of legislation.

Ducks Unlimited, Inc. (DU) is the world's largest, private waterfowl habitat conservation organization with over a million supporters in the United States. DU's mission is to fulfill the annual life cycle needs of North American waterfowl by protecting, enhancing, restoring and managing important wetlands and associated uplands. Since its founding in 1937, DU has conserved more than 8.8 million acres

of prime wildlife habitat in all 50 states, each of the Canadian provinces and in key areas of Mexico. Some 900 species of wildlife, including many threatened and endangered species, use DU projects during some phase of their life cycles.

Ducks Unlimited has always recognized the value of habitat-based conservation to the long-term health of wildlife populations, and, in fact, to the well being of human populations as well. S. 25 provides a substantial amount of funding to carry out essential habitat conservation for an array of wildlife species in a way that has never been feasible before.

As you are aware, it is the state natural resource agencies that are on the front line for conservation on the landscape level. They manage land and are very responsive to the citizenry. The Conservation and Reinvestment Act (CARA) provides much needed funds to states to bolster their conservation programs. An investment in these programs is an investment in locally directed, effective, and responsible land and wildlife stewardship. That is why Ducks Unlimited encourages the Senate to raise from 7% to 10% the allocation of OCS funding going to the states for wildlife management programs under Title III of S. 25. State wildlife agencies have been given many new responsibilities over the last few decades and face far greater and more complex conservation challenges. It is time to provide adequate sources of revenue to pay for these responsibilities.

DU has predicated its wetlands and waterfowl conservation mission on supporting and initiating programs that are voluntary, incentive-based, and landowner friendly. If you look across the North American Continent, you will find that Ducks Unlimited is actively involved in restoring and enhancing wetlands and other critical migratory bird habitat on private lands. This is why we urge the Senate to adopt the House CARA bill's (H.R. 701) provision that makes the interest earned from Title III monies available to the North American Wetlands Conservation Act. NAWCA is a voluntary, incentive-based conservation program that has brought together hundreds of partners, including farmers, ranchers, small businesses, and large corporations to combine resources to conduct on-the-ground wildlife habitat conservation projects. Habitat conservation under NAWCA has been widely acclaimed in the conservation community. Providing additional funds to this proven, successful program is a wise investment since an average of $2.3 non-federal dollars matches every federal dollar committed. NAWCA is one of the most successful conservation partnership programs ever put into operation and new funds invested here will continue that effort.

Since 1986, the North American Waterfowl Management Plan, through partnerships known as Joint Ventures, has been one of the great success stories in conservation history. Through these partnerships, public and private funds are combined to achieve results that are much greater than the sum of the parts. Following this lead, new partnerships are now forming to deliver habitat conservation that benefits many more species of western hemisphere birds. CARA will provide increased public funds to facilitate the success of these new and important partnerships.

Once again, on behalf of the more than 1,000,000 supporters of Ducks Unlimited, Inc., thank you for your efforts on behalf of wildlife habitat conservation, and taking the time to review our recommendations and comments. Furthermore, we look forward to working with you to make CARA an unparalleled conservation success story.

Sincerely,

ALAN WENTZ, PH.D.,
Group Manager for Conservation Programs.

COLORADO RIVER FISH AND WILDLIFE COUNCIL,
April 14, 1999.

Hon. FRANK MURKOWSKI,
Chairman, Senate Energy and Natural Resource Committee, Washington, DC.

DEAR CHAIRMAN MURKOWSKI: The Colorado River Fish and Wildlife Council has reviewed S. 25 and offers the following endorsements of all three titles found in the bill, with one exception. That exception is over the percentage now expressed as 7%. That amount should be increased to 10% and would then be consistent with Title III in H.R. 701. Title III, in particular, has far superior language related to wildlife conservation and restoration, than similar measures contained in H.R. 798.

The Colorado River Fish and Wildlife council, is a compart of Colorado River State Wildlife Agencies and eight cooperating federal agencies of the Colorado River Basin. Our collective goal is to encourage and promote the sound biological management of all Fish and wildlife resources in the Colorado River Basin.

The Council applauds your personal efforts, Mr. Chairman, to bring together meaningful conservation legislation that can withstand the scrutiny of critics and proponents alike, while retaining the bi-partisan support necessary to move the legislation forward. Please know that members of the Colorado River Fish and Wildlife Council will be working directly with their respective Congressional delegations to garner the necessary support to have this important legislation pass and be signed into law by year's end.

Please include these written comments in the official hearing record on S. 25. Thank you,

Sincerely,

JOHN W. MUMMA,
Chairman.

PLUMCREEK TIMBER COMPANY, L.P.,
STRATEGIC BUSINESS DEVELOPMENT,
Seattle, WA, May 13, 1999.

Hon. FRANK H. MURKOWSKI,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: On behalf of Plum Creek Timber Company, I commend you for introducing the Conservation and Reinvestment Act of 1999 (S. 25) with Senator Mary Landrieu.

Plum Creek supports your legislation.

Plum Creeks Timber Company owns and manages 3.3 million acres of timberlands in 6 states. In the northwest our land is often intermingled with that of the U.S. Forest Service. Plum Creek's ownership is home to many endangered and threatened species such as grizzly bears, gray wolves, lynx, spotted owls, red cockaded woodpeckers, salmon, bull trout and many more. In addition, much of Plum Creek's land is highly desirable for recreation and development since it often borders on national forests and wilderness areas. We are meeting the challenges presented by the nature and location of our lands through environmental forestry practices, land exchanges and sales to conservation buyers for lands not suited for commercial timber management.

The Land and Water Conservation Fund and other federal conservation tools are vitally important if we are to successfully conserve our natural heritage. S. 25 will reinvigorate the LWCF by establishing a dedicated funding source. Your bill, and other proposals pending before the Committee on Energy and Natural Resources, would give landowners additional tools and make greater resources available to help resolve conflicts over resource management.

Plum Creek has worked successfully with the Forest Service and the Bureau of Land Management for many years to complete land exchanges to resolve management conflicts. While exchanges are an excellent mechanism, they are not always appropriate. In these situations, selling the land for conservation purposes is often the best alternative.

Over the years, both the LWCF and the Forest Legacy programs have lagged behind authorized levels and needs. Willing sellers are often left subject to the vagaries of the yearly appropriations cycles—leading to piece-meal acquisitions that occur over several years. This creates a disincentive for willing sellers.

As an example, in 1994 and 1995 Plum Creek sold land with important public and environmental values in Washington through the LWCF, but over time withdrew from further sales because of the drawn out nature of the acquisition process. These lands were subsequently included in the I-90 Land Exchange, which has taken over 10 years to complete.

In addition, Plum Creek has sold over 11,000 acres on the Blackfoot River in Montana to The Nature Conservancy for trade to the Bureau of Land Management; approximately 4,000 acres in Louisiana to The Nature Conservancy for addition to the Wildlife Refuge System; and to the Trust for Public Lands (TPL), 2500 acres of lake front property on Lindbergh Lake in Montana. Plum Creek this year worked with TPL in Maine to sell and exchange valuable shoreline sites on Moosehead Lake and the Kennebec River.

These and other projects have helped Plum Creek resolve long standing disputes on the management of our lands, meet the needs of local communities and citizens and ensure the lands will be held for conservation purposes. I suggest three changes in S. 25 for your consideration:

1 . The legislation should be amended to leave authority with Congress to make the final determination on projects to be funded. The current system works.

2. We strongly believe caps should be removed. Many landowners would not be willing to initiate discussions to sell if firm caps apply. Adequate controls can be established by congressional funding priorities.

3. We believe the Forest Legacy Program should also be included in S. 25, funded at much higher levels. The Administration, and other bills, have proposed a significant increase in the Legacy Program. This program is a valuable tool for lands not eligible under the LWCF.

Mr. Chairman, thank you for your consideration. We look forward to working with you and the members of the Committee on this important legislation.

Very truly yours,

WILLIAM R. BROWN,
Vice President.

NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND-GRANT COLLEGES,
Washington, DC, May 13, 1999.

Hon. FRANK MURKOWSKI,
Chairman, Senate Committee on Energy and Natural Resources, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to you on behalf of the Section on Fisheries and Wildlife Resources of the National Association of State Universities and Land-Grant Colleges (NASULGC) regarding the Conservation and Reinvestment Act (CARA). We commend you for your leadership in sponsoring S. 25, and in holding the comprehensive and thorough series of hearings on the range of legislation dealing with OCS revenue sharing.

The Section strongly endorses the goals of S. 25 and has been actively working through its membership in support of the bill. The funding provided to states through CARA is a very critical component of the Federal-State partnership to conserve and restore many species of wildlife and their habitats, and to promote conservation education.

As your committee continues its deliberations over the OCS revenue sharing issue, we respectfully request your consideration of raising the funding level for state fish and wildlife conservation in Title III from 7 percent to 10 percent of federal OCS revenue. The additional resources are much-needed by the States to fulfill unmet needs for conservation education, recreation opportunities and to plan and implement conservation and restoration programs for all wildlife and their habitats.

NASULGC has over 200 member institutions—including 17 historically black institutions—located in all fifty states, representing the country's major public research institutions. Its overriding mission is to advance the quality of higher education through its dedication to research, teaching and outreach. The Section on Fish and Wildlife Resources promotes university-based programs dealing with natural resources, particularly fish and wildlife, their habitats and their users.

Thank you for your consideration of this matter. Please submit this letter into the hearing record.

Sincerely,

ALAN WOOLF.

STATE OF WASHINGTON,
DEPARTMENT OF FISH AND WILDLIFE,
Olympia, WA, May 13, 1999.

Hon. Frank Murkowski,
Chairman, Senate Committee on Energy and Natural Resources, Washington, DC.

Subject: S. 25: Conservation and Reinvestment Act of 1999 and S. 446: Resources 2000 Act

DEAR CHAIRMAN MURKOWSKI: Before Congress today are several proposals that I feel are history-making legislation. These are history making opportunities to create landmark conservation achievements for Washington State and the rest of the country.

I am speaking of the Conservation and Reinvestment Act of 1999 (S. 25) and the Resources 2000 Act (S. 446). While these bills vary in approach, they both address some of the critical issues facing our nation's outdoor heritage and culture. It's positive impact on the ability of the Washington Department of Fish and Wildlife cannot be overstated.

I wish to commend you and Senator Landrieu and Senators Boxer, Kerry, and Torricelli for the breadth of the natural resource vision expressed in Senate Bills 25 and 446, and for your leadership in this vital arena.

As you deliberate the points of the bills, I feel that there are two very important concepts to retain. I urge you to support proposals that 1) adequately fund fish and wildlife management, and 2 fully fund the Land and Water Conservation Fund at the $900 million authorization.

As to the details of the various bills, we have some specific requests.

In the Conservation and Reinvestment Act proposals:

1. Title I (Coastal Conservation and Impact Assistance)—I strongly support providing funding to coastal communities for air quality, water quality, fish and wildlife, outdoor recreation, wetlands and coastal restoration under this title. This is particularly critical now, as we face severe issues with ESA listing of salmon and trout, declining marine fish and shellfish resources, and the need for watershed restoration and protection. Although controversial, I feel it is imperative, however, that this title continues to clarify that it does not stimulate additional off-shore oil drilling.

2. Title II (Land and Water Conservation Fund Reform)—I am particularly pleased with S. 25 language incorporating a wetlands priority plan, developed in consultation with each state fish and wildlife agency. I urge, however, the removal of the language that restricts federal projects to in-holdings and to projects east of the 100th Meridian. There are critical recreation and habitat needs on federal projects throughout the west, and western states, given the amount of federal lands, should not be excluded from this proposal.

3. Title III (Wildlife Conservation and Restoration)—I would recommend that this title needs to be funded at the 10 percent level, in both the House and Senate versions, with stronger language specifying nongame wildlife. With documented program needs of state fish and wildlife agencies approaching or exceeding $1 billion per year beyond current fiscal resources, we believe that the funding provided should be substantially greater than presently stipulated by these two bills. I urge that allocations in this area be at least 10 percent of federal OCS revenues, as provided in the companion House Bill HR 701. I also urge you to focus language more tightly on the huge unmet needs of nongame wildlife.

In the Resources 2000 Act:

1. Title VII (Funding for State Native Fish and Wildlife Conservation and Restoration)—Fully fund at $350,000,000 immediately. We have been planning for this since passage of the Fish and Wildlife Conservation Act in 1980, and we are ready. Also, we would like to see stronger language specifying nongame wildlife as well as provisions allowing for use of the funds for conservation education and wildlife-associated recreation.

2. Title VI (Living Marine Resources Conservation, Restoration and Management Assistance)—We fully support this concept, and are excited to see it addressed. It will help us meet critical needs that we have identified.

3. Title VIII (Endangered Species Recovery)—We support this concept as well, and are also excited to see it addressed. It would expand our existing efforts at landscape planning cooperative projects to restore endangered species' populations.

4. Title I (Land and Water Conservation fund Revitalization) and Title V (Federal and Indian Lands Restoration fund)—We feel that these are vital to the health and vitality of our priceless outdoor recreation resources, and are heartened to see them included.

Of these two proposals, I feel that S. 25 provides the most funding for the longest time and the most benefit for the state of Washington.

Mr. Chairman, I thank you and your colleagues for the leadership you are showing in the conservation of our natural heritage. I appreciate your collegial and bipartisan approach to these bills. Please let me know if we can assist you in any way.

Sincerely,

JEFF P. KOENINGS,
Director.

IDAHO FISH & GAME,
Boise, ID, May 12, 1999.

Hon. FRANK MURKOWSKI,
Chairman, Senate Energy and Natural Resources Committee, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your leadership in addressing, through S. 25, the Conservation and Reinvestment Act (CARA), the unmet needs of state-level nongame fish and wildlife conservation, conservation education, and fish and wildlife-dependent recreation. Idaho is blessed with an abundance of natural resources and diversity of fish and wildlife. As the agency responsible for the sound management and stewardship of Idaho's wildlife, the Idaho Department of Fish and Game

(Department) has recently experienced critical short-falls in revenue to manage these resources. And even though hunting, fishing, and nonconsumptive wildlife-associated recreation contribute immensely to our economy, sportsmen and women have carried the burden for funding our agency. Our Department receives no general revenue from the State. We have had to reduce our personnel and cut operating expenses to the point that our ability to meet the needs of the resources and our constituents is being compromised. Clearly, the Department needs the financial support of more than just license-paying sportsmen and women. CARA will go a long way at softening the impact falling revenues have had on our ability to do our jobs the way they should be done.

We are particularly interested in Title III of this legislation. As the stewards of our wild resources, we are confronting greater conservation challenges than ever before as increasing demands on the land and resources threaten to edge out Idaho's wildlife. One would think that, in a state such as Idaho where two-thirds of the land is under public ownership, there shouldn't be problems with declining fish and wildlife populations. Not so. The list of threatened and endangered species in Idaho continues to grow. With funds lacking to conduct research and monitor the needs of most nongame species, there is little hope of slowing down the listing of more species. Once a species is listed, we lose considerable options for managing them. We continue to lose funding support for conservation education and recreation programs within the Department. Something must be done soon or we will lose our ability to effectively do our jobs. Through existing federal aid programs, state wildlife agencies have demonstrated their ability to bring back once critically low populations of primarily game species. However, most states, including Idaho, lack the funding to repeat the success stories and reverse these alarming trends for the majority of the species that are not hunted or fished. This situation must be resolved if we hope to protect our rich wildlife heritage for future generations.

We wish to go on record supporting S. 25. However, we urge you and the Committee to make the following changes to Title III: (1) raise the percentage of Outer Continental Shelf revenue dedicated to Title III purposes to ten percent (10%) as it currently stands in H.R. 701; and (2) place greater emphasis on nongame wildlife, the wildlife most in need of conservation attention.

In summary, we applaud your efforts and the efforts of those members of Congress who crafted and saw fit to cosponsor S. 25 and hope that you will recognize the value your leadership will have to the economy and natural resources of Idaho should CARA successfully pass. Thanks once again to you and the cosponsors of this progressive and far-reaching legislation. We look forward to its successful passage.

Sincerely,

JERRY MALLET,
Interim Director.

CONSERVATION FEDERATION OF MISSOURI BOARD OF DIRECTORS,
Moberly, MO, May 11, 1999.

Hon. FRANK MURKOWSKI,
Chairman, Senate Energy & Natural Resources Committee, Washington, DC.

DEAR SENATOR MURKOWSKI: I am writing to ask your support of S. 25, which is landmark conservation legislation for the next century. Missouri has been a leader in conservation throughout the years and we should once again take the lead in supporting the conservation and Reinvestment Act of 1999. If passed, Missouri would receive about $17 million annually for vital conservation, recreation and education programs throughout our state.

The Conservation and Reinvestment Act is strongly supported by both parties in the House and the Senate. One of its leading sponsors in the House is Representative Don Young, Chairman of the House Resources Committee. To date, there are more than 80 co-sponsors in the House and more sponsors are signing on regularly. In the Senate, Senator Bond is a co-sponsor.

Not only do I personally support this legislation, but conservation organizations throughout the state do also. As your constituents, we ask for your sponsorship and positive vote. Help us make this happen for our next generation! Now is the time.

Sincerely,

HOWARD T. FLEMING.

Madison, WI, May 10, 1999.

Hon. FRANK MURKOWSKI,
Chairman, Senate Committee on Energy and Natural Resources, Washington, DC.

DEAR MR. CHAIRMAN: Please submit my comments into the hearing record for S. 25, the Conservation and Reinvestment Act of 1999 (CARA).

Thank you for introducing S. 25 and shepherding this important legislation through your committee. As you know, reliable, substantial funding for nongame wildlife is lacking in present state management budgets. Title III of CARA would help remedy this dearth of funding, especially if you raise the funding level to 10%, the funding level proposed in the House companion bill, H.R. 701.

Thank you so much.

Sincerely,

ABBIE KURTZ.

Anchorage, AK, May 10, 1999.

Hon. FRANK MURKOWSKI,
Chairman, Senate Committee on Energy and Natural Resources, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to you today to ask that my comments herein be submitted into the hearing record for S. 25, the Conservation and Reinvestment Act of 1999 (CARA).

Thank you for your leadership in introducing S. 25, and ushering this important conservation legislation through your committee. I am very supportive of your efforts on this issue, particularly those items included in Titles II and III of your bill. The funding provided to states through CARA would go a long way toward providing improved funding for recreation and for conserving and restoring many species of wildlife, particularly non-game species.

As your committee deliberates over S. 25 and other OCS revenue sharing bills, I ask you to consider the following changes. In Title II, raise the funding level for land based recreation from 16% up to 23% of federal OCS revenue, and require that land purchased by the federal government under this program be subject to approval by the state. This requirement should help alleviate concerns for private property rights. In Title III, raise the funding level for state fish and wildlife conservation and restoration from 7% up to 10% of federal OCS revenue. This would make the funding levels for Titles II and III in S. 25 equal to funding levels in the House companion bill, H.R. 701.

These increases would provide approximately an additional $165 million for recreation (bringing the total for the bill up to about $900 million) which would provide substantial benefits to outdoor recreation. Increases to Title III would provide approximately an additional $125 million dollars (bringing the total for the bill up to about $460 million) which would make a significant difference in efforts by states to prevent species from becoming endangered and to provide important conservation education and wildlife-associated recreation opportunities. The needs of state fish and wildlife diversity programs are estimated to exceed $1 billion annually. Even half that amount would make a significant impact on the ground for wildlife.

Thank you again for your favorable consideration of this vital conservation funding.

Sincerely,

JOHN HILSINGER.

OHIO DEPARTMENT OF NATURAL RESOURCES,
May 7, 1999.

Hon. FRANK MURKOWSKI,
Chairman, Energy and Natural Resources Subcommittee, Washington, DC.

DEAR MR. CHAIRMAN: I am the new director of the Ohio Department of Natural Resources, and I am very excited and enthusiastic about leading our great department. Passage of your Senate Bill 25, the Conservation and Reinvestment Act, would be the most beneficial initiative to propel our department and similar agencies around the United States in conserving our precious resources for tomorrow..

The Ohio Department of Natural Resources is pleased to support your legislation and will do what we can to help you see enactment of S. 25. Ohio will benefit from every title in the bill.

We are a coastal state, and many of our most important conservation projects are centered around Lake Erie and the Great Lakes. Title I of S. 25 will give us the much-needed additional funds to do this important work. Lake Erie is known as the

most productive freshwater fishery in the world. Trophy walleyes and bass are caught in view of the Cleveland skyline.

Through Title II, many communities and organizations in Ohio and around the nation will benefit through the Land and Water Conservation Fund. I recently read a very enlightening article published in 1965, where one of my predecessors, Director Fred Morr, convened a statewide gathering of 400 officials from around Ohio to tell them the importance of the recently passed act. Unfortunately the act was not adequately funded. You are to be commended for providing this fix in your bill.

Title III will have the greatest positive effect on our department. Through this title, our Division of Wildlife will get the much-needed funds to expand our conservation efforts for all wildlife species and their habitats. The mission statement for our Division of Wildlife is "We are dedicated to conserving and improving the fish and wildlife resources and their habitats, and promoting their use and appreciation by the people so that these resources continue to enhance the quality of life for all Ohioans." As you can see, this mission is really the same as the theme of your legislation.

Good luck with the Conservation and Reinvestment Act. We will be doing all we can through grassroots efforts to gain support for the bill. This will truly be landmark legislation for the future of conservation in America.

Sincerely,

SAMUEL W. SPECK,
Director.

MISSOURI DEPARTMENT OF CONSERVATION,
Jefferson City, MO, May 6, 1999.

Hon. FRANK MURKOWSKI,
Chairman, Senate Committee on Energy and Natural Resources, Washington, DC.

DEAR MR. CHAIRMAN: I wish to submit this letter to be entered into the record of your committee hearing on S. 25 and S. 446. I thank you and Senator Landrieu and Senators Boxer, Kerry, and Torricelli for introducing legislation so important to people and wildlife throughout the United States. I am writing on behalf of the Missouri Conservation Department, the agency responsible for wildlife conservation and management in our state. We will be directly involved in implementing the wildlife conservation aspects of this legislation, and we are excited about the prospects.

We endorse the use of revenues from Outer Continental Shelf extractions for conservation purposes. Investing proceeds from nonrenewable resources into conservation and public use of renewable resources has philosophical as well as practical merit.

As a charter member of the National Teaming With Wildlife Coalition, the Missouri Conservation Department is particularly interested in the fish and wildlife portions of these bills (Title III of S. 25; Title VII of S. 446). With documented program needs of state fish and wildlife agencies near $1 billion per year beyond current fiscal resources, we believe that the funding provided should be substantially greater than presently stipulated. We urge that allocations in this area be at least 10% of federal OCS revenues, as provided in the companion House Bill H.R. 701. We agree that a subaccount of the Pittman-Robertson fund is an appropriate vehicle for distributing these monies to states, provided that the P-R fund is not compromised in any way. The Federal Aid in Fish and Wildlife Restoration accounts are successful and efficient means of supporting conservation and management, and they are good models to follow in the present case.

The Missouri Conservation Department works with landowners and the public to conserve all species of wildlife and the lands and waters upon which they depend. We believe that preventing federal listings of threatened and endangered species is far more cost-effective than is corrective action once species have drastically declined.

We applaud the intent of Title VIII in S. 446. However, we think that the maximum possible investment should be made now in prevention of endangerment, and so we prefer the focused support of proactive management embodied in Title III of S. 25. We would like to see a greater emphasis on nongame fish and wildlife in the bill that emerges from your committee, because most of our fish and wildlife are not hunted or fished and more emphasis on their conservation is needed. We also know that there is vast public need and demand for wild life-related education and recreation.

Although this agency would be less involved with the Land and Water Fund, we recognize its critical importance to Missouri citizens and its contribution to con-

servation and education. Therefore, we support reliable, full funding of the Land and Water Conservation Fund to its previously authorized level of $900 million annually (Title II in S. 25; Title I of S. 446). It is important to emphasize, however, that simply acquiring land will not solve the problems faced by fish and wildlife. Research, monitoring and stewardship are necessary to sustain these resources. Therefore, both the Wildlife Funding and the Land and Water Conservation Fund are needed for comprehensive and complimentary programs to benefit our citizens and resources.

Mr. Chairman, we thank you and your colleagues for the leadership you are showing in the conservation of our natural heritage and in helping citizens to understand and enjoy this heritage. We appreciate your collegial and bipartisan approach to these bills. We stand willing to assist you in any way.

Sincerely,

JERRY CONLEY,
Director.

NEW MEXICO AUDUBON COUNCIL,
Los Alamos, NM, May 5, 1999.

Senator FRANK H. MURKOWSKI,
Chairman, Senate Energy and Natural Resources Committee, Washington, DC.

DEAR CHAIRMAN MURKOWSKI: Enclosed is my testimony on S. 25, the Reinvestment and Environmental Restoration Act of 1999, and S. 446, the Permanent Protection for America's Resources 2000 Act. The ideas embodied in these bills can chart the course for conservation into the next century. These bills, along with their companions in the House and the Administration's Lands Legacy demonstrate the existence of a broad-based consensus that the time is now to invest in the habitat protection needed to preserve the biodiversity that is our wildlife heritage.

I appreciate the opportunity to present these ideas to the Committee.

Sincerely,

THOMAS JERVIS, PH.D.,
President.

THE STATE OF ARIZONA,
ARIZONA GAME AND FISH COMMISSION,
Phoenix, AZ, April 30, 1999.

Hon. FRANK MURKOWSKI,
Chairman, Senate Committee on Energy and Natural Resources, Washington, DC.

DEAR MR. CHAIRMAN: As Chairman of the Arizona Game and Fish Department, I am writing to you today to ask that my comments, and the enclosed resolution* of the Arizona Game and Fish Commission be submitted into the hearing record for S. 25, the Conservation and Reinvestment Act of 1999 (CARA).

Thank you for your support and leadership in introducing S. 25. The Arizona Game and Fish Commission truly appreciates, and shares your support for our nation's natural resources through introduction of what promises to be one of the most significant pieces of conservation legislation of this century. The funding provided to states, through the Conservation And Reinvestment Act (CARA), will provide necessary conservation and restoration of many species of wildlife, particularly nongame species. It will also provide enhanced public understanding and stewardship through outreach efforts, and will provide enhanced responsible recreational opportunities as well.

I would request that your committee give consideration to increasing the funding level for state fish and wildlife conservation in Title III from 7 percent to 10 percent of federal OCS revenue, which is currently the Title III funding level in the House companion bill, H.R. 701. The increased investment would pay big dividends in conservation, education and recreational benefits. Currently wildlife related recreation accounts for more than $1.6 billion to Arizona's economy. Wildlife is not only important to our economy, it is important to our environment, our well being and our quality of life. The additional 3% investment of increasing Title III funding for states will pay increased benefits by; preventing endangerment, bolstering state and rural economies, conserving species that have received inadequate conservation efforts, and providing conservation education and recreation opportunities.

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*The resolution has been retained in committee files.

It is the view of the Arizona Game and Fish Commission that CARA is critical legislation. It is good for our nation, our wildlife resources, and people of the State of Arizona. Thank you again for your favorable consideration of this vital conservation funding.

Sincerely,

WILLIAM L. BERLAT,
Chairman.

[Note: The following form letter was received from approximately 17 individuals:]

Hon. FRANK MURKOWSKI,
Chairman, Senate Committee on Energy and Natural Resources, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to you today to ask that my comments herein be submitted into the hearing record for S. 25, the Conservation and Reinvestment Act of 1999 (CARA).

Thank you for your leadership in introducing S. 25, and ushering this important conservation legislation through your committee. The funding provided to states through CARA would go a long way toward conserving and restoring many species of wildlife, particularly nongame species.

As your committee deliberates over S. 25 and other OCS revenue sharing bills, I ask you to raise the funding level for state fish and wildlife conservation in Title III from 7 percent to 10 percent of federal OCS revenue, which is currently the Title III funding level in the House companion bill, H.R. 701.

This additional $100 million would make a significant difference in states' efforts to prevent species from becoming endangered and to provide important conservation education and wildlife-associated recreation opportunities. The needs of state fish and wildlife diversity programs are estimated to exceed $1 billion annually. Even half that amount would make a significant impact on the ground for wildlife.

Thank you again for your favorable consideration of this vital conservation funding.

Sincerely,

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[Note: The following form letter was received from approximately 11 individuals:]

Hon. FRANK MURKOWSKI,
Chairman, Senate Committee on Energy and Natural Resources, Washington, DC.

DEAR SENATOR MURKOWSKI: I am writing to you to request that this letter be submitted into the hearing record for S. 25, the Conservation and Reinvestment Act of 1999 (CARA). I am keenly interested in the conservation of all wildlife species and a member of The Wildlife Society.

I am very appreciative of your leadership in introducing S. 25 and dealing with this legislation in your committee. The funding to the states that CARA would provide is critical to the responsible management of all wildlife in the future. In my judgment it is one of the most important pieces of legislation involving the conservation and restoration of wildlife that has ever been introduced, especially for nongame species.

During your committee deliberations concerning S. 25 and other Outer Continental Shelf revenue sharing bills, I hope you will raise the funding level for state fish and wildlife conservation in Title III from seven percent to ten percent. The ten percent funding in currently contained in the House companion bill, H.R. 701. The estimated additional funds of one hundred million dollars would make a significant difference in the efforts of states to prevent species from becoming endangered and to provide conservation education and wildlife related recreation opportunities. The needs of state fish and wildlife diversity programs are estimated to exceed one billion dollars annually. Even half of that amount would make a significant impact for wildlife.

Thank you again for your favorable consideration of this vital conservation funding.

Sincerely,

————.

STATEMENT OF JAMES E. MILLER, PRESIDENT, THE WILDLIFE SOCIETY, BETHESDA, MD

The Wildlife Society commends Chairman Frank Murkowski, Senator Mary Landrieu, Senator Barbara Boxer and the co-sponsors of both S. 25 and S. 446 for their leadership in introducing legislation that would greatly benefit wildlife and habitat resources throughout the United States. The Wildlife Society is the professional association of wildlife and natural resource workers dedicated to excellence in wildlife stewardship through science and education. We have worked since 1937 to encourage a scientific approach to managing and protecting the Nation's wild living resources. Our members are the "front line" professionals who are employed in the private sector, academia, and in state and federal agencies to ensure the wise stewardship of wildlife resources.

Leaders of The Wildlife Society were instrumental in helping to restore game species to sustainability through research and management actions following the passage of the Pittman-Robertson Federal Aid in Wildlife Restoration Act in 1937. We strongly supported the passage of the Endangered Species Act of 1973 that has allowed wildlife professionals to work toward recovery of threatened wildlife and to prevent additional species from declining to the brink of extinction. We also advocated the passage of the Fish and Wildlife Conservation Act of 1980 which was intended to fund the vast majority of species that are more common but need careful stewardship to ensure their sustainable future. Unfortunately, federal nongame funding never materialized, thus leaving inadequately addressed the pressing need to manage and protect the majority of wildlife species.

The need to protect and manage nongame species has not abated. The following facts illuminate the severe concerns that remain for these species:

- More than 2,000 species of fish and wildlife in the United States that are not game or endangered species are not receiving needed management attention.
- Thirty-five percent of amphibians that depend on aquatic or wetland habitats are rare or imperiled.
- One-third of the 20,439 plant and animals species in the U.S. are at risk of extinction, according to a 1997 report by The Nature Conservancy, "State of the Nation's Species." Approximately 1% of these are possibly extinct, 6.5% are classified as critically imperiled, 8.8% as imperiled, and 15.4% are vulnerable.
- Despite the impressive successes of the Endangered Species Act in preventing extinction for all but seven listed species, the fact remains that once a species is listed as federally threatened or endangered, recovery efforts are costly and challenging. Unless state fish and wildlife agencies are able to fund nongame conservation at consistent, adequate levels, many biologists foresee a perilous future for additional species of concern.
- Partners in Flight, an international consortium of wildlife agencies and conservation groups, published a "Watch List" of 107 bird species (not listed as threatened or endangered) that are declining across their ranges. Long-term bird surveys such as the Breeding Bird Survey, Christmas Bird Count and migration counts are making it clear that in every part of the continent and in most every habitat there are wild bird species suffering significant losses.
- Over the last 30 years, many nongame birds have declined alarmingly—Painted Buntings have declined by 60%, American Goldfinches by 20%, Cerulean Warblers by 75%, Olive-sided Flycatchers by 70%, American Bitterns by 50%, Loggerhead Shrikes by 65% and Black Terns by 60%.
- Many other species need immediate attention. However, lack of funding has prevented biologists from finding out what's happening on the ground. For example, beyond cataloguing 230 species of amphibians in the continental US, researchers have only piecemeal information on population declines.

The Wildlife Society was a founding member of the Teaming With Wildlife Steering Committee which has been working for several years to identify a permanent, adequate and reliable funding source for state wildlife programs. We were so determined to address this need that we supported the broadening of the Pittman-Robertson excise tax, paid by the users of outdoor gear, to support these programs. Although we have not abandoned our belief that a user pay/user benefit type fee is an appropriate source of revenue for expanded, long-term wildlife conservation, education and recreation programs, we are aware that the Congress is not prepared to accept this approach to funding. As an alternative funding source, both S. 25 and S. 446 identify revenue from oil and gas drilling in the federal waters of the outer continental shelf.

The Wildlife Society supports the use of revenues from oil and gas drilling in the federal waters of the outer continental shelf. This revenue is derived from the development of a non-renewable resource and will benefit state wildlife and habitat pro-

grams, just as it appropriately allows land acquisition under the Land and Water Conservation Fund. Conservation cannot wait if the nation is to be successful in stemming the decline of species and ensuring the sustainability of wildlife for future generations of Americans. Now is the time to take action to reduce future listings of endangered species; meet outdoor recreation demands that are increasing while many wildlife populations are decreasing; and introduce all Americans to quality conservation education opportunities, to instill a conservation ethic and appreciation of the environment. If we create sustainable environments, they will yield increased opportunities for all citizens to experience wildlife, and economic benefits will flow to local and regional economies from nature tourism. State wildlife agencies, working together with all interested citizens, should use these federal resources efficiently and effectively to benefit all wildlife, just as they have done for game species under the Pittman-Robertson program for over 60 years.

Recognizing the pressing need to address these conservation challenges, The Wildlife Society urges the sponsors to work together cooperatively to incorporate the appropriate features of each bill. The Society recommends that the following specific elements be included in the wildlife title of your bills:

- The amount of annual funding for state wildlife programs in S. 25 should be increased from 7% or $321 million to 10% or $459 million.
- The funding under each bill should be placed in a sub-account of the Pittman-Robertson Act.
- S. 446 should initially allocate a minimum $350 million annually to meet the growing need for wildlife conservation.
- Funds for federally endangered and threatened species should be included as in S. 446 ($100 million for landowner incentives).
- Permanent dedicated funding should be assured as in S. 25 and S. 446.
- Funding for Marine restoration should be included as in S. 446 ($300 million annually).
- Nongame wildlife should be a priority, for funding.
- Funds should be available for wildlife habitat restoration but not for plant species protection exclusively.
- The definition of fish and wildlife should not be restricted to "native" species as in S. 446. This could reduce the ability to reintroduce certain desirable subspecies of wildlife to replace extinct subspecies. The reintroduction of the Peregrine Falcon to the lower 48 states, for example, may be prohibited under the definition in S. 446.
- Work under the legislation should be excluded from the Federal Advisory Committee Act.
- There should be a prohibition against diversion of funds from the Pittman-Robertson Fund as in S. 25.
- Funds should be available for wildlife-associated recreation and wildlife-associated education, as in S. 25.
- State conservation plans should be required to include a mandatory provision for public participation as in paragraph (3) below from H.R. 701. "Any State, through its fish and wildlife department, may apply to the Secretary for approval of a wildlife conservation and restoration program or for funds to develop a program, which shall . . . (3) contain provision for public participation in the development, revision, and implementation of projects and programs stipulated in paragraph (2) of this subsection." This public participation element should be included as a criterion by which the Secretary of the Interior shall approve state applications for project funding.

Wildlife professionals are appreciative of your leadership and foresight for including funding for wildlife in these bills. Your sponsorship of CARA and Resources 2000 makes an historic commitment to all Americans who enjoy the outdoors. If you are successful in gaining passage of this landmark legislation, wildlife professionals, as well as current and future generations, will be forever grateful for your contribution to protecting our wildlife legacy.

STATEMENT OF PAUL J. BAICICH, AMERICAN BIRDING ASSOCIATION, OXON HILL, MD

The American Birding Association is an organization of bird-recreationists, an active and enthusiastic organization of birders who concentrate on the skills of bird identification and bird-finding, with an added interest in bird conservation. We are over 20,000 strong; our membership has doubled in five years, and we represent the most dedicated end of one of the fastest-growing outdoor recreational activities in the U.S. (This last trend—that of the growing ranks of birding—is according to the well-respected National Survey on Resources and the Environment, the NSRE).

I serve on the Teaming With Wildlife National Steering Committee for the ABA, so I will restrict most of my comments to that orientation, basically to Title III in CARA (S. 25) and Title VII in Resources 2000 (S. 446).

I thank the lead sponsors of both these bills for having raised these very important issues, especially those on this committee, Senators Murkowski and Landrieu. While our organization had originally supported the user-fee concept within the Teaming With Wildlife campaign, we appreciate the creativity and thought that has gone into this OCS alternative approach.

Let me stress that since the passage of the Fish and Wildlife Conservation Act of 1980, wildlife enthusiasts have been looking for a way to secure funding for those wildlife species that are neither hunted, fished, nor endangered. You are to be commended for your willingness to tackle this significant wildlife conservation issue.

Even though I restrict most of my comments to the state-based wildlife elements, I feel that I must also add that both bills are especially thoughtful in one important areas: yoking land-based (LWCF) conservation with wildlife-based conservation.

Let me focus now on four elements of Title III (S. 25) and Title VII (S. 446).

First, the state wildlife agencies need an annual absolute minimum of $350 million. Indeed, we have seen studies that put the state wildlife needs at figures approaching $1 billion annually. Unfortunately, S. 446 doesn't reach the minimum of $350 million for the first 5 years, because it starts at only $100 million and ramps up. Neither does S. 25 reach this minimum $350-million requirement with its current 7% dedicated percentage. If the agencies had the $350 million available at the outset (adjusting the approach in S. 446), or if the agencies had a higher percentage of the funds available—say, equal to the House's 10% version in H.R. 701—the unmet needs of wildlife in the states could be appropriately addressed.

Another important part of the legislation is the element of public participation. It is heartening to see this process outlined in both of the bills. Indeed, there should be no weakening of these provisions. The public must have the opportunity to make its views known and considered during the implementation, revision, and development of the state wildlife programs. Unfortunately, the wording in S. 25 is not as explicit as in the bill most close to it in the House—H.R. 701—nor does it have the strength of S. 446, specifying the need for public participation in the development of state conservation plans. We recommend the language in H.R. 701 in Sec. 305(3)d, which states, "Any State, through its fish and wildlife department, may apply to the Secretary for approval of a wildlife conservation and restoration program or for funds to develop a program, which shall . . . contain provisions for public participation in the development, revision, and implementation of projects and programs stipulated in paragraph (2) of this subsection."

Our third point concerns state planning. There are somewhat prescriptive planning requirements in S. 446. While these may have been quite appropriate years ago when the 1980 Fish and Wildlife Conservation Act was passed, most states already embrace comprehensive wildlife conservation visions and have prepared strategic plans for their fish and wildlife resources. Basically, the states are ready and prepared now to spend money for on-the-ground conservation needs in addition to wildlife education and recreation goals. S. 25 already has some provisions for checks by the Secretary of the Interior upon state application (Sec. 306). As long as the important issue of public review and participation is strengthened and as long as the resulting bill has specific species prioritization or emphasis—which will be touched upon next—the states should not need to be legislatively directed to do more elaborate planning.

Finally, and most importantly, is the need—apart from the financial need of an absolute minimum of $350 million already mentioned. This relates to the biological and in-the-field need of where the money ought to be spent. The distribution formula among the states is fine in both bills; the hint of a formula within the states is, alas, almost non-existent.

Those wildlife species, of course, that have fallen through the cracks are those that haven't had a funding source—fundamentally those fish and wildlife species that are neither fished, hunted, nor federally endangered. Neither bill is specific enough in terms of these wildlife priorities. Curiously, S. 446 removes the overwhelming majority of nongame references to its legislative vehicle—the Fish and Wildlife Conservation Act of 1980—with the exception of a single mention in Section 701 where the phrase "particularly nongame species" is inserted after the words "native fish and wildlife." Moreover S. 446 does not give real weight to the education and wildlife-associated recreation elements that are needed and are so important to the American Birding Association. At the same time, S. 25, while giving sufficient emphasis to wildlife education and wildlife-associated recreation does not even give the minimal nongame direction of S. 446.

HOW COULD YOU RECTIFY THIS AND WHY?

Let us look at S. 25, since it has already been acknowledged as going further with regard to the important recreation/education elements. We believe that the committee now has the opportunity to rectify this problem of species balance.

Sponsors of S. 25 have already given direction/restrictions in Titles I and II. For example, in Title I (Sec. 102 [704]) the types of reinvestment are now restricted to six areas, and in Title II (Sec. 203) there is the 1/3 vs. 2/3 geographic restrictions. Without commenting on the wisdom of either of those particular restrictions, let me suggest that committee members should follow suit to give some more general direction to Title III. Let there be no doubt; we are not talking about handcuffing the agencies, or stifling them, we are talking about launching Title III in the correct direction.

What does S. 25 currently say about species priority? In two vital places—Purposes, Sec. 303 and Subaccount and Refunds, Sec. 305—there is mention (respectively) that "The purposes are . . . to extend assistance to the States . . . for the benefit of a diverse array of wildlife and associated habitats, including species that are not hunted or fished . . ." and "Funds covered in the account . . . shall be used for . . . conservation and restoration programs . . . to address the unmet needs for a diverse array of wildlife and associated habitats, including species that are not hunted or fished . . ." This use of the word "including" may actually do damage to the cause of species that are neither hunted nor fished. It puts the species that need this support most again at the back of the train—the caboose, as it were—as opposed to the priority seating they should have on the front of this particular vehicle. The way the bill currently reads, those species neither hunter nor fished are treated almost as an afterthought. Is "including" the appropriate wording? Clearly this does not fit the bill. What is necessary is wording that replaces the weak "including" in those two places in S. 25 with direct and unequivocal language—be it "especially" or "with a clear priority for" or "with an emphasis on" of "with an emphasis on but not limited to" or using the words from S. 446, "particularly," for S. 25.

The Committee will receive powerful testimony from many others illustrating how the species that are neither hunted nor fished are neglected. The Committee will see how preventive maintenance is essential to keeping those species off the Endangered Species list before they become problems. I need not repeat those examples. But I need to stress that what we need to see is that species emphasis loud and clear in the resultant legislation.

BLENDING AND BALANCING WILDLIFE MANAGEMENT

The state wildlife agencies needn't be told that they must spend, say, 2/3 or 4/5 of the wildlife funding on specific nongame species and half of that on birds, although some states might actually do well deciding that for themselves. And we realize, of course, that the wildlife needs of Alaska, Texas, Colorado, and Rhode Island, for example, are as different as the wildlife of those states. The state agencies should generally decide for themselves what they need within the context of ecosystem management and taking care of suites of species.

There are some real possibilities that significant wildlife management projects can occur with suites of game and nongame species dealt with simultaneously. For example, among bird species alone, grassland bird management in northern prairie regions can be designed to cover Sprague's Pipit, Chestnut-collared Longspur, numerous sparrows (e.g., Grasshopper, Lark, Clay-colored, Baird's, and Nelson's Sharp-tailed), and Western Meadowlark, as well as game species such as Sharp-tailed Grouse. Elsewhere, on increased freshwater and brackish impoundments, both water levels and vegetation can be managed for both shorebirds and ducks, nongame and game birds respectively. The inventive management possibilities, with enough funds, are encouraging. But still, the direction should be to emphasize management for those species which have thus far been generally neglected, those species neither hunted nor fished. There is a way to give emphasis without exclusiveness.

Unless species prioritization is stipulated in this legislation, some governors or the state legislatures might interfere unnecessarily in what should be left to professional wildlife managers (with desired input from the public), resulting in mis-directing the spending of these new funds. Unless some species prioritization is specified, some wildlife agencies could also fall back on time-worn but successful game-oriented programs to the exclusion of why we are pressing for this funding in the first place. Clearly, just more of the same—however successful—is not enough. Almost all the parties seem to agree on a general emphasis, and that emphasis should be articulated in the legislation that comes out of the committee.

The state wildlife agencies—we are convinced—will do the right thing for wildlife if given the funding, tools, and public encouragement. Some states will move faster than others. There will be pain and stumbling at first, but the result will be beneficial to wildlife and the people who want to support wildlife throughout the country. We are also convinced that if you give the kind of direction suggested here, that the agencies will be in the right place in 10 years, doing the right things for wildlife, game and nongame. Without this direction, it may very well take them far longer. You can help them choose which course to take, and help accelerate that maturation process through some simple wording and direction-giving

This is why many of us came to this effort in the first place—to better balance the work of the state wildlife agencies and to help those species that have been seriously under-funded. Your deliberations should consider an outcome with that clear species prioritization.

STATEMENT OF THE NATIONAL RIFLE ASSOCIATION OF AMERICA, FAIRFAX, VA

The National Rifle Association (NRA) adds its endorsement to S. 25, the Conservation and Reinvestment Act of 1999. Our principle interest in the legislation is Title III—Wildlife Conservation and Restoration.

Title III is of vital importance to our 2.5 million members who engage in recreational shooting and hunting because it amends the Federal Aid in Wildlife Restoration Act commonly referred to as the Pittman-Robertson Act or PR. When it was enacted in the 1930's, PR was an innovative and farsighted response to rapidly declining wildlife populations and their habitats. The highly successful and highly enviable trust fund created by the enactment of PR has provided the states with over $3 billion in its six-decade history. The required state matching share has boosted that figure to over $4 billion. It makes the greatest sense to channel new funds to the states for wildlife conservation purposes through this same trust fund, as Title III specifically directs.

In a Board resolution adopted in 1996, the NRA agreed that in spite of the largess provided by PR and its partner, the Federal Aid in Sport Fish Restoration Act, the states had insufficient funds to meet all of its wildlife management responsibilities, not only for game species but for nongame and threatened and endangered species as well. The NRA, therefore, supports S. 25 because it not only taps into a new source for funding much needed wildlife work, but it provides for a generous level of funding. If predictions are accurate, the dollar amount anticipated from outer continental shelf (OCS) oil and gas leasing revenue that will be made available by S. 25 to the states for wildlife conservation and restoration is almost double the annual income from PR excise taxes. Such revenue enhancement should fulfill the purposes of S. 25, especially the first purpose which is to extend assistance to the states to address the unmet needs of wildlife species.

The NRA is pleased to be able to take a position in support of a proposal that increases wildlife revenue to the states. This was not the case with respect to the "Teaming with Wildlife" concept which Title III replaces. Although the NRA never took a formal position on "Teaming with Wildlife" because the concept was never introduced in legislative form, we nevertheless expressed serious concerns over the effect it would have on our members. The fact that S. 25 imposes no new excise taxes eliminates many of those concerns.

The "Teaming with Wildlife" concept would have imposed excise taxes on outdoor gear and clothing on the premise that those who enjoy the benefits of sound wildlife management, but who do not now pay for those benefits ought to begin doing so. Unlike excise taxes imposed by PR on firearms, ammunition, and archery equipment, "Teaming" taxes would not have fallen upon a discrete class of consumers. Instead, those taxes would have fallen upon a diverse array of consumers including those who would purchase for the outdoor "look," not the outdoor wildlife experience. And among this diverse array of consumers would also be found firearm owners, hunters, and target shooters who would be in the market as well for hiking boots, binoculars, cameras, and other proposed taxable products—the very consumers who for six decades have been paying excise taxes for wildlife conservation.

The "Teaming with Wildlife" concept would have also affected the sportsmen's expenditures at the state level. Often forgotten in the efforts to gain support for the "Teaming with Wildlife" concept was the source of funding at the state level that would be used to match the "Teaming" funds. Although the intention of "Teaming with Wildlife" was to tap new sources of revenue, with rare exception the states would be depending upon revenue from hunting fees and game tags for the state match. Thus, the sportsmen would continue to pay the lion share for wildlife con-

servation, defeating the objective of "Teaming" which was to find new sources of funds by taxing beneficiaries of wildlife who do not now contribute.

Title III does allow the state matching share to be reduced from the traditional 25% down to 10% for the first five years. We hope this will provide the incentive for the states to locate sources for matching funds other than existing sportsmen-generated revenue. But, the NRA is concerned that even a 10% funding match is a substantial amount for the states to find, let alone a 25% funding match in the sixth year and beyond. Unless other sources of matching funds are located at the state level, sportsmen-generated revenue could be diverted from matching PR excise tax revenue in order to match OCS revenue. The NRA asks that careful consideration be given to this concern with the thought of including language that would secure the sportsmen's funds at the state level for matching PR excise tax revenue. What remains after PR is fully matched by the states could then be used as matching money for the OCS revenue.

The NRA is also in support of language in Title III that allows funding to be used for a "diverse array of species" and would oppose having the funding earmarked for "nongame" wildlife. With the infusion of OCS dollars, there would be every expectation that all manner of wildlife will benefit. Indeed, S. 25 specifically states that the funding should be used for "unmet" needs. Even though the legislation provides guidance, it does not dictate. There is no reason to direct professional wildlife managers in how funding should be applied at the state level. The state fish and wildlife agencies are made up of professional wildlife managers who are in the best position to identify wildlife conservation funding priorities. That concept is already built into PR.

When PR was amended in the 1970's to extend the excise tax to handguns and archery equipment, the recreational shooting community wanted to earmark a percentage for hunter safety training and range construction. Instead, they accepted language that would allow that purpose as a discretionary expenditure on the part of the states. While many in the recreational shooting community do not believe that all the states have lived up to their end of the bargain, that language has stood these forty years. Demands to earmark OCS funds in Title III for nongame purposes will surely cause a clamor for earmarking handgun and archery equipment excise tax receipts.

Section 305 of the bill allows up to two percent of the total OCS revenue deposited in PR to be used by the US Fish and Wildlife Service to cover expenses for the administration and execution of programs authorized and funded under the auspices of Title III. The NRA strongly recommends that the whole structure of administrative funds and the administrative grant program be reviewed by the Committee before any further administrative money is provided. The NRA has raised concerns in several different forums over the use of funds that are excess to the administrative costs of the Service. Several years ago, in an agreement between the Service and the state fish and wildlife agencies, an administrative grant program was created so that excess administrative funds could be pooled to fund projects that benefitted a majority of the states, rather than be fed into the regular state apportionment stream. The concept is a good one and the grant program has produced quality products.

However, the administrative grant program was not created by specific Congressional authority nor by formal rulemaking, hence it has been implemented with only the Service's and the state's interests taken into account. Furthermore, the states are not the beneficiary of all of the excess funds. There is a strong belief that the Service has used PR funds to cover the costs of Service needs extraneous to the administration of the Federal Aid programs. This is not the intent, nor the specific reading of PR. The NRA has no objection to pooling administrative funds for a multi-state project, however one needs to be mindful that the PR trust fund was created to support wildlife restoration programs at the state level, not for the benefit of a federal agency. To continue such a practice is a breach of good faith and trust with all those who pay PR excise taxes who are the firearm owners and sportsmen of this country and NRA members.

There are other issues that have been raised over time with respect to the administration of the grant program, even issues raised by the Service. Although the public was invited to comment on a series of proposed options for management of the administrative grant program, the Federal Register notice was not a formal rulemaking. Hence, those who have a vested interest in how their excise tax dollars are being spent—that is, the firearm owners and sportsmen—are not being included in

the discussions. With this testimony, the NRA attaches its comments on the Federal Register notice detailing its concerns with the program.*

With the exception of the administrative funding issue, the NRA fully supports the language in Title III. It meets the desire of the hunting community to find funds sufficient to address the needs of all wildlife with special focus on nongame and threatened and endangered species. It provides relief to the hunter who has shouldered the responsibility for wildlife conservation and restoration. By amending PR, S. 25 also acknowledges and protects the vital role that the hunter plays in the conservation of our nation's fish and wildlife resources. The NRA offers its assistance to the Chairman in helping to make the goals and objectives of S. 25 a reality.

STATEMENT OF THOMAS JERVIS, PH.D., PRESIDENT, NEW MEXICO AUDUBON COUNCIL, LOS ALAMOS, NM

Dear Mr. Chairman and members of the committee, I appreciate the opportunity to testify on behalf of the wildlife that is valued by all New Mexicans and indeed by all Americans. My name is Thomas Jervis, and I am President of the New Mexico Audubon Council, representing five chapters of the National Audubon Society in New Mexico and over 4,000 New Mexicans who are dedicated to conserving and restoring natural ecosystems, focusing on birds, other wildlife, and their habitats for the benefit of humanity and the Earth's biological diversity.

I believe that these two very significant pieces of legislation before the Committee would establish permanent funding mechanisms for the purchase of land for open space, bird and wildlife habitat, and for the management of that habitat for wildlife.

Stable and long-term funding for non-game wildlife habitat and management is an important national issue. I have three points that I would like to make:

- Demands for non-consumptive wildlife services are expanding while funds for the state game management agencies that have traditionally monitored nongame wildlife are declining;
- Understanding and active management of non-game wildlife is the best preventive medicine to forestall the more drastic provisions of the Endangered Species Act (ESA); and
- The Land and Water Conservation Fund is an appropriate vehicle to provide permanent funding for the acquisition of habitat and the management of nongame species.

Game departments across the nation are being squeezed by two opposing forces. On the one hand, Pittman-Robertson and Dingell-Johnson funds, ninety-five percent of which have traditionally gone to management of game species, are not nearly adequate to cover the increasing demands from non-consumptive wildlife enthusiasts, the millions of bird and butterfly-watchers, those interested in native plant species, photographers, and others who enjoy the sight of wildlife in its native habitat. On the other hand, as the numbers of hunters and anglers declines, the very Game departments across the nation are being squeezed by two opposing forces. On the one hand, Pittman-Robertson and Dingell-Johnson funds, ninety-five percent of which have traditionally gone to management of game species, are not nearly adequate to cover the increasing demands from non-consumptive wildlife enthusiasts, the millions of bird and butterfly-watchers, those interested in native plant species, photographers, and others who enjoy the sight of wildlife in its native habitat. On the other hand, as the numbers of hunters and anglers declines, the very source of these funds is declining. These funds remain adequate to support the state game programs—no new federal program is needed to fund game management. However a comparable, broad-based system of funding must be found to support the demand from the increasing number of Americans who enjoy wildlife for its own sake and who want habitat protected and managed for that wildlife.

In 1992, a study by the Wildlife Management Institute pointed out many problems in the New Mexico Department of Game and Fish. Among those was the complete reliance of the Department on license fees and federal funds for its operations. Subsequent to that report, and with the active support of organizations like the Audubon Society, the New Mexico Legislature created the Conservation Services Division within the Department with General Appropriation funding. Since its inception, that funding has always been inadequate and a year ago was line-item vetoed by the Governor. This year, no funds were requested from the General Appropriation. As a result, the only funding for non-game wildlife in the State of New Mexico is for the endangered species program—the last line of defense for organisms in danger of extirpation.

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*The comments have been retained in committee files.

New Mexico is not unique in this regard. All over the nation, and particularly in the West, rapid growth and development is putting pressure on wildlife habitat in ways that we little understand. While much is known about the food and habitat requirements of game species such as deer and trout, very little is known about the requirements of the much greater number of species that are neither hunted nor fished. Too often, we do not even hear about these species until their status becomes critical. As a result, confrontations that could have been prevented by timely knowledge and preventative management actions polarize our communities. Lawsuits to enforce the provisions of the ESA result in enormous expenditures by Federal land-management agencies that could far better use those resources to manage the land.

Scientific understanding of the status of the thousands of non-game species of wildlife and plants is the key to reducing the level of confrontation over the enforcement of the ESA. Only when we know, well in advance, of declines in populations of particular species can we begin to make progress in reducing the tide of extinctions that has been the hallmark of the last 100 years of our wildlife history. There is nothing inevitable about the extinction or endangerment of species and there need be no conflict between species and habitat preservation and economic growth. However, the present state of knowledge of our environmental heritage is so meager that rational decisions cannot be made and the result is continuing conflict.

The ESA can help species on the brink, as it has for the Bald Eagle; but for those species that will be the subject of contention in the next century, understanding and action now can eliminate the need to invoke the ESA. There are 90 domestic bird species on the endangered species list. (75 endangered, 15 threatened) The United States Fish and Wildlife Service lists another 124 species of migratory nongame birds on their list of migratory nongame birds of management concern. These birds are in the Emergency Room and the cost of saving them will be significant, if indeed it can be done. What is needed, and what S. 25 and S. 446 can provide if crafted carefully, is a program of preventive medicine that will reduce the need for that emergency room and keep our wildlife populations healthy and a continuing source of enjoyment for Americans in the next century and the next millennium. Also needed is a program to provide private landowners with incentives to go beyond the minimum requirements of the ESA in protecting wildlife habitat.

Last October, I testified before the Legislative Finance Committee of the New Mexico Legislature in favor of General Appropriation funding for the Department of Game and Fish, particularly for the non-game programs of the Department. I took this step because I believe that the wildlife of the State of New Mexico belongs to all of its citizens, not just to hunters and anglers, and that all those who appreciate wildlife should do their part to support the programs of the Department. The same argument is true on the national level. Because our wildlife heritage belongs to all of us, it is appropriate that a broad-based source provide funding for habitat acquisition and wildlife management.

I strongly urge you to construct legislation that provides permanent funding for habitat acquisition and management for non-game wildlife. A minimum of $900 million each year should be available for the Land and Water Conservation Fund. At least half of this money should be allocated to federal land acquisition and the remainder to the states for non-game wildlife management and habitat acquisition. No geographic restrictions should be placed on expenditures of these funds, nor should land purchases be restricted to in-holdings. These funds should be available for use on all current and future National Wildlife Refuges.

In sum, America's wildlife heritage belongs to all Americans, whether they are hunters, anglers, birdwatchers or butterfly-chasers. By providing a stable and permanent source of funding for wildlife and habitat through the Land and Water Conservation Fund, the Congress can reverse the historical trend of species extinctions and begin to stabilize the status of our wildlife heritage. Adequate funding for wildlife studies and habitat preservation can reduce conflicts that develop when species become endangered. I thank you for the opportunity to present these views to the Committee.

STATEMENT OF HON. JOHN A. KITZHABER, GOVERNOR, STATE OF OREGON

Mr. Chairman, thank you for holding hearings on the various proposals to share Outer Continental Shelf (OCS) revenues for the purposes of coastal impact assistance, investment in the Lands and Water Conservation Fund and wildlife conservation. I strongly support the concepts these proposals embody of reinvesting revenue from non-renewable resources into protecting and enhancing our nation's natural resources.

I also want to commend you and the other bill sponsors in both the Senate and House on the bipartisanship, cooperation and inclusiveness that have been hallmarks of the process and dialogue which has now been going on for several months regarding the redirection of OCS revenues.

Rather than speak to the specifics of each bill or proposal, I would like to share with the Committee my comments and legislative principles, which I believe, are shared by most Oregonians. I would like to have these submitted for the record and I would welcome any opportunity to work with you further as your bill go forward.

COASTAL/MARINE CONSERVATION AND RESTORATION

There are many environmentally sensitive areas in the coastal and marine environments with critical conservation and restoration needs. Coastal communities are currently ill equipped to deal with the tremendously difficult growth issues and species protection and restoration issues that they face. Coastal impact assistance resources are badly needed to build the capacity and capability in coastal local governments and state agencies to effectively address both overall coastal community growth issues and the more specific species protection/habitat/water quality issues which are so important in the Pacific Northwest. Creating a revenue sharing fund for coastal states and eligible local governments will support collaborative, comprehensive natural resource conservation planning and implementation in one of the nation's most rapidly growing areas—our coastal regions. These important planning efforts can then provide the foundation and guiding framework for targeting and prioritizing environmental enhancement and conservation work.

MAINTAINING MORATORIA ON OIL AND GAS DRILLING

Oregonians, in my judgment, want assurance the revenue sharing process established will not create any incentive for new OCS oil and gas development, nor have any impact on current OCS leasing moratoria or the President's Executive Order concerning OCS leasing. This can be best achieved with strong statutory language, n6t merely legislative findings.

In this regard, I strongly support the Western Governors' Association's policy recommendation that "the allocation of revenues should not be constructed so as to provide an incentive for increased leasing, nor should it affect current moratoria on offshore oil and gas leasing."

In addition, I believe an equitable distribution of OCS impact assistance funds should properly account for proximity to production, as well as coastline miles and population. But, I believe these funds should be used for environmental enhancement and mitigation rather than economic development. These funds should not be used to subsidize environmentally harmful infrastructure development.

THE LAND AND WATER CONSERVATION FUND

The Land and Water Conservation Fund (LWCF) has a 35-year tradition of providing a cornerstone for conservation and recreation. Today in Oregon, we see tremendous population growth and an increasing need for public outdoor recreation areas. Oregonians strongly favor programs which retain maximum decision-making authority and priority setting at the state rather than federal level.

The states conduct State Comprehensive Outdoor Recreation Plans (SCORP) to gather public involvement and local priorities. The plans allow for dollars to go to the highest priorities and needs of the people and land.

With dedicated funding at authorized levels, The Land and Water Conservation Fund, the Urban Parks and Recreation Recovery Program and the Payment In Lieu of Taxes program are elegant in their simplicity, have solid grass roots support in Oregon, and all work well enough that they may need only minor fine tuning and operational improvement. Please keep these aspects and in mind as you continue to work on this legislation.

I believe, with regard to the federal side of the LWCF program, there should be no restrictions as to the geographic location of land acquisitions. Every region of the country has needs and Congress should not reserve any percentage of federal LWCF for a particular region. In addition, I would hope that the legislation would not create a cumbersome process requiring congressional approval for federal land acquisition by setting low dollar thresholds for projects needing separate Congressional authorization.

WILDLIFE CONSERVATION

In order to avoid additional bureaucracy, and because of its proven track record, the Pittman-Robertson Program should be used as a model for dispersal of wildlife

conservation funds. A separate account, with its own review process, can be established for these funds.

All states will benefit from legislation that will move us past the divisive game vs. nongame debate and permit the individual states to exercise their discretion for wildlife program funding. Oregonians want to keep species off the threatened and endangered list, but insensitive growth and development increasingly threatens both game and nongame wildlife habitat. In Oregon, a group of over 200 businesses, organizations and communities—Teaming With Wildlife—have joined forces to explain that the Title III of S. 25 and H.R. 701 is not a "hook and bullet" program augmentation, but a serious, new stewardship commitment to habitat and species protection. Birding, hiking, photography and other eco-tourism grounded activities loom large in Oregon's thinking about sustainable communities. I would urge you to support the use of at least 10 percent of the OCS revenues for wildlife conservation.

With the proviso that there is appropriate collaboration with the states and other stakeholders, we have no objection to the Department of Interior or other federal agencies providing additional program guidance under any section of this new legislation. We believe that the development of state plans is a reasonable requirement for the receipt of funds under this legislation. We support federal monitoring (state reporting) for both program effectiveness and fiscal accountability.

BUDGET

I join with the National and Western Governor's Associations in stating that permanent appropriations must not be offset with reductions in other vital state interests, public service and environmental protection.

I believe it is important to point out and to encourage legislation which recognizes that individual states must deal with different problems and that Governors must be allowed maximum flexibility, within national standards, to target the areas where there is the most critical need. Coastal states face unique challenges like managing development associated with rapid population growth, coastal erosion, storm damage, and polluted runoff and endangered species.

I strongly urge the congressional sponsors and the Clinton Administration to work together with the states to craft a final measure that would provide states with a meaningful share of OCS revenues to address both coastal resources needs and other critical natural resource priorities nationwide. I would be happy to work with the Committee in that regard. Thank you for your efforts in moving toward achievement of these worthy goals.

STATEMENT OF JOHN SHIVELY, COMMISSIONER, ALASKA DEPARTMENT OF NATURAL RESOURCES

Thank you for the opportunity to submit written testimony on the Conservation and Reinvestment Act of 1999, S. 25. On behalf of the State of Alaska, this testimony addresses Titles I and II of the bill. Wayne Regelin, Director of the Division of Wildlife Conservation of the Alaska Department of Fish and Game, will provide the state's testimony on Title III.

The State of Alaska strongly supports provisions in this bill to increase Outer Continental Shelf (OCS) oil and gas revenues to state and local governments as well as provisions to invest in wildlife and land conservation. Alaska's Governor Tony Knowles firmly believes that states and local governments subjected to the risks of offshore exploration and development should also share the revenues collected from those activities. This bill reinvests revenue from oil and gas, a nonrenewable resource, into renewable resources. It increases revenues to states and communities, provides funding for land-based conservation and recreation programs, and establishes a wildlife-based conservation and education program.

Under section 8(g) of the OCS Lands Act, 27 percent of the federal revenues received from oil and gas activities in the area three to six miles from shore currently return to the state. This bill, however, would provide revenue to the state and local governments from activities in the entire OCS. The distribution of revenues authorized by section 8(g) has been an important source of income to states including Alaska. Expansion of this revenue sharing provision to the entire OCS will ensure that states and localities that receive or could receive the impacts of oil and gas activities share the benefits. States and localities have not received any of the revenues from activities occurring outside the "8(g)" zone.

Increased revenues to state and local governments will provide much-needed funds to plan for upcoming OCS development proposals, ensure adequate reviews of proposed developments continue, and provide research funds to answer important

questions about the effects of oil and gas development. In addition, these funds will help states and communities respond to increased needs for infrastructure resulting from oil and gas activities, maintain adequate response equipment and readiness, and mitigate for other environmental, social and infrastructure impacts of OCS activities.

We are aware of opposition to this bill by some groups because of the perception that it will provide incentives for states and local governments to support OCS oil and gas development. For Alaska, this legislation would clearly provide additional revenues to the state and local governments, but rather than providing an incentive for OCS development, it would provide a more equitable distribution of the revenues to those who face the impacts and risks of development. The State of Alaska, local governments, and the people of Alaska will continue to demand adequate environmental protection for all OCS exploration and development proposals. These protections include careful consideration of subsistence resources and uses, substantive efforts to prevent oil spills, state-of-the-art leak detection for pipelines and storage tanks, adequate capabilities to respond to an oil spill, prevention of habitat damage, adequate control of air contaminants, and proper disposal of wastes. Receiving funds from OCS leasing to help address these issues seems logical to us.

My testimony begins with a brief history of efforts to expand the distribution of OCS revenues to state and local governments. It continues with a description of impacts facing states and localities. Then I will present the State of Alaska's specific comments on Titles I and II followed by concluding remarks.

HISTORY

Since the first lease sales in the OCS, states and local governments have consistently requested a greater share of OCS revenues. For Alaska, the first OCS sale occurred in 1979 with the joint federal-state Beaufort Sea Sale.

During the early years of OCS leasing, states focussed their energy on retaining the right to review federal offshore lease sales for consistency with state coastal management programs. Congress substantiated the rights of states to review OCS lease sales in 1990 with the reauthorization of the federal Coastal Zone Management Act.

Also in 1990, a presidential declaration required preparation of a legislative initiative to provide a greater share of revenues to communities directly affected by OCS development. In response to this declaration, the Department of the Interior submitted an impact assistance proposal to the 102nd Congress. Congress has considered several proposals to increase OCS revenue sharing, but none of these bills have been passed into law.

The OCS Policy Committee, a committee of state and private members that advises the Secretary of the Interior on OCS matters, supported increased revenue sharing with states and local communities. The October 1993 report of the OCS Policy Committee's Subcommittee on OCS Legislation, The Outer Continental Shelf Oil and Gas Program: Moving Beyond Conflict to Consensus, outlines the Committee's revenue sharing recommendations. The OCS Policy Committee includes a representative from the State of Alaska as well as representatives from other coastal states.

The OCS Policy Committee continued its support for revenue sharing after it approved the 1997 Coastal Impact Assistance report to the OCS Policy Committee from the Coastal Impact Assistance Working Group. Many of the recommendations in that report are reflected in the bill before the committee today.

IMPACTS FACING STATE AND LOCAL GOVERNMENTS

States and communities adjacent to OCS oil and gas activities receive many types of impacts both large and small. While OCS oil and gas development can provide substantial benefits to Alaskans, these benefits do not come without costs.

During construction, increased demand for infrastructure and services occurs throughout the state. An influx of workers to an area results in increased demand for facilities and municipal services such as housing, schools, roads, water and sewer facilities, recreational facilities, and health services. Private businesses in local communities and larger urban centers that are dependent on oil money, such as restaurants and support business, would be affected when construction ceases or when fields decline.

Facilities solely within the OCS, such as production islands, escape taxation because they are outside state and municipal boundaries. As related onshore facilities age, income to communities decreases because depreciation of those facilities reduces the local tax base.

Perhaps one of the most serious impacts of offshore oil and gas development is the threat of an oil spill. Proper planning and vigilant oversight by federal and state

regulators will prevent a major oil spill from occurring. Although the ability to prevent and respond to oil spills has greatly improved in recent years, the threat of oil spills continues to be an important issue for many Alaskans.

State and local governments need to play active roles in oversight of exploration and development activities to minimize the likelihood of a major oil spill.

Other environmental effects of OCS development include increased air pollution, short-term water quality problems, possible displacement of fish and wildlife, and alteration of habitat. Pipelines and associated roads can cover large distances and result in impacts from traffic and access to areas previously inaccessible.

A sometimes-overlooked effect of OCS development relates to government oversight and monitoring. Local and state governments must work closely with applicants during the planning process for the development. Once project applications have been submitted, government agencies must complete rigorous reviews of project proposals. Throughout the life of the project, local and state government staff provide oversight and monitoring.

Some cultural concerns about OCS oil and gas development exist in Alaska. OCS activities could have cultural effects by temporarily disrupting subsistence activities or bringing additional pressure on fish and wildlife resources because of non-local harvesters. Inadvertent damage to cultural, historic or archaeological sites could occur including exposure of sites that will require further protection.

Obviously revenue sharing funds could assist the state and local governments in mitigating these concerns. This support is important because these governments are "the front line troops" that deal with these risks and opportunities.

TITLE I: IMPACT ASSISTANCE

This title of the bill provides a remedy for a long-standing inequity in distribution of OCS revenues. It increases current revenue sharing provisions for activities occurring in the area three to six miles from shore to the entire OCS. Other than revenues received under the "8(g)" provisions of the OCS Lands Act, state and local governments have few means to recover costs of OCS activities besides taxation of shore-based facilities. The State of Alaska supports the intent of the bill and many of its provisions.

Considering the wide diversity of needs in Alaska and the various types of environmental, social and economic impacts facing the people of the state, the State of Alaska supports increasing the revenue sharing provisions for oil and gas activities in the OCS. We appreciate the flexibility in the bill that would enable communities to use the funds for purposes that best suit their needs.

Revenues received from states and local governments from this provision could be used to plan for OCS development, review proposed developments, complete research to answer pertinent questions, and conduct monitoring. Funds could be used to improve oil spill response equipment and training and improve much needed community services or facilities. For example, in his recent comments on the offshore Northstar Development Project, Kaktovik Mayor Lon Sonsalla identified a number of facilities for his community in the North Slope Borough that could be improved using impact assistance funds. He noted the need for expansion of the community center and improvements to school facilities. These kinds of basic facilities could be funded through the revenue sharing provisions of the bill.

Because of the immense size of the State of Alaska and the wide geographic areas affected by oil and gas transportation systems, many communities either experience or could experience impacts from OCS leasing. For the foreseeable future, OCS developments in Alaska would likely tie into existing pipeline and marine transportation systems in Cook Inlet or in the North Slope. Existing oil and gas transportation systems in Alaska include pipelines located in and around Cook Inlet, pipelines on the North Slope including the network of pipelines from the Alpine Development Project to the east to the Badami Development in the west, the Trans-Alaska Pipeline System, and tanker travel out of Prince William Sound and Cook Inlet.

The State of Alaska will submit more specific comments about the revenue sharing provisions of the bill in the near future. Because of Alaska's unique circumstances, we hope to work with you and the committee staff to devise appropriate means to identify and target communities impacted by OCS oil and gas development.

TITLE II: LAND AND WATER CONSERVATION

The State of Alaska supports this title of the bill and has no major concern over provisions within this title. The Land and Water Conservation Act funds such programs as state and local parks, green space expansion and park facilities for urban and non-urban areas. It also provides funds for acquisition of lands and waters for

the National Park System, National Wildlife Refuge System, and other land conservation units. We support this stable and predictable funding program.

The Land and Water Conservation Fund Stateside Program has provided $28,138,463 to the State of Alaska since the program began in 1965. Half of the funds have been granted to 44 local Alaskan municipalities and villages and half have been invested into 44 different units of the Alaska State Park system. A total of 450 different grants were made between 1965 and 1995, the last year there was money distributed to the state for this program. A number of examples of the uses of these funds illustrate how important they are to the State of Alaska.

- Chester Creek Park and Greendelt in Anchorage: $1,272,127 for land acquisition for the trail through town, tennis courts, a hockey and softball complex, a picnic area, and a playground.
- Eaglecrest Recreation Area in Juneau: $743,698 for a ski lift, the lodge, a warming hut, trail construction, and facilities such as the maintenance buildings.
- Alaskaland in Fairbanks: $400,000 for the marina and theme park.
- Klawock Ballfield: $64,900 for construction of the ballfield.
- City of Old Harbor/Glacier View Park: $45,056 for playground, basketball/volleyball court, picnic area, and parking.
- City of Nondalton Community Park: $61,391 for playground, ballfield, picnic area, and a shelter.
- Chugach State Park: $2,352,260 for trails, restrooms, parking, campgrounds, water wells, and land acquisition.

We note that the State of Alaska has in place a granting procedure to administer this program including staff already trained in the Land and Water Conservation Fund stateside granting process. Therefore, no start-up time is needed to get the funds distributed to municipalities and villages. The state has just completed its Statewide Comprehensive Outdoor Recreation Plan (SCORP) as required by existing Land and Water Conservation Fund regulations. We appreciate the provisions within the bill that allow these plans to stand for five years until a new state action plan is developed.

The state appreciates concerns about possible effects of the bill to private property rights. The companion bill to this legislation addresses concerns about possible abuse of this purchasing authority by federal agencies by including four controls in the bill. First, no lands can be taken through condemnation—there must be a willing seller before lands may be purchased. Second, two-thirds of the federal Land and Water Conservation Fund money must be spent east of the 100th meridian. Third, any expenditure for federal land acquisition over one million dollars must have approval of the Resources Committee. Lastly, no federal purchase outside of CSUs may be made without congressional authorization.

The state supports a provision for funding historic preservation projects through the National Historic Preservation Act. This program has historically been funded through OCS revenues. We support continued use of these revenues to support historic preservation projects and respectfully suggest this provision be added to S. 25.

Alaska has historically not been eligible for Urban Parks funding. Its population has grown so that it would now be eligible, but funding possibilities are extremely low as the program is targeted for inner-city blight and redevelopment on the eastern seaboard. Therefore, we would support changing the formula in S. 25 to match the House language, which bases 20 percent of the funding on the ratio of a state's acreage to the total U.S. acreage.

CONCLUSION

In conclusion, the State of Alaska strongly supports this legislation. It is only right that the people who receive the impacts and risks of OCS oil and gas development also receive an adequate share of the rewards. This bill recognizes the importance of providing revenue to both state and local governments. Revenues passed through to state and local governments could be used for a wide variety of uses that would improve the standard of life for Alaska's residents and respond to environmental and economic impacts of OCS development.

We view this legislation not as an incentive to OCS development, but as a more equitable distribution of revenues to the people who receive the impacts of OCS oil and gas development. Increased revenues to the State of Alaska and local governments will not diminish the interest of the residents of Alaska to "do it right." We will continue our vigilance to ensure that oil and gas development provides the maximum benefits to the economy with the least amount of negative environmental, social, and economic impacts.

The State of Alaska supports provisions in the bill to promote land-based conservation and recreation programs such as the Land and Water Conservation Fund and the urban parks. Also, we support provisions in the bill to establish a wildlife-based conservation and education program.

In conclusion, the State of Alaska supports this bill and appreciates the work of committee members and staff on this important legislation. This written testimony addresses Titles I and 11 of S. 25, the Conservation and Reinvestment Act of 1999. As stated previously, Wayne Regelin of the Alaska Department of Fish and Game will provide the State of Alaska's testimony on Title III of the bill.

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